SENATE—*Monday, November 22, 1993*

The Senate met at 4 p.m. and was called to order by the Honorable HARLAN MATHEWS, a Senator from the State of Tennessee.

PRAYER

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

Let us pray:

* * * *except the Lord keep the city, the watchman waketh but in vain.*—Psalm 127:1.

Eternal God, the minds and hearts of a nation are recalling, with sadness, the tragedy that took place in Dallas, TX, 30 years ago. May we hear the words with which President Kennedy intended to close a speech that day:

We in this country, in this generation, are—by destiny rather than choice—the watchmen on the walls of world freedom. We ask, therefore, that we may be worthy of our power and responsibility, that we may exercise our strength with wisdom and restraint, and that we may achieve, in our time and for all time, the ancient vision of peace on Earth, good will toward men. That must always be our goal * * *. For as was written long ago, "Except the Lord keep the city, the watchman waketh but in vain."

Mighty God, we pray that such a tragedy will never happen again. We ask for your protection for the President, the Vice President, Members of Congress and the Supreme Court, and for all who bear public responsibility. And we pray for a fresh visitation of the Spirit of God upon our Nation which will restore our sanity and peace.

In the name of Him who is the Prince of Peace. Amen.

APPOINTMENT OF THE ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, November 22, 1993.

To the Senate:

Under the provisions of rule 1, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HARLAN MATHEWS, a Senator from the State of Tennessee, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. MATHEWS thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

EXPRESSION OF GRATITUDE TO THE SENATE CHAPLAIN

Mr. MITCHELL. Mr. President, I know that I speak on behalf of every Member of the Senate when I express my gratitude to our beloved Chaplain, Reverend Halverson, for his remarks today and every day, and for his spiritual efforts in our behalf. His has been a difficult and often lonely task, one which has not received the recognition and gratitude which is earned and deserved, and therefore I wish to take this occasion to thank Reverend Halverson from the bottom of my heart on behalf of all Members of the Senate.

We thank you for your service to the institution and to the individual Members here.

The ACTING PRESIDENT pro tempore. The Republican leader.

Mr. DOLE. Mr. President, let me join in the remarks of the majority leader, and let me also suggest that as I look at Dr. Halverson, he is getting stronger and stronger each day. He tells me he is feeling better, and that is even more important. So we wish him and his family happy Thanksgiving; that he will enjoy his holiday season.

EXECUTIVE SESSION

NOMINATION OF NORMAN E. D'AMOURS

Mr. MITCHELL. Mr. President, I now ask unanimous consent that the Senate proceed to executive session to consider the following nomination:

Calendar No. 517, Norman E. D'Amours, to be a member of the National Credit Union Administration Board.

I further ask unanimous consent that the nominee be confirmed; that any statements appear in the RECORD as if read; that upon confirmation, a motion to reconsider be laid upon the table; that the President be immediately notified of the Senate's action; and that the Senate return to legislative session.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

The nomination was considered and confirmed.

LEGISLATIVE SESSION

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will return to legislative session.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I now ask unanimous consent that there be a period for morning business during which Senators be permitted to speak therein for up to 10 minutes each.

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

LEAKING OF CLASSIFIED INFORMATION

Mr. MITCHELL. Mr. President, last month, several newspaper articles were published which contained classified and sensitive information which was leaked from a briefing given to Senators and staff by the Central Intelligence Agency. It is disheartening to have to remind the members of the Senate and the staff who serve us that leaks of classified information are shortsighted, destructive, and illegal. Nonetheless, one or more individuals deliberately disclosed classified information from a Senate briefing, and those individuals may have been Senators or Senate employees. An investigation of those leaks is underway; however, given the nature of leaks to the media, it will be difficult to identify with certainty the guilty party or parties.

As I have stated before, I will not tolerate leaks of classified or confidential Senate business in my office. I consider it the responsibility of every Senator to do the same in his or her office. The Republican leader and I recently sent a letter to all Senators regarding leaks, and I would like to read from that letter now, for the benefit of those Senators and staff who have not yet seen it.

Simply put, there is no justification whatever for any Member or employee of the Senate to disclose classified information to the media or to the public. Unauthorized disclosure of classified information is a violation of Senate security regulations, the Standing Rules of the Senate, and of Title 18 of the U.S. Code. There is no exception to these restrictions for furthering or undermining policy goals, however, noble the intentions of the leaker. The unauthorized disclosure of classified information can cost money, security and, sometimes, human life.

In addition to the disclosure of classified information, we also are concerned about the disclosure of the confidential business or proceedings of the Senate. Senate Rule XXIX

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

was amended just last year to stiffen the penalties for disclosure of such information. Senate Rule XXIX, paragraph 5, states:

"Any Senator, officer or employee of the Senate who shall disclose the secret or confidential business or proceedings of the Senate, including the business and proceedings of the committees, subcommittees, and offices of the Senate, shall be liable, if a Senator, to suffer expulsion from the body; and if an officer or employee, to dismissal from the service of the Senate, and to punishment for contempt."

We will seek punishment under Rule XXIX for any Senator, officer, or employee of the Senate found to have leaked classified or confidential information. Our own staff are aware that we will not tolerate such leaks under any circumstances. We ask that you make your staff aware of your own commitment to this principle.

Various Executive Branch departments and agencies regularly share with Members and employees of the Senate classified information of great sensitivity. It would not be possible for Senators to make well-informed decisions on matters of national security in the absence of such information. However, absent some assurance that classified information will be afforded appropriate protection by the Senate, Executive agencies will become more hesitant to share with us the most sensitive information. If we are to continue receiving such information, we must demonstrate that we can be entrusted with it.

Also of vital importance to the Senate and to the national security is the free exchange of views between the Senate and the Executive Branch, and candid discussions among Senators on issues of national security. The Senate is, of right and necessity, a partner in the information of U.S. national security policy. It is in the interest of the Senate and of the President—any President—that there be an appropriate, private forum for the free and candid exchange of ideas, opinions and differences. During classified briefings, many Senators, and Executive branch officials, make candid remarks which contribute to policy discussions and are not intended for public disclosure. When such remarks, even when unclassified, are leaked to the media, the result can be a stifling of debate and the exchange of views. This benefits neither the Senate nor the national security.

It is our view that such discussion is protected by Rule XXIX, and therefore should not be publicly disclosed without leave of the Senate.

We sincerely hope that you will help us to ensure that the classified and confidential business of the Senate is afforded the protection required by Senate Rules and federal statutes.

Mr. President, that is the conclusion of the letter sent to all Senators, and signed by myself and Senator DOLE.

Mr. President, I conclude by reiterating that disclosure of classified information is a criminal act. Violations of Senate rule XXIX will be pursued aggressively by the leadership, and evidence of criminal activity will be referred for prosecution.

Mr. President, I yield the floor.

Mr. DOLE addressed the Chair.

The ACTING PRESIDENT pro tempore. The Republican leader.

Mr. DOLE. Mr. President, Harry Truman once said that "If you want a friend in Washington, DC, buy a dog."

Well, as anyone who served in the House of Representatives in the 1960's or 1970's could tell you, if you wanted a friend in Washington, all you had to do was to know Ernest Petinaud.

Ernie passed away on November 4, and I just wanted to take a minute of the Senate's time to remember this remarkable gentleman.

Ernie saw a lot of history in his time. He was born in Panama in 1905, and came to Washington, DC in the mid-1920's, where he found work in the House of Representatives dining room.

From 1930 to 1938, Ernie served as a steward on ships sailing the St. Lawrence River and the Great Lakes. He then returned to the House of Representatives as a waiter, was made maitre'd in 1962, and served in that position until his retirement in 1973.

Ernie came into contact with Congressmen, Senators, and Presidents during his career, and a lot of good people all over America, and all regarded him as a friend. I remember that President Bush was a special friend of Ernie's, and took great care to remain in contact with him.

Upon his retirement, Ernie was honored with the designation of the "Petinaud Room" in the Capitol, and a plaque in his honor was placed in the Hall of Fame in the Capitol.

Ernie was very involved in the community through his membership in the Masons, the Shriners, and his work on behalf of the Plymouth Congregational United Church of Christ.

Ernie's funeral services were held in that church this past Saturday, where I joined many others such as former Speaker O'Neill, Congressman STOKES, former Congressman Clarence Bud Brown, Cokie Roberts—whose father and mother served in Congress—all of whom were very close friends of Ernie Petinaud.

We were all there along with dozens and dozens of others to remember a man we were all fortunate and proud to call our friend.

TRIBUTE TO OFFICER LEON MONROE

Mr. DOLE. Mr. President, when Congress returns in January, the U.S. Capitol will be a very different place. It will be different because Officer Leon Monroe will not be at his post.

Officer Monroe has served as a member of the U.S. Capitol Police since January 7, 1974, and will retire upon his 20th anniversary in the Capitol.

Officer Monroe has been recognized time and again for his diligence and professionalism. I am told his personnel file is full of letters from citizens and Members of the House and Senate, complimenting the superb manner in which he carries out his duties.

He has also shown concern for his coworkers by donating his leave to those who have experienced extended absences because of illness or injury.

Officer Monroe also served his Nation for many years in the U.S. Air Force. He and his family are very deserving of retirement years rich in health and happiness.

I know I speak for all of my colleagues who see Officer Monroe every time they leave the Capitol, every night they leave the Capitol. We wish him a very happy and well deserved retirement.

Mr. BUMPERS. Mr. President, will the minority leader yield?

Mr. DOLE. I am happy to yield to the Senator, Senator BUMPERS.

Mr. BUMPERS. Mr. President, I want to echo what the distinguished minority leader has said about Officer Monroe. Certainly he has been on that front door, I think, ever since I came to the Senate. He has shown unbelievable patience with Senators. He is consistently friendly, always courteous, polite, and helpful, not only to Senators but to all people. In all candor, I cannot say that about every member of the Capitol Police. But he is one of the very best people I have known since I have been in Washington.

And I am very happy to be able to extend my best wishes to him in his retirement, along with those of the minority leader.

Mr. DECONCINI. Mr. President, will the minority leader yield?

Mr. DOLE. Yes.

Mr. DECONCINI. Mr. President, I want to also add my congratulations to Officer Monroe, and to the Capitol Police, for the fine job so many of them do in our behalf, in behalf of our safety and security, and that of the public as well.

Officer Monroe has been here longer than I have. That is 17 years. He always has a smile on his face. I do not care how tired he is, or even when he has been under the weather with ill health or a cold, or something. He is always there to assist Members, spouses and families, and constituents.

I thank the minority leader for bringing it to the attention of the Senate, and I wish him every success in his retirement. It is well deserved.

Mr. DOLE. Mr. President, I thank my colleagues from Arkansas and Arizona. And many of my colleagues will join in making statements or extending their best wishes.

Officer Monroe even puts up with my dog.

So he is an outstanding officer, and we will miss him.

HEALTH CARE REFORM

Mr. DOLE. Mr. President, as the end of the first session of the 103d Congress comes to a close, I am pleased to be a cosponsor of two major pieces of health legislation—one introduced by Senator JOHN CHAFEE of Rhode Island and one introduced by Senator DON NICKLES of Oklahoma.

The purpose of my cosponsorship of more than one piece of legislation is not to add confusion to an already very complex issue, but rather to underscore the basic principles that I believe are essential to real health care reform.

Mr. President, by cosponsoring both plans, I want to encourage the creativity that will be essential to expanding coverage, restraining runaway health care costs, and preserving quality, choice, and jobs.

I have always said that there are a lot of good ideas out there on health care reform for a long time.

They were expressed last year, the year before that, the year before that, and now they are being expressed—yes. By the President and Mrs. Clinton; yes, by Members of the House, Republicans and Democrats, and in some cases bipartisan efforts in the House; and, yes, by a number of our colleagues on both sides of the aisle in the Senate.

Mr. President, while there are some differences between different pieces of legislation, and some difference between these two pieces of legislation, Senator CHAFEE and Senator NICKLES, I join in cosponsoring both because I believe that at this early stage in the debate we cannot afford to take any promising approaches off the table.

They ought be on the table. It is going to be a long, long debate. In my view, the American people may have been a little bit confused and may still be a little bit confused. We just assigned the bill, I guess to the Finance Committee—I hope that is the committee it was assigned to—on Saturday evening.

So the hearings will start in January in earnest. And there will be months and months and months of hearings before we even vote.

So I guess one thing I would caution the American people on is that it is not going to be a vote next week or next month. There may be a vote next year. So we have a long, long way to go.

The Chafee-Dole plan contains a lot of good ideas. There is no doubt about it, no one on our side of the aisle has worked harder on health care than JOHN CHAFEE.

The Nickles bill is another shot in the arm to the national health care dialog, and it shares a lot of common ground with the Chafee plan—in particular, one principle I believe is paramount to health care reform, and that is individual responsibility.

The President talked about individual responsibility when he addressed the Nation on health care. It was the last of six points on his list. In my view, it should have been up a little higher.

In addition, neither bill has employer mandates or price controls, but both reform the insurance market so that health insurance is more accessible, more affordable and more secure for many more Americans. Both bills contain costs through malpractice and antitrust reform, as well as through the simplification of paperwork.

No doubt about it, a lot of good ideas have been put forward. The alternatives by Senator GRAMM, Senator BREAUX, Congressman COOPER, and the House Republican leadership, as I indicated before, have also been constructive additions to the discussion.

Now that these plans, as well as the administration's plan, are in written text and we finally have the language, we look forward to receiving some very valuable feedback from people all across America—doctors, nurses, hospital administrators, insurance people, consumers, senior citizens, workers, whatever—because this is a very important piece of legislation. We hope we will receive a lot of information from across America and from our own States during the congressional recess.

We are in the very early stages of this health care debate. It seems to me that the number of the plans that are floating around underscore just how important this issue is. Everybody has some ideas. Some may be good, and some may not be good at all.

However, it is my belief that after we sample all of the proposed cures, speaking now for the Republicans, I think we hope to come together on our side to unite around one prescription for reform and, hopefully, we can do that by February, March, or April, so that we will have a prominent role to play in the health care debate. That will include doses of many of the plans which have been proposed to date and will help ensure that Republicans will have a strong voice in whatever reform package ultimately becomes law.

I would like to submit for the RECORD a brief description of the similarities between the two bills that I mentioned—that is, the Chafee bill and the Nickles-Mack-Chafee-Dole proposal.

I ask unanimous consent that that description be printed in the RECORD following my statement.

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

SUMMARY OF MAJOR PROVISIONS OF NICKLES/MACK

1. No employer mandate to pay (same as Chafee/Dole).

2. Individual Mandates: All heads of households required to purchase at least a catastrophic benefit package. (Similar to Chefee/Dole.)

3. Medical Savings Accounts permitted and contributions given preferential tax treatment (treated as tax credit). (Similar in intention to Chafee/Dole.)

4. Small Market Insurance Reforms (virtually identical to Chafee/Dole).

5. Malpractice Reforms: (Differs from Chafee/Dole in that there is no mandated alternative despite resolution provisions.)

6. Administrative Simplicity: (virtually identical to Chafee/Dole).

7. Purchasing Co-Ops—allows them to be formed voluntarily. (Chafee/Dole more structured, has more state involvement.)

8. Benefits Package: Defines a *minimum* package of benefits that everyone must have (unlike Chafee/Dole, does not create a benefits commission to make decisions on inclusion of new benefits or changes).

9. Medicaid: Caps Federal expenditures for medicaid acute care services and capitates in the future. (Chafee/Dole liberalizes the managed care provisions—but applies *no* cap on expenditures.)

10. Low Income Subsidies: Creates refundable tax credits and additional subsidies to low-income people who are not eligible for Medicaid. (Chafee/Dole provides vouchers to those below 240% of poverty line.)

11. Price Controls: None—(identical to Chafee/Dole).

12. Tax Changes: Replaces the existing exclusion from income of employer provided health insurance with a new refundable tax credit for individuals and families for health insurance premiums and out-of-pocket costs.

13. Financing: Assumes medicare and medicaid cuts. (Similar in intention to Chafee/Dole.)

THE BRADY BILL

Mr. DOLE. Mr. President, I hope there is some resolution of the so-called Brady bill. I am not certain that will happen. It was made more difficult by the remarks of the chairman of the Judiciary Committee the other night. I thought he made an inappropriate remark. Now the rumor is that he even wants to change the Senate version further. I hope that as the chairman of the committee, and a member of the conference, he will uphold the Senate's position. That is how we got this far. That is why the Brady bill passed the Senate after everybody thought it had been consigned to the ash heap until next year. It was done in good faith, and we expect good faith from the conference. We expect good faith from our conferees.

You always learn something when you agree to something like this, and somebody pops up and makes a statement that undercuts somebody's good faith—in this case mine. I expect better from my colleagues on both sides of the aisle. We do not have much around here but our word. If our word is no good, then I do not think we can do business with each other in the future.

I yield the floor.

Mr. DECONCINI addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Arizona is recognized.

COMPLIMENTING REPUBLICAN LEADER ON HEALTH CARE COMMENTS

Mr. DECONCINI. Mr. President, I want to particularly compliment the minority leader for his comments regarding national health insurance. I noticed his statements a number of times about concurring with what the President has said, that it must be a bipartisan effort, and that is not always the case around here on the jobs

bills and reconciliation bills and what have you.

I realize that the temptation to make health care partisan is great and demanding. I compliment the minority leader for a number of his statements, including one over the weekend on national television, and for his continued strong effort to keep it that way.

I assure him that the President and the administration is going to do their utmost to do it that way. But it is not going to happen if Democrats and Republicans cannot put the country first, and that means compromise on all sides.

A LEAK OF CLASSIFIED INFORMATION

Mr. DECONCINI. Mr. President, I want to comment for one moment about the statement regarding the reading of the letter from the majority leader and the minority leader a number of Senators regarding a leak of classified information that came out of a session held here in the Capitol regarding Haiti and the significance of that. The Intelligence Committee is the vanguard or protector of this information on behalf of the Senate, although it is available to any Senator, and that is true of all of the information that we have. We guard it very carefully in the offices in the Hart Building, and we take special precautions on security and monitoring our Members and our staffs almost on a daily basis.

I think it is regrettable that either a Member or a staff member would leak some information from that hearing. It is unfortunate and a discredit to all of us. I think it certainly should be sought out. I know how leaks, even if they are confirmed, or slightly confirmed here, rarely are dealt with. So I am not optimistic. It is only through the good will of the Members that we can keep these things in the national security interest.

IT IS TIME TO PROSECUTE YUGOSLAV WAR CRIMINALS

Mr. DECONCINI. Mr. President, as early as the fall of 1991, while Croatia was being invaded by Serbia, the world was becoming informed about atrocities being committed by Serb aggressors. At this time, the international community first called for those responsible to be held accountable for their gross violations of international law. One year later, in the fall of 1992, the world was becoming all too familiar with the grisly details of these atrocities as they moved to Bosnia-Herzegovina.

Even worse, the systematic nature by which many of these many horrible acts were being carried out made it clear that they were more than atrocities; they were part of a genocidal effort to ethnically cleanse areas of Bosnia-Herzegovina and Croatia.

The world was shocked by pictures of rape camps and gaunt men who spoke of horrors so terrible that Hitler-like ghosts came back to haunt us. It is now the fall of 1993, however, some 2 years later, and not one person has been found guilty, or even indicted, for war crimes committed in Bosnia-Herzegovina or in Croatia. In the meantime, war crimes continue to be committed.

Fortunately, however, an international war crimes tribunal has been established by the United Nations, with 11 judges, which is convening for the first time today in The Hague. A Venezuelan, Ramon Escovar Salom, has been appointed chief prosecutor, and Cherif Bassiouni, who now heads the U.N. War Crimes Commission, has organized a data base filled with information on specific criminal incidents, frequently including the names of victims and of the alleged perpetrators.

Let me highlight their cases here briefly, some based on Helsinki Watch reports, particularly the September 1993 report "Prosecute Now!," others on New York Times and other newspapers, the recent book of Pulitzer Prize-winning Newsday correspondent Roy Gutman entitled "A Witness to Genocide," and, finally, from an April 1993 video report entitled "A Town Called Kozarac" produced for the British television program, "Dispatches."

ZELJKO RAZNJATOVIC

Mr. Raznjatovic, popularly known as Arkan, is already an international criminal. He robbed banks in Belgium and the Netherlands, for which he was imprisoned, and committed several burglaries in Sweden and Germany. He was even imprisoned for a time in Croatia in 1990. When the war in Croatia broke out in 1991, he appeared as the commander of the Serbian Volunteer Guard, a paramilitary group. In early 1992, his group was responsible for a major massacre of Moslems in the town of Bijeljina and elsewhere in Bosnia-Herzegovina. He has since been elected to the Serbian Parliament by the Serbs in Kosovo, where he and his followers harass the local Albanian population.

With this machinery in place, we now must begin to name names, Mr. President; we must begin to investigate individuals more closely and issue warrants for their arrest if the information available suggests they are responsible for war crimes.

I have pictures here today of some of the people who seem deserving of immediate attention, ranging from political leaders to camp guards.

OMARSKA CAMP GUARDS

Omarska was a Serb-run detention camp for mostly Moslem civilians in northwestern Bosnia. According to Helsinki Watch, the camp was:

* * * The scene of some of the most brutal atrocities committed in detention camps in the Balkan conflict, as Serbian soldiers and prison guards raped, castrated and brutally beat their prisoners. * * * Every night guards beat to death 5 to 15 men inside a white house used for interrogations. The guards left heaps of bodies lying in front of the building throughout the next day.

Mr. President, one of the most emotional experiences I have had as a Senator was meeting, in a refugee camp in Croatia, some of the survivors of Omarska who had only been released by the Bosnian Serb militants a few days before. Their tales of executions and torture were almost impossible to believe, but you could see in their faces that the horrors they were recalling were true.

ZELJKO MEJAKIC

This man, Mr. Mejakic, was commander of the camp guards. The smaller, black and white photo is from Roy Gutman's book, and shows his face slightly better. He had to have known what was going on, and, in all likelihood, he actually ordered such acts and perhaps even participated in some of them.

MLADO KRKAN

Here is Mr. Krkan, a guard who was known to be particularly brutal and is implicated in the murder of two prisoners. Surviving prisoners in one British documentary on Omarska said that most of the atrocities occurred during his shift.

MILOMIR STAKIC

Here, the new local mayor, Mr. Stakic, denies abuse during a British media interview. According to prisoners interviewed by Newsday correspondent Roy Gutman, however, well over 1,000 were killed at Omarska, and perhaps the same number disappeared without a trace when international attention forced the Serbs to close the camp.

RATKO MLADIC

Perhaps the most powerful Serb in Bosnia and Herzegovina is this man, General Mladic, who commands the Bosnian Serb forces. According to the New York Times, he is often called the ethnic cleanser in chief. Before moving to the Bosnian front, Mladic was commander of the Yugoslav army forces in the Serb-controlled Krajina region of Croatia, where he earned the additional title of "butcher of Knin." The troops under his control are responsible for many of the atrocities we hear about in Bosnia and Herzegovina, including the continuing siege of Sarajevo which isolates and strangles the city's more than 300,000 remaining residents.

RADOVAN KARADZIC

This familiar face from television and newspaper coverage of the Geneva negotiations is that of Mr. Karadzic, the political leader of the Bosnian Serb militants. He seems to agree to everything at the negotiating table, while his people on the ground do the opposite. Along with Mladic, he is perhaps

the person most responsible for ordering the atrocities that have been committed, a fact made all the more chilling because he is a psychiatrist by training.

SLOBODAN MILOSEVIC

Mr. Milosevic is the President of Serbia. He has stayed far away from the fighting, and denies any responsibility on his part or Serbia's. Yet, he is the conductor of this demonic orchestra, the one who developed the policy of achieving a Greater Serbia. That policy, which also keeps him in power, is one of repression, aggression and discrimination against non-Serbs. As it was implemented in Bosnia and Herzegovina, with the setting up of camps, the mass executions, the ordered rapes and forced impregnations, the forced displacements, all combined to spell genocide. He has encouraged the perpetrators of these crimes.

The people about whom I have spoken, Mr. President, are all Serbs. It has been primarily the Serbs who initiated the conflict and are responsible for most of the atrocities. That is not to say that Croats or Moslems, both of whom are increasingly responsible for atrocities against civilians, should not similarly be held responsible for their actions.

In late October, for example, there was a massacre at Stupni Do, where 15 bodies were found, many burned beyond recognition, one with her throat slit and two others shot in the face. A group of about 120 villagers were taken away.

The one U.N. personnel on the scene identified the commander of the local Croat Bobavac Brigade, Kresimir Bozic, as being responsible. And just last week, Croat forces destroyed the beautiful Ottoman bridge at Mostar, which dated back to the 16th century. How Croats, who rightly agonized over the Serb shelling of the cultural treasure of Dubrovnik in 1991, could then destroy such a landmark as this bridge is a question I cannot answer. I am sure that many Croats cannot answer this question either and hope that they will support prosecuting those Croat forces responsible for this and for the reprehensible isolation of tens of thousands of starving Moslems in Mostar with war crimes.

Investigations of Mate Boban, the Bosnian Croat leader, and perhaps Croatian Government officials who may have been involved in the decisionmaking leading to these incidents, may well be warranted.

Originally the victims of aggression and atrocities, some Moslems are desperate enough to fight fire with fire. In September 1993, for example, special Bosnian units attacked the village of Uzdol and killed dozens of civilians, and destroyed property and livestock. Some survivors recognized some of the attackers as Moslems from a neighboring village. If true, these people must be brought to justice as well.

To conclude, Mr. President, we have names, we have incidents, and, in many cases, we have surviving victims and eye witnesses. We don't yet have indictments, we don't yet have apprehensions, we don't yet have trials for war crimes. With the framework for a tribunal now in place, it is time that we put that framework and the information available to use and prosecute the war criminals of the former Yugoslavia.

This will not happen, however, unless the President of the United States makes it happen. In my view, history will already judge Europe and the United States harshly for allowing the Balkan conflict to reach its current level of madness.

To date, it has been the United States which has kept it alive, but unless our leaders act more forcefully on this, we will not move forward to the prosecution of individuals. Amnesties may be given, formally or informally, as part of a politically expedient settlement of territorial disputes. If this happens, Mr. President, it will be a travesty of the highest order.

In conclusion, Mr. President, I would like to introduce, for the record, a biographical account of this man, Arkan, and the Second Interim Report of the United Nations War Crimes Commission of Experts, which was released on October 5.

I ask unanimous consent that this material be printed in the RECORD.

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

U.N. SECURITY COUNCIL,
October 6, 1993.

LETTER DATED 5 OCTOBER 1993 FROM THE SECRETARY-GENERAL ADDRESSED TO THE PRESIDENT OF THE SECURITY COUNCIL

By a letter of 9 February 1993 (S/25274), I forwarded to the President of the Security Council an interim report of the Commission of Experts established pursuant to Security Council resolution 780 (1992).

On 6 September 1993, the Acting Chairman of the Commission forwarded to me a second interim report, which describes the work of the Commission in the intervening seven months and outlines its projected future programme, which will enable the Commission to provide me with its final conclusions. The report is accompanied by several documents prepared by or under the supervision of the members of the Commission. Citing the preliminary nature and volume of these documents, the Commission has suggested that, rather than being annexed to the report, they should be made available for consultation by the members of the Security Council.

On 31 August 1993, during my recent visit to Geneva, I took the opportunity to meet with the members of the commission. This enabled me to learn at first hand of the nature of their work and to discuss with them their future programme and the relation of their work to that of the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991, which is in the process of being established. The members of the Commission expressed keen interest in assisting the Tribunal to the greatest extent possible.

I must also, with deep regret, inform you that the Acting Chairman of the Commission, Professor Torkel Opsahl of Norway, died in Geneva on 16 September 1992. Professor Opsahl had only recently agreed to assume the functions of Chairman of the Commission in place of Professor Frits Kalshoven of the Netherlands, who is on indefinite leave for medical reasons. Professor Opsahl had made an important contribution to the work of the Commission and his untimely death is a tragedy for his family and friends and a great loss to the Commission, to the United Nations and to the international legal community. In the light of these developments, I propose to appoint one of the remaining members of the Commission, Mr. Bassiouni, as the new Chairman of the Commission, and I have formally requested that the Netherlands and Norway provide me with the names of suitable replacements, giving preference to women, in place of the late Professor Opsahl and Professor Kalshoven. I shall inform the Council in due course of the results of the proposed changes.

BOUTROS BOUTROS-GHALI.

ANNEX—SECOND INTERIM REPORT OF THE COMMISSION OF EXPERTS ESTABLISHED PURSUANT TO SECURITY COUNCIL RESOLUTION 780 (1992)

INTRODUCTION

1. While the first interim report of the Commission of Experts[1] covered the period from November 1992 to January 1993, the present second interim report covers the period from February to August 1993. It describes the steps the Commission has taken towards the implementation of the programme of work outlined in the earlier report, and the progress achieved.[2]

2. It also sets forth how the Commission plans to pursue the implementation of its programme of work, in accordance with its mandate as defined in paragraph 2 of Security Council resolution 780 (1992),[3] and paying due heed to the last preambular paragraph of Security Council resolution 827 (1993), specifying that, pending the appointment of the Prosecutor of the International Tribunal established by that resolution for the sole purpose of prosecuting persons responsible for serious violations of international humanitarian law committed in the territory of the former Yugoslavia, the Commission should continue on an urgent basis the collection of information relating to evidence of grave breaches of the Geneva Conventions and other violations of international humanitarian law as proposed in its first interim report.

3. During the period covered by the present report, the Commission, whose composition remained unchanged,[4] held four sessions: its fourth, fifth, sixth and seventh sessions, held on 1 to 3 March, 24 and 25 May, 13 and 14 July and 30 and 31 August 1993 respectively. The Commission continued to discuss various substantive, organizational and methodological issues related to its mandate. At its seventh session, the Commission also discussed and approved the present interim report.

4. The Commission continued to attach considerable importance to the coordination of its efforts with those of other United Nations bodies and intergovernmental organizations concerned with the situation in the territory of the former Yugoslavia. It has maintained regular working cooperation with the Commission on Human Rights and its Special Rapporteur, Mr. Tadeusz

Mazowiecki. The said Commission, in paragraphs 20 and 22 of its resolution 1993/7, requested the Special Rapporteur, States, United Nations bodies, including the United Nations Protection Force (UNPROFOR), United Nations treaty bodies and specialized agencies as well as international humanitarian organizations to submit to the Commission of Experts all pertinent information which they might possess and urged States to provide to it resources, personnel and assistance in order to fulfill its mandate.[5]

5. The Commission has continued to be in touch with the Co-Chairmen of the Steering Committee of the International Conference on the Former Yugoslavia through one of them who is also the Special Representative of the Secretary-General coordinating all the United Nations activities in that area.

6. Close cooperation has been maintained with UNPROFOR. The Commission wishes to place on record its gratitude for the assistance provided by UNPROFOR with its on-site investigations in the territory of the former Yugoslavia, both at the preparatory stage as well as once in the area.

7. The Commission has also maintained contacts with the representatives of a number of Permanent Missions to the United Nations Office at Geneva for the purpose of soliciting their support and cooperation as regards the Commission's plan of work.

8. The Commission has continued to maintain contacts with the United Nations High Commissioner for Refugees and with the International Committee of the Red Cross (ICRC). The Commission, furthermore, has established contacts with the United Nations Educational, Scientific and Cultural Organization (UNESCO) and Amnesty International as well as with the European Community Monitoring Mission (ECCM). This latter organization has prepared briefings and provided invaluable assistance to the Commission with certain exploratory missions, such as the one to Dubrovnik (20–22 May 1993) undertaken by the Rapporteur for on-site investigations.

I. IMPLEMENTATION OF THE COMMISSION'S PROJECTED PLAN OF WORK

9. As indicated in paragraphs 65 and 66 of the first interim report, the Commission's plan of work includes, besides an updating of its database, selective in-depth investigations in the following areas:

(a) Mass killings and destruction of property;

(b) Treatment of prisoners and detainees;

(c) Systematic sexual assaults;

(d) "Ethnic cleansing".

10. Paragraph 67 of the same report outlines as short-term objectives of the Commission:

(a) To conduct further investigations into mass killings and destruction of property in the Vukovar area by expanding the scope of the various investigations conducted by forensic experts from Physicians for Human Rights and by deploying a team of military lawyers, police investigators and necessary support personnel in the Vukovar area;

(b) To conduct an on-site investigation into the treatment of prisoners and detainees at two or more camps or detention centres at places in Bosnia and Herzegovina yet to be specified;

(c) To study all available reports on systematic sexual assaults and determine as soon as possible the most effective way to approach the problem and whether on-site investigations should be undertaken;

(d) To study all available reports on "ethnic cleansing" and determine as soon as possible the most effective way to approach the problem and whether on-site investigations should be undertaken.

11. To implement this plan of work, which was endorsed by the Secretary-General in his letter dated 9 February 1993 addressed to the President of the Security council,[6] the Commission continued the work on the database. It also undertook a number of projects specifically designed to obtain further information and to test methods of investigation and verification of allegations.

A. Activities related to the plan of work as a whole

12. It followed from the nature of the projected plan of work that the Commission would be able to implement it only with the cooperation of Governments and local authorities that actually controlled the respective parts of the territory of the former Yugoslavia. The Commission therefore made special efforts to obtain such cooperation.

1. Mission to Zagreb, Belgrade, Sarajevo and Ljubljana

13. From 18 to 29 April 1993, the Commission sent a delegation to Zagreb, Belgrade, Saravejo and Ljubljana.[7] The delegation was composed of the Chairman and the two rapporteurs, accompanied by the Assistant Secretary of the Commission. It held talks with representatives of the Governments in these capitals, including Deputy Prime Ministers and Ministers for Foreign Affairs, Defense and Justice. It also had meetings with officials representing State commissions for war crimes, involved with legal aspects of war crimes documentation or investigation in the respective capitals.

14. During all the meetings, the delegation stressed the impartial nature of the Commission and its methods of work. It explained the Commission's mandate and provided information on its computer database, its short-term objectives and its long-term plan of work.

15. The authorities in Zagreb, Belgrade and Sarajevo assured the delegation of their support for the Commission's plan of work and promised their cooperation in the implementation of specific projects of the Commission in the territories under their control.

16. At the meetings with representatives of State commissions for war crimes in the four capitals, the delegation underscored the importance for the Commission to receive reports relating to violations of international humanitarian law, particularly of the 1949 Geneva Conventions and the two 1977 Additional Protocols, so as to assist the Commission to fulfill its mandate. It received promises of cooperation from all these commissions. It also offered them technical help and provided them with forms for the collection of such information.

2. Mission to Knin

17. Given the fact that one of the mass grave sites (Ovcara), the excavation of which is included in the Commission's plan of work, is situated in the territory under control of the self-proclaimed Serb administration in Knin, the Commission took steps to ensure the cooperation of that administration in the implementation of this project. During the visit to Belgrade in April, the delegation briefly discussed the matter with a representative of that administration. Subsequently, the Rapporteur for on-site investigations, on behalf of the Commission, went to Knin from 17 to 19 May 1993 and met with the Prime Minister of the Knin administration and his advisers. On that occasion the Rapporteur obtained a promise of cooperation also from this administration.

18. On the same occasion, the Rapporteur met with the local officials responsible for collecting information and evidence of war crimes and, on behalf of the Commission, urged them to send their reports to the Commission.

B. Activities related to information-gathering and to the database

19. In the period covered by the present interim report, the Commission, pursuant to the requests contained in Security Council resolutions 771 (1992) and 780 (1992), has again received thousands of pages of documentation as well as video information containing allegations of grave breaches of the Geneva Conventions and other violations of international humanitarian law committed in the territory of the former Yugoslavia. In addition, the Commission has solicited documentation and supplemental information from various sources relating to the situation in the territory of the former Yugoslavia. The Commission has also requested and received information during its investigative missions in the territory of the former Yugoslavia.

1. Sources of information before the Commission

20. As of 31 August 1993, reports containing allegations of grave breaches of the Geneva Conventions and other violations of international humanitarian law have been submitted by the Governments of Austria, Bosnia and Herzegovina, Canada, Croatia, Denmark, Germany, Slovenia, the United Kingdom of Great Britain and Northern Ireland, the United States of America and the Federal Republic of Yugoslavia (Serbia and Montenegro).

21. The Commission has also continued to receive reports from United Nations bodies, intergovernmental organizations, international non-governmental organizations (NGOs), various national organizations and private sources.

22. The United Nations bodies and authorities in question include the Special Rapporteur appointed under resolution 1992/S–1/1 of the Commission on Human Rights to investigate first hand the human rights situation in the territory of the former Yugoslavia, the Commission on Human Rights and the United Nations High Commissioner for Refugees.

23. In addition, the Conference on Security and Cooperation in Europe (CSCE), the Council of Europe and ECMM have submitted reports or documentation to the Commission.

24. During the period concerned, the Commission has received reports or documentation in the public domain from a number of international NGOs: Amnesty International, ICRC, Medecins sans frontieres, Helsinki Watch, Humanitarian Law Fund, International Human Rights Law Group and Danish Helsinki Committee.

2. Requests by the Commission for information from specific sources

25. The Commission has requested information provided to the competent national authorities by refugees and other persons having left the war zones and now residing in Austria, Denmark, Germany, the Netherlands, Sweden, Switzerland and the United Kingdom. Information of this kind has begun to come to the Commission from the Governments of Austria, Denmark and Germany. The Government of the United Kingdom informed the Commission in March 1993 that it was in the process of collecting that type of information.

26. The Commission has also solicited, through the Governments of the United Kingdom, Austria, Germany and the Netherlands, video information from the respective

television companies concerning alleged violations of international humanitarian law in the territory of the former Yugoslavia. The British Broadcasting Corporation (BBC) has already submitted video information to the Commission. Moreover, footage of published television reports from all of the major networks in the United States (American Broadcasting Company (ABC), National Broadcasting Corporation (NBC), Columbia Broadcasting System (CBS) and Cable News Network (CNN)) as well as Independent Television News (ITN) and from TRV Belgrade and Television Tuzla has been obtained. The Austrian broadcasting company has indicated that it intends to provide video information to the Commission. To demonstrate how video footage can supplement the written record and assist in identifying persons and places. The Rapporteur for the gathering and analysis of facts has edited some of the footage in the Commission's possession and prepared a 60-minute video tape for use by the Commission.

27. Moreover, the Commission has contacted international NGOs, human rights organizations and private experts in North America and Europe. The Commission has thus received information from Helsinki Watch, the American Jewish Congress, the Women's Coalition Against Ethnic Cleansing, the Zenica Centre for Investigation of War Crimes and Crimes of Genocide on Muslims (Bosnia and Herzegovina), the Croatia Documentation Centre and State commissions on war crimes (in Belgrade, Sarajevo and Zagreb). Likewise, the Commission has been gathering valuable information from print and electronic media. Minnesota Advocates for Human Rights is assisting the Commission's Rapporteur on the gathering and analysis of facts to compile and analyse published articles relating to alleged violations.

3. Processing of information

28. As mentioned in paragraphs 22 et. seq. of its first interim report, the Commission has set up a database designed to provide a comprehensive, consistent and manageable record of all reported alleged grave breaches of the Geneva Conventions and other violations of international humanitarian law being committed in the former Yugoslavia. The inputting of information into the database is being effected in the International Human Rights Law Institute of DePaul University (Chicago, United States) under the supervision of the Rapporteur on the gathering and analysis of facts, who is also the President of the Institute. The offices where the database has been set up are protected by an electronic security system. Originals and photocopied documents are kept in locked filing cabinets. At the end of June 1993, the Chairman went to Chicago to observe the work on the database.

29. As of 31 August 1993, the database contained over 3,000 "cases", representing thousands of alleged violations and incidents of victimization. The database operates on several levels and manages multiple categories and subcategories of information, such as the violations alleged; victim, perpetrator and witness identification; source; location; evidence; and military affiliation data.

30. Information, either received directly by the Rapporteur or forwarded to him from the Commission secretariat at the United Nations Office at Geneva, is entered into the database by analysts with legal and/or human rights experience. Prior to data entry, the analysts review documents and identify information in the light of the categories and subcategories contained in the database. The information is then entered into the appropriate categories. A narrative description of each report that captures every important item of information relating to a particular incident is also entered.

31. Apart from storing information in an organized manner, the database is capable of performing a number of functions that will prove particularly useful to the Commission's work, such as generating reports by category, conducting context-sensitive searches, assembling information into case files and creating graphs that demonstrate trends in the data.

4. Examination and analysis of information

32. The cases already entered into the database reveal that alleged violations of international humanitarian law, mostly against the civilian population, have affected thousands of individuals on all sides of the conflicts in the territory of the former Yugoslavia. The majority of reported violations concern killings, torture, kidnapping/hostage-taking, forced eviction and imprisonment. A large number of alleged rapes have also been reported.

33. The database can only be as useful and comprehensive as the information and reports upon which it is based. Since the Commission began compiling information in November 1992, the character and quality of the information submitted by the various sources has changed little. Many of the reports lack sufficient detail about the reported event, i.e. information relating to the identify of victims, perpetrators, witnesses, etc. Only limited information on "order of battle" and the location of military units at a given time is presently available. This information is critical in order to identify military units and to establish "command responsibility". Finally, the actual sources upon which reports are based are not verifiable at this time. Many reports do not disclose original sources, nor do they state whether any original evidence may be available (e.g. affidavits of victims, witnesses or perpetrators; photographs; medical reports, autopsy reports). It could be that those who prepared the reports may have relied on diplomatic correspondence or intelligence sources and may not be able to reveal the information needed. Other sources for these reports may be the media, which would not be useful unless the original media source could be verified.

34. Thus, most of the reports received are, by themselves, of qualified evidentiary value. However, supplemented with other information, these reports form a substantial basis for further investigative work, which might lead to prosecution.

35. While continuing to enter new information into its database, the Commission has recently started the analytical phase of the work. In this connection, the Rapporteur has prepared "test" analyses of four incidents/locations relating to serious violations of international humanitarian law. Preliminary reports have been submitted to the Committee on the following:

(a) the abduction of civilians and military personnel from the Vukovar Hospital and the execution and mass grave at Ovcara;

(b) Detention centres and violations alleged to have been committed in and around the town of Brcko (including the Luka camp);

(c) Incidents relating to "ethnic cleansing" and detention centres in the area between Prijedor and Banja Luka (including the mass execution of prisoners at Keraterm and the alleged violations at the Omarska iron mine);

(d) Allegations of mass killings and "ethnic cleansing" perpetrated by both Bosnian Serbs and Bosnian Muslims in the Bratunac/Srebrenica region.

36. Likewise, a day-to-day chronological analysis has been prepared of the 17-month siege of Sarajevo (April 1992–August 1993). The study should enable investigative teams in Sarajevo better to identify incidents that require further investigation. The study also concentrates on important political developments associated with an increase or decrease of military activity in and around the city.

37. Lastly, two databases have been established to catalogue information pertaining to 353 reported detention centres (e.g., dates of operation, number of prisoners, prisoner exchange data) and over 200 reported mass graves[8] (e.g., location of the grave, number of persons reported buried, ethnicity of persons in the grave).

5. Computer linkage between the database and the Commission secretariat in Geneva

38. The Commission has ordered computer equipment for its secretariat in Geneva. The equipment, which is now being delivered, will provide direct computer linkage between the database in Chicago and the computers at the Commission secretariat. The computer equipment will have a read-out capability. The Commission therefore will know at all times the type of information that has been inputted into the database by access to the Internet network through the International Computing Centre at the United Nations Office at Geneva. Data entry will continue to be effected under the supervision of the Rapporteur on the gathering and analysis of facts.

C. Activities related to in-depth investigations

39. In order to verify allegations of grave breaches and other violations of international humanitarian law contained in the numerous reports received by the Commission, several investigative missions were undertaken. Whenever possible, these missions were preceded by a careful analysis of alleged facts available in the database and by the gathering of such further corroborative evidence as could be obtained from credible sources.

1. Reconnaissance mission to Vukovar

40. From 5 to 16 March 1993, the Commission sent a reconnaissance mission to the Vukovar area. The mission, led by the Rapporteur for on-site investigations, visited Vukovar and the mass grave site at Ovcara, as well as some other regions of the former Yugoslavia. The Rapporteur was accompanied by two members of a team of military lawyers and police investigators placed at the Commission's disposal by the Government of Canada and by two representatives of Physicians for Human Rights, the Boston-based NGO that has undertaken to help the Commission with exhumations of mass graves.[9]

41. The purpose of the mission was to prepare for the excavation of the mass grave at Ovcara and to work out methodological and practical recommendations for other investigations into mass killings and destruction of property, treatment of prisoners and detainees and systematic sexual assaults and "ethic cleansing". On the basis of its findings, the Commission arrived at the following conclusions.

42. The deteriorating conditions in various areas of the territory of the former Yugoslavia made some adjustments necessary both in the Commission's plan of work and in the timetable and the methods of its implementation.

43. With regard to the excavation of the mass graves at Ovcara and at another site in

UNPA Sector West in particular, it was accepted that this would require a great deal more resources than originally envisaged by the Commission of Physicians for Human Rights. The additional requirements included the services of a self-sustaining military engineering unit (40–50 persons) for the total period of the two excavations, estimated at 8 to 10 weeks. Since UNPROFOR was unable to provide such a unit, it would have to be made available by Governments of States Members of the United Nations.

44. Another additional requirement for this mission would be the availability of digging equipment, means of transportation of the remains for medico-legal examination, container and refrigeration units, water pumps, an electric generator, housing units, etc.

45. As regards the investigation of events in prison camps and other places of detention, the deployment of investigative teams in conditions of adequate security to existing camps where major violations of international humanitarian law were actually occurring would require the acquiescence of the detaining authorities. In the alternative, teams would have to confine their investigations to interviews of witnesses and the gathering of documentation away from the camp site.

2. Reconnaissance mission to Dubronik

46. From 20 to 22 May 1993, the Commission sent its Rapporteur for on-site investigation to Dubrovnik to explore the possibility of an on-site investigation into targeting, indiscriminate attacks, destruction of cultural property and "ethnic cleansing" in the area.

47. On the basis of his findings, the Commission concluded that a useful on-site investigation into these matters could be conducted in the Dubrovnik area. Focusing primarily on the question of responsibility for these acts, it might take the shape of an order-of-battle and chain-of-command study to be done by a small team of military law-of-war experts, rather than by criminal investigators.

3. Mission to Sarajevo

48. From 20 June to 9 July 1993, the Commission sent an investigative mission to Sarajevo to undertake three studies: a pilot study on systematic rape, a law-of-war study of a specific incident in the battle of Sarajevo and an analytical law-of-war survey of the battle of Sarajevo. The mission was led by the Rapporteur for on-site investigations, who was assisted by a group of Canadian military lawyers and police investigators and by the Deputy Secretary of the Commission.[10]

49. So far as the pilot study on the issue of systematic rape is concerned, the Commission obtained from the Bosnian War Crimes Commission all their information identified as relating to this issue (listing 126 victims, 113 incidents, 252 alleged perpetrators, 73 witnesses and 100 documents). The Commission has also received copies of all the files in the possession of the local authorities and identified as relating to rape.[11] The information contained in the files is being entered into the database of the Commission of Experts.

50. The lessons learned as a result of this study are:

(a) To collect evidence that would be accepted by courts, there should be direct and continuous coordination with the Bosnian War Crimes Commission and other organizations involved in collecting information, in order to encourage the development of standards of collection which will facilitate the completion of formal investigations and the establishment of prima facie cases;

(b) In order to achieve that goal, dedicated personnel, most effectively those with police investigative and law-of-armed-conflict backgrounds should be deployed as soon as possible in a pre-prosecution investigatory phase;

(c) As the experience in the field showed, the victims of rape had as a rule left their homes and were likely to be found either in refugee camps or to have moved to resettlement. Under these circumstances, small teams, including a high proportion of female personnel, deployed for extended periods of time in those locations would be the most effective means of gathering such information. Cooperation of the Governments providing refugee camps or resettlement for people from the former Yugoslavia is essential for this investigation.

51. The objective of the specific incident study was to prepare a report analysing in depth a specific incident in the siege of Sarajevo to identify specific violations of the law of war, particularly violations in which civilian casualties have occurred, to analyse the circumstances of the incident and to assess the feasibility of identifying and prosecuting alleged offenders, particularly the military commanders.

52. The incident selected for in-depth investigation was the mortar shelling of a soccer game in the Dobrinja suburb of Sarajevo on 1 June 1993 in which 13 persons were killed and 133 were injured. The investigators interviewed several witnesses on the Bosnian side and also reviewed the crater analysis produced by artillery experts. Investigators were unable to interview witnesses on the Serbian side.

53. On the basis of the investigation it is reasonable to conclude that a prima facie case exists, that persons on the Serbian side deliberately attacked civilians and, therefore, committed a war crime. With the information available, it is not possible to identify the alleged offender at present.

54. Another study based on the mission and entitled "The battle of Sarajevo and the law of armed conflict" focuses on combat-related offences, unlawful targeting and the use of unlawful means and methods of warfare. It will be continued during a further mission. The preliminary results show that most of the war crimes committed in Sarajevo have involved attacks on civilian persons and objects. It will be difficult, but not impossible, to compile a reasonably accurate list of persons killed or seriously injured during the siege of Sarajevo, to determine if they were combatants and to determine when, where and how they were killed or injured. Whether or not it is possible to determine which individuals or which units caused civilian casualties, it will certainly be possible to establish that a large number of casualties have been caused by the Bosnian Serb Army forces surrounding Sarajevo during a specific period of time. It will probably also be possible to determine roughly how many of the civilian casualties were caused by some form of sniper fire. It is reasonable to presume that civilian casualties caused by sniper fire are the result of deliberate attacks on civilians, not the result of indiscriminate attacks.

55. The compilation of a chronological and quantitative survey of damage to civilian objects in Sarajevo is more difficult. It would be possible to focus on certain types of objects, e.g., religious, cultural and medical buildings, and determine if there appeared to have been a deliberate attempt to target objects of these types. For example, a detailed study of the shelling of the Sarajevo University Clinical Centre or of the National Library would probably indicate these objects had been deliberately targeted. It may also be possible to establish that a deliberate effort has been made to target religious facilities. The tendency of Bosnia and Herzegovina forces to conceal its resources among civilian objects would probably result in some of the damage to civilian objects caused by Bosnian Serb Army projectiles constituting legitimate collateral damage. There is enough apparent damage to civilian objects in Sarajevo to justify an in-depth study of such damage. For security reasons this type of a study, which would require unimpeded movement for extended periods of time through Sarajevo, was not practicable at the time of the mission.

56. The Commission notes that it will probably be difficult to link specific individuals or specific units to specific incidents in which civilians or civilian objects have been deliberately attacked or subjected to indiscriminate attacks. Whether or not it is possible to develop a firm case against individual soldiers or unit commanding officers, it should be quite practicable to develop a prima facie case against the officer or officers responsible.[12]

4. Preparations for investigations of mass grave sites at Ovcara and in Sector West

57. It became clear from the very beginning that an excavation project for mass graves on this scale would take more time and human and material resources than any other on the Commission's programme of work.

58. Physicians for Human Rights set up a 20-member international forensic team that has been prepared since January 1993 to start work with six weeks' notice.

59. However, after the reconnaissance mission in March 1993 [13] it became evident that there were two preconditions for performing this investigation: the cooperation of the local authorities having control over both sites and the availability of a self-sustaining military engineering unit and of specialized technical equipment needed for the job.

60. While by May 1993 the Commission had been able to receive general oral promises of cooperation in both cases from the local administration,[14] obtaining a military engineering unit (40–50 people) proved to be a time-consuming problem.

61. However, in September 1993, after consultations in the Security Council,[15] the Government of the Netherlands, responding to the Commission's request, decided to provide such a unit and started training it with a view of making it available for the Commission in October 1993.

62. As to the equipment, the United States Government has pledged to provide a considerable part of it; another part will be provided by the Government of the Netherlands. The remaining equipment will have to be bought or rented by the United Nations.

5. Interviews with alleged war criminals

63. The Commission sent one of its members, accompanied by two assistants, to Zagreb from 11 to 14 August 1993, to interview five prisoners of war (POWs) who had been charged by the Croatian authorities with having committed war crimes on imprisonment. Four of them had been charged with war crimes committed in the Vukovar area, and the fifth in the Pakrac area.

64. As required under Croatian law the five prisoners were visited and heard in the presence of a judge from the Zagreb District Court. Also present was a member of the Croatian Commission for War Crimes committed in the territory of Croatia. Police and

court files were made available. The judge assisting at the hearing provided copies of essential documents.

65. Several of the prisoners who had allegedly admitted to Croatian authorities committing very serious offences on a large scale modified these statements during the interviews, alleging that their original admissions had been extracted under duress. Some expressed fear of the consequences of speaking to the Commissioner. Assurances about the safety of these alleged perpetrators were received by the Commission from the Croatian authorities in writing.

66. In this connection, at its seventh session, the Commission decided to work out guidelines for future interviews of witnesses and for the hearing of testimonies of alleged war criminals.

6. Rape investigations

67. At its sixth session, the Commission decided that further planning for the rape investigation would be done on the basis of the study on systematic sexual assault,[16] which has since been provided by the Rapporteur on the gathering and analysis of facts. In the meantime, the Commission will proceed with the formation of female investigative teams. The Commission will also determine the most effective way for carrying out such investigation, depending on the location of victims.

68. It is important to note that rape has been reported to have been committed by all sides to the conflict. However, out of 330 reported cases reviewed in the study, the largest number of victims have been Bosnian Muslims and the largest number of alleged perpetrators have been Bosnian Serbs. These alleged perpetrators include military personnel, special forces (some of whom are from outside Bosnia and Herzegovina), local police and civilians.

69. Some of the rape cases are clearly the result of individual or small group conduct without evidence of command direction or of it being part of an overall policy. Others may be a part of an overall pattern. Because of a variety of factors, such a pattern may lead to the conclusion that a systematic rape policy existed but this remains to be proved. Among these factors is the coincidence in time between military action designed to displace civilian populations and widespread rape of the same populations. Group involvement of the members of the same military units in rape suggests command responsibility by commission or omission; in this respect, the manner in which this type of rape was conducted in multiple locations and within a fairly close period of time (mostly between May and December 1992) is also a significant factor. Another factor in this connection is the contemporaneous existence of other violations of international humanitarian law in a given region occurring simultaneously in prison camps, in the battlefield and in the civilian regions of occupied areas.

70. If further investigations prove that a nexus exists between these activities and the policy of "ethnic cleansing", then it could be argued that rape has been used as an instrument of war and carried out in a manner designed to instill terror, shame and other psychological consequences in a given population group to coerce their removal and prevent their return. However, the consequences and conclusions of such practices have yet to be determined more fully by comprehensive investigations.

II. NEXT PROJECTS TO BE UNDERTAKEN BY THE COMMISSION

71. In implementation of its programme of work and with due regard to the request from the Security Council that, pending the appointment of the Prosecutor of the International Tribunal established for the sole purpose of prosecuting persons responsible for serious violations of international humanitarian law committed in the territory of the former Yugoslavia, "the Commission should continue on an urgent basis the collection of information relating to evidence of grave breaches of the Geneva Conventions and other violations of international humanitarian law",[17] the plan of work of the Commission for the coming months includes the following:

A. Next stage of work on the database

72. The Commission will continue to analyse, catalogue and enter into the database the allegations of violations of international humanitarian law contained in reports from various sources.

73. As mentioned above,[18] the Commission is continuing several ongoing studies relating to detention centres, mass graves and mass killings, "ethnic cleansing", allegations of systematic rape and the military and political chronology of the siege of Sarajevo and a study of the activities of the special forces operating in the area.

B. Investigative missions to Sarajevo and some other regions of the former Yugoslavia

74. The Commission, at its sixth session, decided to send the two rapporteurs accompanied by the Assistant Secretary to the Commission and the Personal Assistant of the Chairman on another mission to Sarajevo from 1 to 10 September 1993. In addition to Sarajevo, the team also intends to visit Zagreb, Knin, Zadar, Pale, Zenica and Belgrade. The purpose of the mission is to collect data, to update the draft study on the battle and siege of Sarajevo, to develop further contacts with national war crimes commissions and to plan future selected on-site investigations/inspections of mass graves. The delegation will seek to confirm the pledge of cooperation from the local authorities with the Commission, primarily for the mass graves investigations.

75. The Commission will send missions to Vukovar and Dubrovnik to conduct battle studies in those areas, to investigate targeting practices, indiscriminate attacks against and mass killings of civilian population and damage to cultural property and to attempt to impute responsibility for prohibited acts. The Commission is also planning to send a mission to Ahmici-Vitez and other areas at a later stage.

C. Investigations of mass graves

76. The database study[19] contains allegations of over 200 mass graves in Bosnia and Herzegovina and Croatia. However, because of multiple-sources reporting, with duplication of information as a result, the database analysis suggests a lower figure, namely 98 mass graves as a more correct one at this stage. The number of persons reportedly buried in these graves ranges from 3 to as many as 4,000. Most of the reported graves contain either Serbian or Croatian victims. It should be noted, however, that the existence of a mass grave does not necessarily indicate the existence of violations of international humanitarian law, as the grave may have been created to bury those that died under legitimate circumstances.

77. The Commission has undertaken a more detailed analysis of the available information concerning two reported mass graves in Bratunac and Ovcara.[20] In Bratunac, a grave containing 39 Bosnian Serbs was reported to have been discovered after Bosnian Serbs recaptured the village from Bosnian-Muslim forces. Those buried in the grave were reported to be mostly women, children and the elderly, victims of a Bosnian-Muslim attack on 7 January 1993. A report alleged that some of the dead had limbs severed or were otherwise tortured before they died. The oldest victim was reported to be an 82-year-old man. However, the Commission has not been able to verify this information as yet.

78. The grave in Ovcara is thought to contain as many as 200 Croatian civilians and soldiers reportedly abducted from the Vukovar Hospital and then executed at the grave site by Yugoslav army and Serbian paramilitary units. A preliminary inspection of the area by the Commission revealed a 10-metre-by-30-metre area of recently disturbed earth; three young adult male skeletons lay partially exposed, one had an exit wound from a gunshot on the left temple. A surface survey yielded a large number of spent 7.62-millimetre cartridges in the bushes northwest of the grave site and bullet scoring on trees to the south-west of the grave site. A test trench was dug that exposed 9 corpses, which would indicate a grave containing as many as 200 persons.

79. For the time being, the Commission is proceeding with preparations of large-scale investigation of two mass graves—in Ovcara (Sector East), referred to above[21] and the other in sector West. The preconditions for the operation, which is tentatively scheduled to begin in October 1993, are that the Netherlands military engineering unit remains available, that the local authorities do not withdraw their support and that the security situation in both areas does not deteriorate.

80. While proceeding with the preparations for the exhumation of the remains from the two mass graves, the Commission is preparing at the same time a contingency plan in case any of the preconditions mentioned above are not met. In this case, one or more small investigative teams (three to five persons), including forensic experts and lawyers, will visit an area that would be selected on the basis of information available in the database and which would presumably contain a number of mass graves. These teams will go to sites of mass graves to make a determination of their existence and to observe and record whatever pertinent facts may be discoverable without a large-scale exhumation within a relatively short period of time.

D. Investigations of systematic rape

81. The Commission is working out the modalities for the purpose of carrying out investigations into systematic rape. In this regard, the assistance of a number of Member States is deemed indispensable.

82. Therefore, the secretariat is requesting those Member States that have received rape victims from the former Yugoslavia to communicate their whereabouts. The Commission has also established contacts with the local commissions on war crimes operating in Sarajevo, Belgrade, Zagreb and Zenica.

83. It is expected that the formation of female teams for the investigations will be completed in September. The final plan of action will be worked out on the basis of the study on systematic sexual assaults, mentioned above.[22]

E. Investigations of detention centres and prison camps

84. Reports from Governments, NGOs and individuals describe widespread abuses of human rights in detention facilities in the former Yugoslavia, and especially in Bosnia and Herzegovina. Torture, rape and other forms of physical and psychological mistreatment are reported to have taken place

on a large scale. The information catalogued to date[23] indicates the existence of 393 reported detention facilities, of which 158 are (or if closed, have been) controlled by Serb forces, 64 by Muslim forces and 30 by Croat forces. One hundred forty-one detention facilities alleged to exist have not yet been tied to a specific faction. For instance, a Bosnian government report alleging the existence of a large number of camps does not identify whether they are operated by Serbs or Croats.

85. Notwithstanding the greater reported number of Serb-operated camps, and a greater number of alleged violations there, the reports ascribe grave abuses to all factions. Mass killings, rapes, beatings and torture have reportedly been widespread. Beatings are the most commonly cited form of physical abuse, with many cases reported of prisoners being beaten to death or left to die from injuries sustained during beatings. Conditions of detention have been particularly bad in many camps, with crowded and unfit living quarters, an absence of medical treatment and in some cases the near-starvation of prisoners.

86. On the basis of information available, the Commission would identify those camps to which it would endeavour to send its representatives, and submit appropriate requests to the authorities under whose control the camps are. However, since the majority of camps and detention centres are now closed, and in case there are complications with visits to the existing camps, the Commission will endeavour to get in touch with witnesses who have been detained in the camps. Since those witnesses may now be either in refugee camps or have moved on to resettlement, the success of such investigations will to a great degree depend on the cooperation of the Governments of those countries that have provided refugee camps or resettlement for people from the former Yugoslavia.

III. RESOURCE AND BUDGETARY REQUIREMENTS

87. The resources available to the Commission are being provided from the regular budget to cover remuneration and travel of its members and the secretariat, and from the Trust Fund set up by the Secretary-General in February 1993 mostly to finance investigatory activities.

A. Regular budget

88. As mentioned in its first interim report, the Commission has been provided with a regular budget for a period of nine months as from 1 December 1992. At its seventh session, the Commission was informed that additional funds will be allocated to cover its activities until the end of 1993.

B. Trust Fund

89. As indicated in the Secretary-General's letter of 10 February 1993 to the President of the Security Council, pursuant to the request of the Commission[24] and in order to make available to the Commission adequate funds to allow it to implement its plan of work, the Secretary-General set in motion the necessary administrative steps for the establishment of a trust fund.

90. On 24 May 1993 the Secretary-General sent a letter to the heads of Permanent Mission in New York requesting their Governments to consider a contribution in terms of financial resources or personnel to assist the Commission in its investigative work.

91. As indicated in the letter, financial contributions should be made to account No. 015-004473, United Nations General Trust Fund Account, Chemical Bank, United Nations Branch, New York, N.Y. 10017.

92. In response to the Secretary-General's appeal, a number of Governments have transferred or pledged their contributions to the Trust Fund:[25]

	US$
Austria	20,000.00
Canada	237,868.70
Denmark	15,201.07
Federated States of Micronesia	300.00
Liechtenstein	3,184.00
Netherlands[1]	259,067.36
New Zealand	27,583.15
Norway	49,978.00
Sweden	99,132.00
Switzerland	50,000.00
United States[2]	500,000.00

[1] The contribution of the Netherlands was designated for systematic rape investigations.

[2] In addition to its financial contribution, the United States has also pledged to donate a significant part of the equipment needed for the mass grave investigations (see para. 62 above).

c. Human resources of the Commission: secretariat staff, investigative teams and support personnel

93. The Commission continues to be serviced by a small staff which includes three Professional staff members provided by the Office of Legal Affairs and two secretaries.

94. In addition to the secretariat staff funded from the regular budget, a number of legal, medical or other specialists provided by Governments or NGOs have been assisting the Commission in its work.

95. About 30 assistants work on the database under the supervision of the Commission's Rapporteur for gathering and analysis of facts in the International Human Rights Law Institute at DePaul University, Chicago, at no cost to the United Nations. They include four salaried attorneys, eight volunteer attorneys, seven paid student assistants, two computer programmers, one documentarian, a media source analyst, a researcher and five other volunteers. All of them have signed undertakings of confidentiality regarding their work on the database. The costs for the operation of the database from December 1992 to December 1993 ($480,000 in direct costs and $250,000 in indirect costs, total $730,000) are covered by a grant from the Souros Foundation and in-kind contributions of the Institute obtained by the Commission through its Rapporteur.

96. A team of forensic experts (up to 20 specialists) has been provided by Physicians for Human Rights to assist the Commission, at no cost to the United Nations, with investigations of mass graves. Physicians for Human Rights have been able to obtain grants and in-kind contributions for this operation from private sources. The team provides assistance to the Commission under the cooperation service agreement signed with the United Nations on 11 December 1992.

97. A team of military lawyers and police investigators (eight persons) has been provided to the Commission by the Government of Canada. With the exception of salaries, other mission-related expenses of the team are to be paid by the United Nations. The team provides assistance to the Commission under the cooperation service agreement signed on 16 June 1993.

98. The Government of Norway has pledged to provide the Commission with six specialists (forensic experts, military lawyers and police investigators). The specialists, who will assist the Commission under an agreement to be signed between the United Nations and the Government of Norway, will be provided at no cost to the United Nations.

99. The Government of Austria has also indicated that it is considering the possibility of providing three experts on forensic medicine and damage to cultural property and historic monuments to the Commission.

100. The Government of the Netherlands has decided to provide a self-sustaining military engineering unit (up to 50 persons) to assist the Commission with mass grave investigations. An appropriate agreement is to be signed between the United Nations and the Netherlands.

101. In addition, the Commission intends to use for its investigative missions the personal assistance of Mr. Kalshoven and Mr. Opsahl (at no cost to the United Nations) on the basis of agreements to be signed with the authorities of the Netherlands and Norway, respectively.

102. The Commission would like to put on record its appreciation to all Governments and organizations for providing financial and human resources to assist it in its work.

IV. CONCLUDING REMARKS

103. The Commission was mandated by the Security Council to examine and analyse the information submitted pursuant to resolutions 771 (1992) and 780 (1992), together with such further information as the Commission might obtain through its own investigations or efforts of other persons or bodies pursuant to resolution 771 (1992), with a view to providing the Secretary-General with its conclusions on the evidence of grave breaches of the Geneva Conventions and other violations of international humanitarian law committed in the territory of the former Yugoslavia. In May 1993, the Security Council, in its resolution 827 (1993), encouraged the Commission to continue its activities on an urgent basis, pending the appointment of the Prosecutor of the International Tribunal established to prosecute persons responsible for above violations.

104. The activities undertaken by the Commission in the implementation of its mandate over the seven months that have elapsed since its first interim report was submitted, fall basically into two parts: (a) collecting, evaluating and analyzing information with the help of the database and (b) sending investigative missions to the former Yugoslavia to collect and verify the information, to investigate specific incidents as well as to obtain testimonies, to interview victims and witnesses and to hear alleged perpetrators.

105. So far as the database progress is concerned, thousands of pages of information have been gathered and processed and are being analyzed on the issues of mass killings and destruction of property, treatment of prisoners and detainees, systematic sexual assaults and "ethnic cleansing". The first preliminary studies, as indicated in note 2, accompany the present interim report. Notwithstanding the qualified evidentiary value of the information contained in the database as such, the database has already proved to be of great assistance to the Commission as a basis and support for its specific missions and investigations. It is also already obvious that, when completed, the results of the database information analysis will provide valuable help to the office of the Prosecutor of the International Tribunal established by the Security Council.

106. During the period under review the Commission has sent five investigative missions to the territory of the former Yugoslavia to collect and verify information on the issues mentioned above. The reports of one of these missions (Sarajevo) accompany the present interim report as indicated in note 2.

107. However, the Commission had to postpone or to limit the scale and scope of its investigative missions and major projects,

owing to both the volatile military and political situation in the former Yugoslavia and to the fact that the voluntary contributions of financial and human resources on which the investigative work of the commission is dependent did not start to come in on a sufficient scale until July-August 1993. However, the resources now at the disposal of the Commission should enable it to enter into a period of intensified verification work, provided that the overall military and political situation in the former Yugoslavia does not present new complications.

108. The programme of work of the Commission for the coming months includes the continuation of ongoing investigative missions to Zagreb, Sarajevo, Knin, Zadar, Pale, Zenica, Belgrade, Ahmici-Vitez, Dubrovnik, etc. The Commission also will send specialized teams of experts to investigate mass graves, systematic rape, detention centres and prison camps.

109. In light of the results of the Commission's work so far and of its projected plans and continued activities, the Commission remains ready and willing to proceed with its work in fulfillment of its broad mandate as set out by Security Council resolution 780 (1992) and in support of the International Tribunal and in particular of its Prosecutor.

NOTES

[1] S/25274, annex I.

[2] The present report is accompanied by the following documents: report on mass graves with analysis of Bratunac and Ovcara (Vukovar); report on camps and detention facilities; study of Sarajevo battle and siege and its appendices; draft preliminary summary and analysis of allegations of systematic rape in the former Yugoslavia; rape pilot study on Bosnia and Herzegovina; report on mortar shelling Dobrinja district of Sarajevo; report on the battle of Sarajevo and the law of armed conflict. Owing to the preliminary character of these reports, and to their volume, the Commission decided to transmit them to the Secretary-General for information.

[3] The Commission's mandate is to examine the analyse the information submitted pursuant to resolutions 771 (1992) and 780 (1992), together with such further information as the Commission may obtain through its own investigations or efforts of other persons or bodies pursuant to resolution 771 (1992), with a view to providing the Secretary-General with its conclusions on the evidence of grave breaches of the Geneva Conventions and other violations of international humanitarian law committed in the territory of the former Yugoslavia.

[4] Professor Frits Kalshoven (Chairman), Professor Mr. Cherif Bassiouni, Mr. William Fenrick, Judge Kéba Mbaye and Professor Torkel Opsahl. The members of the Commission sit in their personal capacity. Mr. Bassiouni acts as Rapporteur on the gathering and analysis of facts, and Mr. Fenrick acts as Rapporteur for on-site investigations as well as Rapporteur on issues of law.

[5] *Official Records of the Economic and Social Council, 1993, Supplement No. 3* (E/1993/23-E/CN.4/1993/122).

[6] S/25274.

[7] The delegation as a whole visited Zagreb and Belgrade. Thereafter, the Chairman went to Ljubljana, while the two rapporteurs went to Sarajevo.

[8] See also para. 76 below.

[9] See also S/25274, annex I, para. 61 and 62.

[10] The original decision of the Commission at its fifth session was to send an investigative mission to the Ahmci-Vitez area (Bosnia and Herzegovina). However, owing to the rapidly deteriorating security situation in that area and on the advice of UNPROFOR, 10 days before the departure of the mission the Commission had to postpone it and to send the team to Sarajevo instead.

[11] The team also interviewed one rape victim, a 13-year-old girl who was kept captive for 10 days in July 1992 and was a victim of multiple rape.

[12] In addition to the information obtained during the missions to Sarajevo, a large amount of documentation from other sources has been examined by the Rapporteur on the gathering and analysis of facts, resulting in a comprehensive Study of Sarajevo battle and siege (see also para. 36 and note 2 above). This is a day-by-day chronological analysis of 17 months. It indicates that the battle and siege have taken a significant toll on the city and its inhabitants. It is estimated that close to 9,000 Sarajevo inhabitants, including 1,500 children were killed or are missing, and that approximately 53,000 people have been wounded, of whom 14,000 are children. Many of these casualties are the result of sniper fire. Nearly all mosques, Catholic churches and hospitals and numerous other protected targets as well as major commercial buildings and facilities in the centre of the city have been destroyed and, with them, a part of the city's cultural and historical heritage. Furthermore, the shelling has destroyed more than 10,000 and damaged over 100,000 apartments. The city now has fewer than 300,000 residents, down from 600,000 before the war.

[13] See paras. 40–44 above.

[14] See paras. 15 and 17 above. The Commission, however, intends to obtain a written confirmation of these promises before the investigations actually take place.

[15] S/26373 and S/26374.

[16] Draft preliminary summary and analysis of allegations of systematic rape in the former Yugoslavia (see note 2 above).

[17] S/25826.

[18] See paras. 35 and 36 above.

[19] *Report on mass graves with analysis of Bratunac and Ovcara (Vukovar) (see note 2 above).*

[20] See note 2 above.

[21] See also paras. 57–62 above.

[22] See para. 67 and note 2 above.

[23] The report on camps and detention facilities (see note 2) analyses more closely the available information on the following camps: Keraterm, Omarska, Trnopolje, Manjaca, Stajicevo, Foca Prison, Foca School and Partizan Sports Hall, Luka, Doboj, Zenica, Mostar and Lora.

[24] S/25274 and annex I, para. 71.

[25] Less the expenses already incurred, the balance of the Trust Fund, as of 31 August 1993, amounts to approximately $730,000 in cash and over $380,000 in pledges.

[From Belgrad Duga, Jan. 30–Feb. 12, 1993]

BIOGRAPHIC DATA ON SERBIAN FIGHTER ARKAN

(By Dada Vujasinovic)

For socialist and divine Serbia, no one is ever, under any circumstances, irrevocably lost. That is why at its most difficult moments the fatherland always has plenty of true sons who will fight and struggle, with self-sacrifice and without giving quarter, for its freedom, reputation, heritage, prosperity, and future in the world community of civilized nations.

The celebrated commander of the Serbian Volunteer Guard [SDG], former legend of the Belgrade underworld, pastry shop owner, and dealer, Zeljko Raznjatovic Arkan, by the will of the Serbian voters of Kosovo, has become a people's deputy. One of the 250 people's representatives to the Serbian parliament before which the reelected president of the republic, Slobodan Milosevic, will take his oath, among other things.

During the preelection campaign, Raznjatovic spent a few days strolling around Kosovo, where without exaggerated eloquence while addressing the popular masses, with the experience gained at Zvezda "North," he repeated the slogans about the "holy Serbian land" and the "heart of Serbia." As a hardened warrior for a United Serbian State, he came to the very place where he himself says that he first fell in love with Sloba, in order to repeat all the same promises already made to the local people by the current government, albeit with a somewhat more elevated tone and racy vocabulary. Milosevic promised the people that no one will be allowed to beat up on them, while Arkan announced that he would beat up on everyone who is disobedient.

Judging from the ambitious job that he has set out to do as deputy, including the absolute introduction of order to Kosovo and a definitive showdown with traitors to Serbhood of any color and shape, Arkan will certainly heat up the deputy's bench, firmly believing in his own authority, which he has demonstrated in the past as one of the leaders of the underworld, a fan leader, and a commander of volunteers. Unfortunately, if we are lucky and the sanctions are lifted. Raznjatovic will not have the opportunity to participate personally in a delegation of Serbian members of parliament visiting their foreign colleagues, because he could experience unpleasantries on the way due to mistakes made in his youth. But at least he has seen enough of the wide world not to be upset that he is now unable to represent his fatherland, in a way different from the way to which he was previously accustomed. After all, even from here he can be loud enough in replying to Lawrence Eagleburger, who considers him a war criminal, by saying that that pretentious American is "one of Tito's Pioneers," and to Clinton by saying that "he should not interfere in our elections, because we do not interfere in theirs."

No one has the right to be angry that times have arrived in which people like Arkan thrive. Today, his name is uttered in a semi-whisper, with awe. He was a legend with an inaccessible biography, and history teaches us that precisely this sort of person becomes very problematic when he begins dabbling in politics.

NEIGHBORHOOD LEADER IN GAME OF "COPS AND ROBBERS"

Zeljko Raznjatovic Arkan had all the predispositions for growing up to be a dangerous young man. A Montenegrin by origin, an only son, the fourth long-awaited child of an officer, he rebelled against conventional norms of conduct even in his early youth. He himself says that he was driven to the streets by the typically Montenegrin type of upbringing that his father tried to apply to him. So it was not long after he wrested free from his father's control that he was calling certain other people "dad," including Stanko Colak, a high-ranking official in the then-powerful federal SUP [Secretariat of Internal Affairs]. Like the thousands of petty Arkans whom the streets bring forth in every generation. Zeljko too began with theft and burglary, and in this way soon ended up at the juvenile delinquency division of the city SUP. The inspectors who had dealings with him at the time (and these are people who followed his entire developmental course by moving around within the service, only to witness his departure for the front as retirees) say that he was unusually strong for his age and as agile as a top, never dirty or slovenly, always clean and properly dressed. In their first encounters, he confused them. During one of the first arrests, at the age of 14 or 15, two inspectors found him in a Cubura pastry shop. Without enough experience, they thought that taking this boy in would be a routine matter. But the boy resisted stubbornly, slipped away, and deftly escaped until the policemen realized that in his case they would have to apply treatment intended for much older delinquents.

"If he had gone out for any sport, he certainly would have achieved extraordinary results. That was just the way he was—capable of anything," one of the doyens of the Belgrade police, a man who followed Arkan's course of development from childhood, said many years later.

Thus, early on Arkan ended up at the Krusevac house of correction, but soon thereafter he went abroad. First to London, and then one place after another. On the rare occasions when he has been willing to talk publicly about his past, about which he says that it is exclusively his own business and

that he is not ashamed of it, he has interpreted his leaving the country as the desire to expand his horizons, to escape the local stifling hellhole. From the dispatches that the local police began receiving very soon after his departure from Yugoslavia, it became clear that Arkan abroad was continuing to improve on what he had begun in Belgrade. Generally, the Belgrade police simply added these dispatches to his file, if necessary notifying foreign colleagues that this is a documented delinquent. When Arkan matured into an exceptional criminal, domestic prosecutor were simply glad that he was wandering around abroad and that they learned of his activities in a purely informational sense from those dispatches. The rule was that they dealt with what was happening on the streets of Belgrade, and as long as Raznjatovic was elsewhere, he was not their concern.

BANKS TREATED LIKE SELF-SERVICE STORES

Information on Arkan's record as a robber is incomplete. One of the few people to comment publicly on Zeljko's skill and to testify that Arkan robbed more European banks than any other Serb was Goran Vukovic, the murderer of Ljuba Zemunac, a man who thus far has escaped repeated murder attempts:

"Of all of us, Arkan robbed the most banks: He walked into them almost like they were self-service stores. No one can quarrel with that fact about him. I don't know about politics, but as far as robbery is concerned, he was really unsurpassed. That is all he has done his entire life. Banks were his speciality, as well as spectacular escapes from prison. He managed to escape from the same prison two or three times. He even escaped from the Germans. He liked to act like the boss, although there was no way he could measure up to Giska. If he is a killer, then a killer is what he is: skilled and competent. However, Giska was incomparably more intelligent, cultured, and honest. He did not allow any power to manipulate him, while Arkan was simply forced to accept many unpleasant things," Vukovic said.

Ever since Arkan emerged full force as a public figure, there have been many attempts to reliably reconstruct his past as recorded in numerous police files scattered all over the world. Plenty of Arkan's "biographers" have been taken in by intentionally distributed false information and facts. Some have unnecessarily added fabricated chapters to his already profuse career. It is utterly incontrovertible that several so-called red Interpol circulars have been posted for him, which expire only after twice as much time as the punishment provided for the committed criminal act has passed. As far as these circulars are concerned, Arkan is completely safe here, because no country is obligated to extradite its citizen to another on that basis. War crimes, however, are a different matter entirely, and in the meantime Arkan has acquired that reputation in the world as well.

INTERNATIONAL FAME FROM PERIOD OF TEMPORARY WORK ABROAD

What is utterly reliable in Arkan's "bibliography" can be read in Case XII K, No. 851/86, First Opstina Court of Belgrade, where Raznjatovic was last sentenced some seven years ago. That record states that "Zeljko Raznjatovic, aka 'Arkan,' father Veljko and mother Slavka nee Josifovic, born on 17 April 1952 in Brezice, SO Brezice, living at Ulica Ljutice Bogdana No. 3 in Belgrade, Montenegrin, citizen of the SFRY, worker, working under contract part-time at the 'Amadeus' club in Belgrade, married, the father of three underage children, completed Advanced Hotel and Catering School, did not serve in the military, listed in the VZ [Community Council of the Municipal Assembly] of SO Palilula, sentenced by verdict of the Fifth Opstina Court in Belgrade K. 1510/72 to a prison sentence of six months for the criminal act of theft based on Article 249, paragraph 1 of the Penal Code, also sentenced as a minor by verdict of the Okrug Court in Belgrade Kz. No. 135/69 to serve a three-year term in juvenile prison based on Article 69 of the Penal Code, sentenced by a court in Brussels, Belgium by a verdict of 18 December 1975 to 10 years in prison for armed robbery, and sentenced by a court in Amsterdam, the Netherlands by a verdict of 7 May 1980 to seven years in prison based on the criminal act of robbery in connection with banditry."

In the meantime, some of the cited facts from 1986 have changed, but the facts cited in the file are eternal and indelible. Also in circulation is information to the effect that Arkan moved around the world under pseudonyms and with forged identity papers. Reportedly his identity was concealed under the names Betega. Valentini, Djordje Rolovic, Marko Vukotic, and others. Aside from the noted robberies in Belgium and the Netherlands, there are also the burglaries in Sweden, where he and his group broke into banks and apartments. It is known that he was a smooth operator in escaping from prison. After robbing the "Lambert" bank in Brussels, he was sentenced to hard labor, but he very quickly granted himself a pardon by escaping. He reportedly spent some time in the Dubrovnik area, and then set out on new raids in Sweden, the Netherlands, and Germany. He was arrested while robbing a jeweler in downtown Frankfurt in 1981, and he ended up in the hospital because of an injury inflicted on him by a German agent through a blow to the head, which resulted in a brain concussion, but he soon escaped from there as well. Mention is also made of a spectacular showdown with Swedish police in 1984 and his accidental capture at the Austrian-German border a couple of months later at the end of 1986, which is notable as the year of Raznjatovic's final "retreat from temporary work abroad."

Stories of Arkan's spectacular escapes from the most secure prisons have been retold around Belgrade. It is known, however, that such a thing cannot be executed without outside help, regardless of how good a shape the prisoner is in. Reliable sources, former UDBA [State Security Administration] officials, told me that a working mechanism exists for springing their people once the news has come that one of them has "fallen." Most of all, money is essential.

MUSTAFA GOLUBIC AMONG SERBS FOR SECOND TIME

It is assumed that Raznjatovic began working for the SSUP [Federal Secretariat for Internal Affiars] early on. Stories have been circulated to the effect that his father got him that job by asking Stane Dolanc to "join" him in order that his unruly son expend his surplus of energy, skill, and intelligence usefully. However, insiders say that Veljko Raznjatovic, a retired air force colonel and veteran of the First Proletarian, gave up on Zeljko early on, and that he even divorced his wife because of his son's mischief. Nevertheless, Arkan had close relations with certain of Tito's generals, including Jovo Popovic, with whose son Misko he was good friends. Many people believe that the then-powerful Gen. Jovo Popovic is largely responsible for Arkan's physical and mental condition.

Whatever the case, Arkan turned up in Belgrade at some point with much more self-confidence than he had when he had crossed the border as a boy. He wore a white suit, was a passionate frequenter of gambling houses, disco clubs, and night spots, trying to present himself as a new Mustafa Golubic. One could only speculate about his merits. But he also behaved like a responsible citizen of Belgrade. He was the terror of gambling houses of that time. When he won, he demanded that the money be paid to him. When he lost, he showed the croupiers his pistol instead of his chips. With time, thanks to him, a complete ritual in relations between the Belgrade and federal police emerged, consisting of the following: When the Belgrade police took Arkan in, they counted the minutes that went by until the SSUP intervened, and guessed at who would come "get" him this time. Most often it was Srdan Andrejevic and Stanko Colak. It is known, however, that Stane Dolanc himself did not shun this task either.

TWO PARKING TICKETS AND VISIONARY PROPHESY

This happened in the early 1980's. Arkan was once taken in by the city SUP because he had arrogantly parked his car right in front of the entrance to the used-car market at Bubanj Potok. He sat in the car and did not pay the least bit of attention to the warning by traffic policemen to move the car. Instead, the patrol was attacked by two companions who were with him in the car, who used their pistols. They fled, but Raznjatovic was taken to the SUP, although he showed identification from Montenegrin DB [State Security], for the purpose of determining the identity of the assailants. The Belgrade police say that Arkan was the epitome of civility whenever he was taken in. He always willingly agreed to this game, only occasionally warning that "dad" would bring charges against them, although there was no need for that, because "dad" always found out about everything in time. Morever, Arkan always responded to every invitation by inspectors to come in for an "information talk." During that time, the chief of the criminal investigation department was Tomislav Jeremic, while the chiefs of the operative divisions wee Mele Jovanovic, Spiro Otesevic, and Petko Zoric, with their also well-known colleagues, Nocovic, Bizic, Andjic, Rade Markovic, and others. All one had to do was to leave a message that he come to his mother's house, and he would obediently appear. The inspectors with whom he cooperated and who over the course of time developed a proper relationship with him say, however, that he was never really that useful to them. He never agreed to inform on anyone else, nor was he willing to recall to them events where he was present as a witness. That was the case this time as well. In vain the chief of the city SUP at the time, Merle Jovanovic, asked him to say who the two men were who had attacked the patrol. Very soon, the telephone rang and a policeman from the main entrance informed Jovanovic that Stane Dolanc, at the time the newly appointed federal secretary for internal affiars, had just entered the building. Jovanovic said something to him about getting better eyeglasses, accusing him of hallucinating. But then the phone rang again. This time it was the city secretary, informing him that Dolanc had come personally to take Arkan home. At that time, it was more than adequate for Dolanc to intervene by telephone. His personal appearance indicated major services or major sympathy, or perhaps both.

Another time, Arkan parked a car right at the entrance to the "Metropol" and left to gamble in the company of Gen. Kapicic. A security officer asked him to move the car, but Arkan scornfully chased him from the table. Then the chief of the city SUP firmly ordered that this be done immediately, because otherwise he would personally come and teach him a lesson. Arkan obeyed, but at the hotel exit he embraced the officer who had brought him the message and said, literally, "Why are you all so committed to that chief? Don't be surprised when I become a national hero one day." The dilemma remained—was Arkan clairvoyant, or was he thinking of his prior merits?

PROMOTION FROM FEDERAL TO CITY SUP

Among the hard-working people of the Belgrade underworld, he was renowned as the boss with a refined sense of justice. In their quarrels, it is said, he always passed judgment impartially. Aside from his occasional tendency to fleece some of them for money when he lost at gambling, after which it did not occur to him to return the debt, he liked to play the role of protector. In late 1981, for example, the police arrested Miroslav Djordjevic Bombona and Slobodan Kostovski at the Belgrade airport as they, accompanied by a UDBA agent, attempted to fly to Frankfurt. At the time, Bombona was wanted by the city SUP, so that a local search had been announced. After a couple of hours, the phone rang in the apartment of Chief Mele Jovanovic, who was resting after a sleepless night. From the other end of the line, the flustered voice of the officer on duty at the airport police station awoke the chief, explaining that a colleague was anxious to talk to him concerning an important matter. The chief was dressed down at the other end of the line by Arkan himself, who insisted that his two "colleagues" who had been taken in be released, because they had urgent and pressing business abroad. The on-duty policeman was severely rebuked, even though he justified his actions by saying that Arkan had shown him identity papers from the federal SUP. However, Arkan was then taken in as well.

Policemen from the city SUP at the time contend that despite the efforts that he made, Arkan clearly did not attain the type of position that he had at the federal SUP. "Dad" Stanko Colak went to then-city secretary Mile Rajkovic to complain about the chief and his service, who were "mistreating" his protege by repeatedly taking him in. The secretary rejected the charge at the time. All indications are that Arkan was taken in only by Miroslav Bizic, and it is also said that he was the only one who beat him. When Bizic was later forced out of the police and opened a private agency. Arkan slandered him all over town by saying that he [Bizic] himself was organizing car thefts in order to find them later and charge a hefty fee for the service. Lately however, rumor has it that customers with references from Arkan have been turning up at Bizic's agency, which indicates an unexpected turn of events. Unless there is no connection with the story that Bizic is returning to the police.

Much has changed since the period when Arkan was treated by the city SUP like all the others of his kind, because Belgrade policemen of that time contend that they were not very impressed by stories of their federal colleagues who openly admired him and loudly praised his loyalty, confidentiality, talent, and accuracy, judging from some indications. Eyewitnesses say that now Arkan enters the city SUP building as if it were his own pastry shop.

ACQUISITION OF NECESSARY SPOTS ON SSUP HOUSING LIST

Besides the noted cases of arrogant behavior on the streets of the city, Arkan committed only two major excesses in Belgrade. The first happened in early November 1983, when he wounded, in his apartment, two policemen who had come to take him in. Raznjatovic had moved into the apartment a year earlier. This was a three-room apartment that he got, according to Decision No. 46482/1 of 22 November 1982, on the basis of Article 40 of the regulation on Resolving the Housing Needs of SSUP Workers signed by then-assistant secretary Mirko Bunevski. The justification for the decision states that "in deciding on the allocation of housing to the person in question, consideration was given to all facts and circumstances affecting the allocation of housing, especially the republic that he represents and the personnel needs of the SSUP."

The two policemen set out to get Arkan in a manner that turned out later to be rather clumsy and naive for a criminal of his stature. Arkan contended that he had no idea that they were policemen and that from their faces it seemed to him that they might be Albanians,with whom he has a bad reputation. However, experienced policemen think that these two served only as practice for him, because if he had really suspected that that kind of danger awaited him, they would have had no chance of getting out of it alive. This time as well, the SSUP intervened. It was necessary to somehow convince the families of the wounded policemen not to press charges. One father agreed readily, but the other would not even consider not pressing charges against the assailant who had crippled his son. When everything got to court, the verdict was putative self-defense.

When Arkan and his family moved to a house near the "Zvezda" stadium in mid-1985 that was bought in his wife's name under unusually accessible conditions, thanks to a favorable loan from Beobank, it became clear that Arkan's price was rising. The liquidation of Stjepan Djurekovic is attributed to Arkan, and this untrue rumor provided Raznajatovic with a cover for a large number of things. Foreign police files could only state that there is a well-founded suspicion that he, under orders from the then-powerful Yugoslav UDBA, did this or that, but not that this is clearly established. Whatever Arkan has done around the world, it is a fact that he has received much more credit than others have.

1986 HOUSE INVENTORY

In early 1986, Arkan beat up a certain Predrag Djajic in an elevator. It turned out that he was nervous because he had lost a lot of money gambling that evening. Once again the federal SUP did everything it could to clear Arkan of responsibility, while the city police tried to get as harsh a punishment as possible for Raznjatovic. The court decided on a middle variation: He was given nine months in Padinska Skela prison. After appeal, the sentence was reduced to eight months, but the court denied a demand for special mitigation of the sentence in which it was alleged that Arkan was taking care of his seriously ill father and that his wife had fallen into a deep depression following his arrest. The court ruled that "the social danger of the criminal act" did not allow mitigation of the sentence that was handed down. During a search of his house, an entire arsenal of weapons was found—hunting rifles, automatic rifles with sniper-copes, two Magnums, hand grenades, ammunition, and gun licenses issued by the Cetinje SUP. Also found were various identification cards issued in France and Italy, foreign driver's licenses, 11 passports from nearly every European country, including a U.S. one, a diplomatic passport, and six press passes. Some gold and foreign exchange was found, as were seals with the signature "Casino Sveti Stefan, Raznjatovic Zeljko, director." At his trial, Raznjatovic said openly that he worked for the SSUP and that he had gotten the weapons for 13 May, Security Day, but that "the reason is not important." According to the Regulation on SUP Employment, however, a policeman cannot become a person sentenced for criminal acts, but Arkan did not fit into this category. He was simply an employee of the service. By definition, an employee is a person who performs the job assigned to him conscientiously, in accordance with the functions of the service, and on his own initiative.

The arrival of the multiparty system to the Serbian political scene divided the underworld as well. Criminals too were divided into position and opposition. Arkan leaned toward the former. In an analysis of his actions from Slobodan Milosevic's assumption of power to the present day, there is too much support of or loyalty to the regime, demonstrated in one way or another, for it to be a mere coincidence. He himself has acknowledged that he was a regular attendee of all of Sloba's rallies. He has said that he was even arrested at the big popular demonstration before the SFRY Assembly when Sloba promised that Vllasi would be arrested, because people from security thought he was suspicious. Arkan was also known early on as an ardent "Zvezda" fan, but as fate would have it, he became a real leader of troops a little before the first elections in Serbia. One day he appeared on the reserve players bench. Legend has it that here, under the "Zvezda" roof, he met then-Serbian police minister Radmilo Bogdanovic, who was a member of the club's management. Although the two of them disavowed any closer contact, it is known that Arkan quite openly and amicably offered to Bogdanovic his services in dispersing the first opposition demonstrations on television in June 1990. Bogdanovic reportedly thanked him for the offer, but Arkan is seen, together with members of the MUP [Ministry of Internal Affairs], attacking demonstrators. It is also known that the then-Serbian police minister complained openly during the 9 March demonstrations about how Arkan was "in a Croat prison."

Arkan performed his first assignment irreproachably: to dispel party leaders, especially Duke Voja, who was launching a serious assault in Marakan. It all began when Seselj, with a group of similarly minded people, tried to attend a "Zvezda" match, but was prevented from doing so by security. A number of fans then left the stands in protest. That was when loud calls such as "out with management" began, with special reference to Radmilo Bogdanovic, who was indirectly accused of expelling Seselj, but also to other national leaders. At the time, all the parties were very much interested in gaining the fans' sympathies, either because of the good advertising that would be heard from the stands or because of the considerable number of votes in the hands of soccer fans.

However, Arkan intervened resolutely, ostensibly justifying this by the fact that having politics at the stadium would divide the fans. Eyewitnesses say that during a meeting between him and Seselj at the "Ruski Car" cafe, the dialogue went as follows:

"Do you know who I am? Do you know how many people I have killed for the fatherland?" Arkan asked.

"No. I don't. I have not killed a single one, but I will begin with you. I will strangle you with my bare hands," Seselj responded.

The quarrel over fans left behind serious consequences for their interpersonal relations, although they later made up over the grave of a dead soldier. As things stand now, Arkan—because of pangs of conscience due to his previous wrong assessment—has presumably taken the initiative in the game of ingratiating himself with Seselj, taking advantage of every opportunity to express his admiration for this confirmed "patriot" and to set some ministerial post aside for him, while Seselj, when asked about Arkan, remains rather reserved and at a distance. Eyewitnesses even say that the duke is not the least bit enthusiastic when the commander visits him. The duke is probably very vengeful.

FIRST PATRIOTIC IMPRISONMENT

After successfully performing his test job and establishing order at Zvezda "North," Arkan was given more serious assignments. Suddenly, in late August 1990, Zeljko Raznjatovic, together with five friends or acquaintances, was arrested in Dvor na Uni. They had the "honor" of being condemned as a terrorist group for attempting to overthrow the SFRY, and especially the newly enthroned, young Croatian democracy under the freshly written Croatian criminal code. Initially characterized as the main terrorist and organizer, Arkan was treated in the indictment as the number four defendant. After six months' imprisonment in "Remetinac," Artukovic's former prison, following a ruling in which he was sentenced to 20 months in prison, Arkan was released. He was personally escorted from the prison by the warden, even though it was his day off and Arkan was to return to Belgrade in a private, rented airplane accompanied by friends. It is said in Belgrade that he was freed from prison by Mossad.

Arkan said nothing in his defense at the trial, because that is what his lawyers advised. At the inquiry, however, he said that he met the first defendant, Milos Bandic, in Belgrade at his bar, where the latter was gathering aid for TV Knin. According to Arkan's admission, Bandic bragged about how he was a Chetnik duke, and Arkan agreed to go with him purely for the adventure. Afterwards, Bandic informed him that one could not get to Knin unarmed, and that Vuk's and Seselj's people had previously threatened to kill him because of the clash over the soccer fans, so for that reason he bought a pistol and submachine gun from an unknown person for 3,500 marks. Arkan also said that Bandic had told him that they were going to Knin for a meeting of some sort of war council, that he had offered his traveling companions black knit caps with some sort of emblems, and that in the car he wanted to hear Chetnik songs, which Raznjatovic would not allow. Arkan also described the meeting of the war council and the discussion concerning lifting the barricades at Dvor na Uni, denied that he was asked to take his "troops" to those barricades, and explained that up to the time when they were arrested, he had not been involved in any of the first defendant's business. Upon release from prison, he said that everyone treated him decently there. He then promised publicly to withdraw to a peaceful life, to his family and business. That was mid-1991.

It was not long before Arkan was at the front in eastern Slavonia, in the role of commander of the Serbian Volunteer Guard. Referring to his days in prison in Zagreb, he asserted that the Croats released him because they had no idea whom they had their hands on, because even at that time he had a sizable guard force and was unselfishly helping the people at Krajina. Intelligence officers who have returned from Croatia in the meantime have testified, however, that the local authorities knew very well who Arkan was. Prior to Arkan's volunteers, the first to show up at the eastern Slavonian front were Jovic's fighters from the former "Dusan the Great" detachment. Then Giska and his guard tried to cross the Danube, but they were turned back by Serbian police. Arkan was released, but afterwards he bad-mouthed Giska for waging war around Kosutnjak. Arkan was in Tenja for a short time, on the front line toward Osijek, only to transfer to the former territorial defense headquarters in Erdut, which at the beginning of the war had been used by members of the ZNG [Croatian National Guard Corps] until the JNA [Yugoslav People's Army] drove them out in early August. Unlike the majority of the fighters, typical chubby Slavonians who melted away at the front, it appears that being in fresh air and in war suited Arkan so much that he gained quite a bit of weight. Running headquarters at Erdut together with him was Radovan Stojcic, aka Badza, who is now the deputy republican minister of internal affairs. Unlike Badza, who always stayed on the sidelines, Arkan beat the drum for every campaign and move. However, eyewitnesses say that the two of them were often in the office of the then-commander of the Novi Sad Corps, the late Gen. Bratic, and that they acted submissive toward him.

His fighters were irreproachable in posing for the numerous journalists hanging around. Arkan did not even shrink from organizing the delivery of cakes from his pastry shop to the front in order to brag to everyone about how much the people in Slavonia love them, and thus to plot against them. Everyone was very pleased by his joke that he would open a pastry shop on Jelacic Square in Zagreb, and it was quoted ad nauseam. Suddenly realizing that he was no longer obligated to hide and remain silent about the new types of patriotic undertakings, Arkan talked, explained, threatened, and bragged like a mute man who gains the power of speech over night. He explained that Serbia is not some sort of Santa Claus with presents to give anyone, that Zadar, Split, and Sibenik are Serbian cities that were forcibly settled with a Catholic population. . . . Not waiting for court directors to come film new versions of "Sutjeska" and "Neretva," Arkan shot a propaganda film about himself after only a few months at the front, alleging that it was an authentic combat film. Those better informed about military skills assert, however, that it contains plenty of staged celebrating and posing. Nevertheless, they are full of understanding for this need of Arkan for self-praise. Only a few people, if any, knew about his services for the former homeland, and one of the main witnesses is now a citizen of a foreign state, and is moreover somewhat senile. Arkan has never dared whisper a word about these exploits, but it is certain that he has wanted to on countless occasions. No matter what the cost, he was not willing to miss the opportunity offered to him this time to publicly depict all his fearlessness and bravery, to get it through everyone's head even before it found its way into the history books.

ATANASIJE'S VOICE IN THE WILDERNESS

Arkan did well with the job entrusted to him in Slavonia. He simply had to play the honest, well-groomed and perfumed, brave, clever, and courageous Serbian fighter, who will constantly tweak the nose of the unreliable and clumsy JNA, but all for the purpose of improving the combat morale of the same. He drove crazy ideas out of their heads, to the effect that they "were not ready for civil war" and "did not know how to fight part of their own misguided people," while his continuous name-calling and insults regarding their incompetence finally roused enough vanity among the officers for them to suddenly begin fighting like men. As Gen Vasiljevic has testified, Raznjatovic arrogantly entered the SSNO [Federal Secretariat for National Defense] building, armed to the teeth. All the officers, including even the head of the KOS [Counterintelligence Service] were obligated to show their pass and weapon to the on-duty officer at the entrance, but that did not apply to Arkan. Only once did the on-duty officer try to stop him, whereupon Raznjatovic showed him his fist and explained that that was his pass. When visiting some Syrmian cities, he traveled by military helicopter, setting down in the very center of town.

Even before he achieved wartime glory, Arkan was trying to influence public opinion about himself. Thus, on one occasion he stormed into the editorial office of NIN, which had published some article about him that was not to his liking, and severely warned those present not to repeat that sort of thing. The alibi that he acquired at the front, however, allowed him to do much more later on. Last year, on a special Studio B broadcast "From Gossip to the Truth," some "nonpatriot" asked whether it was true that the police had closed off the street in front of Arkan's house for security reasons. It did not take long for Arkan to call in from Erdut. He was not interested in hearing any explanation; he simply said that his mother had told him that he was being spat at on Studio B. "If my mother tells me one more time that you are teasing me, then you will have me to deal with. Have you no shame? While I am bleeding at the front, you are fabricating lies."

Trying to adopt the image of the ideal Serb—a patriarchal family father, successful businessman, patriot, and purebred Orthodox, Arkan launched a merciless assault on the Patriarchate. Aggressively flirting with religion, he first conquered the Slavonian eparchy and became the great protector of Bishop Lukijan of Osijek-Baranja. Last year on Christmas Eve, he appeared in the role of bodyguard for Amfilohije in Cetinje. Amfilohije later explained that the church is obligated to receive anyone who comes to Christmas Eve, and that Arkan is a native of Cetinje. As the self-proclaimed protector of Orthodoxy, however, Arkan went even further, and on 9 March of last year appeared before the Patriarchate with the intention of becoming the personal bodyguard of the patriarch himself. Atanasije's reaction was resolute: He asked Arkan to leave, explaining that the latter "cannot be the emblem under which the Serbian patriarch goes to St. Sava's Church." After a big stink was raised about this, Atanasije repeated his position in a later clarification of his reaction: "My remark was clear—Arkan cannot be the patriarch's patron and his emblem. I never questioned the fact that Arkan is defending Serbs, but he is not the only one. Arkan is a fighter where that is needed, but Stanoje Glavas was also a hero, and when they wanted to elect him leader of the rebellion he said, 'Not me, I am a guerrilla fighter.' And they elected Karadjordje."

FROM BLACK LEGEND TO PARLIAMENTARY IMMUNITY

In fact, Arkan is only seeking his rehabilitation, and his desire to push the past aside and create for himself a new image is so insatiable that it cannot be moderated. It is not easy for him. He used to get money for the job he did, but now he wants respect and admiration. If not by grace, then by force. He thinks that if he succeeded in establishing order at Zvezda "North," then he can do the same with the disobedient Serbian people. With patriots he will personally pin the Obilic Medal to their chests, while with traitors he will whip their behinds.

In early April 1992, Arkan and all his fighters were in Bijeljina, and immediately thereafter all leading world newspapers published a photograph of soldiers with the SDG emblem killing and kicking the corpses, and the whole world raised an outcry about how Serbian para-military units were carrying out aggression against Bosnia-Hercegovina. The Serbian leadership justified itself, and Dragoslav Bokan, the leader of the "White Eagles," was arrested, but Arkan disappeared from public view for a certain time.

Indeed, the "cleansing" campaign, which is the SDG specialty, presupposes "combing through" every house in an inhabited place, whereby it is not unusual for innocent civilians to suffer as well. The rule, more or less, is to shoot first and then see who is who, whether they are armed and, whose uniform they are wearing.

Be that as it may, after a certain time Arkan, with a boyishly innocent face, turned up at an auction in the "Metropol" hotel, organized to help the families of all fallen fighters. On that occasion, he acknowledged that he has no intention of justifying himself to anyone, nor does he fear anything, with the exception of his wife, who is his only boss. With the people, things are reversed. Many serious and influential people asked me not to link them with Arkan in any context, generally explaining that they have children, a family, and that they do not want any problems. Especially now that he has become a respected member of the establishment. He has a pastry shop, he has opened a currency exchange office, a private detective agency * * *

A pity, I think. He had the chance to become a legend. He readily agreed to trade in the image of a fearless robber of extraordinary caliber, the terror of every police force in the world, the big boss of the underworld who always knew how to take as much as he needed, honorably, with a revolver in his hand, in favor of the image of sycophant to figures under whose patronage he can flourish without risk. In this exchange, he has lost out twice.

[From Belgrade Vecernje Novosti, Nov. 22, 1993]

ARKAN VIEWS PRESENT SITUATION, OPTIONS IN PROVINCE

(By M. Kikovic)

"The people cannot stand the growing gap between them and the war profiteers any longer. They are getting impatient, and this is the last chance for political institutions to avoid their disappointment. Fraud has to be stamped out, otherwise everyone will take up arms." This is how Zeljko Raznjatovic Arkan, a member of the Serbian parliament, representing a group of citizens from Kosmet [Kosovo and Metohije], characterizes the present situation in Kosmet. He says that up to now only tolerance and incapability have been shown toward Kosmet.

He has also made the following statement: "Temporarily the Albanians do not have the right to govern Kosmet because they almost seized it and proclaimed its independence, but this has not thwarted their intentions concerning their independence and a greater—Albania. Having foreign support, they are now creating their own state in our presence, under our wing, and we are still behaving helplessly. We are still courting the hostile international community in order not to be condemned by it. At the same time its spies and warmongers, assuming the form of delegations, keep on visiting Kosmet, thus undermining the country. In contrast to the past, enemy services can now easily perform their tasks, for which they had to pay a lot of money before. We must not behave masochistically any longer, the defense system has to start functioning. According to the plans of mighty international factors Kosmet is coming next, but we shall not allow the scenario from Bosnia to be repeated."

According to Arkan's opinion the system of parallel leadership can be controlled by a strong policy, judiciary and financial institutions, which will enable the constitutional state to function. One has to be especially careful with Albanians, who not only disrespect the country, but are also trying to destroy it.

"They have to comprehend that their future is Serbia, in which they will have all civil rights. They have to comprehend that Rugova and other Albanian political leaders are pushing them toward disaster. The Serbs do not want a war, but they are forced to be ready for it. Rugova does not even deny that he is an Albanian citizen. Therefore the Yugoslav passport should be taken away from him. It is better for us all to direct our eyes to Belgrade than to Tirana. If there are people who do not share this opinion, we shall open the borders, and they can look for their future in Albania," Arkan says.

Arkan maintains that paramilitary forces are active in Kosmet. They consist of Albanians trained in Albania and Germany. They are sent to Croatian battlefields, they even get help from Turkey and Bulgaria. In this way their morale for the first strike on "the southern front" is being raised.

"A large number of Albanians are being trained now to be sent to the war [in former Yugoslavia]. These people should be forbidden to come back to Kosovo. We have to reinforce the police force in Kosmet, especially along the borders, they should be given wider powers. * * * The Serbian people have to be prepared to defend their homes. A large number of Serbian volunteers from Kosovo have participated in the war already, more and more young people are registering for military training at the Serbian Volunteer Guard Center. They do not want a war, but they want to be organized and prepared to defend their homes. Foreign and domestic enemies should be aware of this fact. There are no teeth, no backbone, and no tank treads that would not break in Kosovo. The people are on the alert, they have been trained to fight, every Serbian place is a defense center," the commander of the Serbian Volunteer Guard says.

Arkan thinks that the army should be transformed quickly and efficiently. He supports the creation of a strong professional Serbian army that would be a guarantee of peace. That is why he is proposing that military units be transferred to critical points, to secure the borders, to locate a part of the military industry to Kosmet.

"The Serbs must grow wiser. There must be no treason, beginning from the parliament down to the smallest village. Things must no longer be kept under the veil in the parliament. We gained the confidence of the people, but we can also lose it if we betray their expectations. It is my task to enable the children in Kosmet to live as peacefully as other children in Serbia," Arkan says.

Mr. DECONCINI. Mr. President, United States policy for the past 3 years has been to let European leaders set the terms of our response to the conflict. I will not go into my views on that policy now, but I do wish to say emphatically that we can have no justifiable excuse for hiding behind the Europeans when it comes to the war crimes issue. We must take the lead. We must be willing to demand that those responsible for war crimes be held accountable.

I urge President Clinton to begin speaking out persistently on this matter. The Europeans would like to delay action on this matter but, for the sake of justice, for the sake of peace and stability, America cannot and must not let the issue die.

THE CONTINUING CONFLICT IN NAGORNO-KARABAKH

Mr. DECONCINI. Mr. President, the Nagorno-Karabakh conflict continues, though it receives little press coverage these days. Those praying for a cease-fire and the beginning of serious negotiations are deeply disappointed by the ongoing hostilities and the lack of progress. This past summer, the prospects for peace seemed better. For the first time, a cease-fire was arranged by agreement between the Nagorno-Karabakh Armenians and representatives of the Government of Azerbaijan. The cease-fire was extended several times in this manner, though small-scale fighting persists. These contacts between Baku and Stepanakert offered grounds to hope that direct talks might begin on issues larger than a cessation of hostilities.

Unfortunately, these hopes have not been realized. Apart from the launching of direct contacts between Karabakh Armenians and Azerbaijan's Government, there have been no basic changes or advances in the conflict or in mediation efforts. The most important development in the last half year has been the outcome of the fighting on the ground, in which Armenian forces have been extremely successful. Today they not only control Nagorno-Karabakh itself, but a substantial swath of surrounding territory. The Armenian capture of these areas has resulted in scores of thousands of new Azerbaijani refugees, many of whom have fled—or tried to flee—to Iran. According to newswire reports, many have died in the effort. Official Azerbaijani figures now estimate that 1.1 million of Azerbaijan's population of over 7 million are refugees. Camps have been set up for those made refugees

most recently, but probably not enough to meet the need, and with winter coming on, these people face death from illness and exposure.

Armenia itself is in deep trouble, even though Karabakh military forces have been triumphant. Azerbaijan continues to keep fuel and other commodities from reaching Armenia, and pipelines through Georgia are unreliable because of the chaos in that country. Without steady access to energy supplies, Armenia's inhabitants—which include hundreds of thousands of Armenian refugees from Azerbaijan and people still homeless since the December 1988, earthquake—confront another terrible, freezing, and dark winter.

Clearly, a political solution is urgently needed. With thousands of Azerbaijani refugees trying to reach Iran, Teheran—to judge by official statements—is growing increasingly concerned about the conflict on its borders and now frequently issues warnings about the possible consequences. Russia and Turkey, of course, also have interests in the conflict and the region, and the danger of larger regional hostilities persists.

In the meantime, Mr. President, the sanctions imposed on Azerbaijan by the Freedom Support Act of last year prevent any United States Government assistance to Azerbaijan through government channels, including humanitarian aid. But in view of the humanitarian needs of the large numbers of Azerbaijani refugees, we should consider whether this course—which I initially supported—is the wisest and fairest course of action. The Nagorno-Karabakh conflict has created hundreds of thousands of refugees on both sides, and refugees are deserving of humanitarian assistance, whether they are Armenian or Azerbaijani.

All the parties to the conflict are supposed to respond to the latest CSCE plan for a ceasefire timetable by November 22. Until now, the Azerbaijani side has been demanding that Armenian forces withdraw from captured territories, while the Karabakh Armenians insist on security guarantees. Perhaps this time, they will agree that enough blood has been shed, and meaningful talks about a peaceful resolution can begin. We must continue to urge all the sides to go to the negotiating table and launch the process of normalizing relations between peoples whom fate and geography have made neighbors.

I yield the floor.

Mr. CHAFEE addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island is recognized.

Mr. CHAFEE. I thank the Chair.

(The remarks of Mr. CHAFEE, Mr. BOND, Mr. COHEN, Mr. HATFIELD, Mr. PACKWOOD, and Mr. DOMENICI, pertaining to the introduction of S. 1770 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The ACTING PRESIDENT pro tempore. The Senator from Missouri.

CRISIS ON THE KOREAN PENINSULA

Mr. BOND. Mr. President, I want to turn to a totally different subject, a very serious crisis that I think is something we should be concerned about and that every American should be concerned about. I refer to the simmering crisis on the Korean Peninsula. I do not believe it has yet received adequate attention from the news media or from the administration until the past few days when the APEC conference in Seattle focused the spotlight on it.

North Korea's effort to design and build nuclear weapons is a threat not only to South Korea and the tens of thousands of United States troops defending that country; it is also a threat to international stability. I, for one, am concerned that the Clinton administration has failed to respond adequately to this threat and that, by its actions, is setting the stage for a much more dangerous confrontation down the road.

Rather than taking a tough stand against the North Koreans, this administration seems determined to be manipulated by that country. Instead of taking a tough stand, assembling an international coalition to oppose North Korea, and forcing them to submit to international inspection of their nuclear facilities, the administration is offering great concessions in exchange for mere promises. It appears, I am afraid, that the administration is looking to get an agreement—even a bad one—simply for the sake of agreement.

According to this morning's press accounts, the administration is ready to offer a deal in which we will cancel our annual Team Spirit exercise next year and offer future concessions in exchange for a resumption of regular IAEA inspections and a resumption of North-South talks on nuclear disarmament.

In my view, such a deal would be worthwhile only if it were coupled with a nonnegotiable, short-term deadline under which the North Koreans agree to allow special inspections—inspections on a random basis—of all nuclear facilities.

Short of that, the deal will amount to nothing more than an opportunity for the North Koreans to talk endlessly while they finish building their nuclear weapons. If the offer does not carry a term requiring the North to accept special inspection within a matter of weeks, then it will do no good. We should not make significant concessions, such as cancellation of Team Spirit exercises or promises of recognition in exchange for mere promises. North Korea is not a country that has a good record of keeping its promises, and we have no reason to believe that they have changed in this case.

Nothing short of unrestricted international inspection will ensure that the North Koreans are keeping their word. The President needs to take a strong stand to ensure that outcome.

The dangers posed by North Korea's threat to withdraw from the Nuclear Non-Proliferation Treaty and to go forward with the development of nuclear weapons are many.

The most obvious danger is to South Korea whose capital, Seoul, lies less than 30 miles from the million-man army deployed on the northern border. Conventional artillery alone is a huge threat to the South. The addition of ballistic missiles topped with nuclear warheads would make that threat skyrocket. Just as important, 36,000 Americans stand between the border and Seoul.

Second, we know that the North Koreans have tested ballistic missiles with significant ranges, including the Nodong I, which has the ability to hit several countries, including most of Japan. These countries have to feel threatened already. Knowing that North Korea possessed nuclear weapons, as well as missiles, would likely force them to respond by developing their own nuclear weapons.

There is no doubt that the Japanese have the technology to develop nuclear warheads in short order, and there is little doubt that South Korea could quickly follow. Such a nuclearization of Southeast Asia could only raise tensions among neighboring countries, including China and Russia, which already possess nuclear weapons. The result would be that an area of the world that is about to explode with the greatest spurt of economic growth in history could instead explode into deadly nuclear warfare.

A third threat we face from a decision to allow North Korea to get away with its attempt to blackmail the world into allowing it to have nuclear weapons is the precedent it would set. A decision by the Clinton administration and the rest of the world to allow the North to get away with its noncompliance with the Nuclear Non-Proliferation Treaty would say to other nations on the brink of nuclearization: "Go for it. If you want something from the United States, simply threaten to develop nuclear weapons and we'll open this door for you."

Mr. President, we would face that scenario again and again. I urge that we abandon the effort to coddle the North Koreans and instead start negotiating like the superpower that we are. The President should go to our allies in the region who face the most direct threat from a nuclear North—Japan, South Korea, Russia and, yes, even China—and get them to sign up to

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the concept of international economic sanctions should the North Koreans refuse to back down. Although economic sanctions in many cases do not work, they can in this case because the North is so completely isolated from the rest of the world. Cutting off their oil supply, for example, could effectively curtail their military mobility and is a strategy that we definitely should consider unless they change their ways.

Certainly such a strategy carries a risk. There is great danger in backing into a corner an isolated country, led by an aging dictator and his reportedly unstable son. The threat of inaction, however, is even greater. A nuclear North able to threaten nations throughout Asia, a new nuclear arms race which would threaten not only the stability of the region but the rest of the world as well, and most important, a message to all future Kim Il Sungs around the world that the way to get what you want from the United States is to build nuclear weapons so you can hold us hostage.

I am encouraged that the administration finally appears to be taking this matter seriously, late as it may be. I encourage the President to make this issue a major topic of discussion in his talks with South Korean President Kim Young-sam tomorrow, and I urge him in the strongest terms to ensure that any offer we make to the North Koreans contains real teeth. This is not a time for continued talk. This is a time for strong action if we are to avoid the dangers that I have listed above.

Mr. President, I yield the floor.

Mr. BUMPERS addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Arkansas.

MEMORIALS

Mr. BUMPERS. Mr. President, I rise to discuss a bill which I assume is going to shortly receive unanimous-consent approval to be passed through the Senate. The bill is S. 1672, which has been reported out of the Foreign Relations Committee. It repeals several laws that were passed back during the height of the cold war, but it also provides for a memorial. The memorial would be authorized to be built someplace in the District of Columbia. The bill sets out that an organization called the National Captive Nations Committee, Inc., would be authorized to construct, maintain, and operate an appropriate international memorial to honor the victims of communism.

Mr. President, I rise today to voice two concerns: the propriety of such a memorial and, more importantly, the proliferation of memorials in general. As the chairman of the Subcommittee on Public Lands, National Parks and Forests of the Energy Committee—I have held hundreds of hearings on memorials that have been proposed for construction in the District. One of the most controversial was the memorial for the women who served in Vietnam, not because just of the propriety of separating men and women in combat, but because of the design and the location, and so on. I think everybody generally agreed that that was an appropriate memorial.

But one of the reasons it is essential that the authorizing committee pass on these things is because not only do we have original jurisdiction over memorials in the District but space on the Mall and other places on Federal lands owned by the National Park Service and the General Services Administration is running out.

In the past few years, there has been a headlong dash, almost willy-nilly, to build more and more memorials in the District and we are about to run out of land. As far as I am concerned, some memorials ought to take precedence over others.

In 1986, Congress passed a law that was called the Commemorative Works Act. The Commemorative Works Act sets up a National Capital Memorial Commission. The way the law reads, if you want a memorial, you first have to get it authorized by law. Then once you name the corporation or the person in charge of that memorial, they must consult with the National Capital Memorial Commission and they must also submit a site and design after consulting with this Commission to the Commission of Fine Arts and the National Capital Planning Commission.

Then once all of this is done, presumably those organizations will sign off on it and it can go forward. It has been fairly customary in the past for those organizations to come in and testify before our committee before we authorize it.

What we are doing in this bill is authorizing a memorial to the victims of communism before anybody has held a hearing on it, before the National Capital Memorial Commission knows anything about it, before the Commission on Fine Arts knows anything about it, before the Capital Planning Commission knows anything about it. None of them have a clue as to what this is all about and are in no position at this point to come in and testify before my subcommittee as to the site, the design, or even the desirability of such a monument.

If we are going to allow every Member of Congress the right to put an amendment in any bill coming through here to put a memorial in for any old purpose he chooses, we are going to run out of space on the Mall in a hurry. I have a few I would like to establish.

If you are especially going to start building memorials to the victims of this, that and the other, do not stop with communism. Include fascism, include the victims of apartheid, include the victims of the Khmer Rouge, include the victims in this country of 300 years of racism. You might even want to include people who have died of cancer from smoking, victims of smoking.

There is an ad infinitum list of victims that we might want to memorialize. I am not saying that all of this should not be done. I am just simply saying we have a procedure for these things.

Mr. President, the White House called me about a week ago, and they did not think much of this memorial. They want the bill passed because President Clinton wants to go to Moscow in January and the bill repeals a lot of the old cold war relic statutes that we put on the books back when the cold war was at its height.

That is fine. But then the administration wanted the bill so badly they were willing to even take the monument in order to get it. I do not want to cause the President any problems. I do not want to cause anybody over there any problems. I said I am going to go ahead and hold a hearing after we come back in January, February, somewhere along in there, on this particular memorial, and if the Capital Planning Commission and the Commission on Fine Arts and the National Capital Memorial Commission think this is a good idea and they approve the site and design, and so on, then that is the time to authorize it and we can do that. But we are getting the cart before the horse.

Now, the other night, Saturday evening, when we were here, some people brought in some compromise language to me. I looked at it, and I thought probably this is better than just letting the bill go through with no comment being made on it. But my staff, after reviewing the compromise language, decided that it was worse than the original language. So I have asked the majority leader to forget the compromise and just let the bill go through here if that is the only way it can go through. I do not like sending a bill through here with a memorial like that on it that has had no consideration whatever from the committee of jurisdiction.

Now, I am not one of those people who runs over here every time somebody mentions a national park or a national forest or public lands over which we have jurisdiction. But I am just simply saying, if we start down this road, there is not going to be any end to it.

Mr. President, listen to this. Here are the memorials we already have authorized, some of which have not been fully signed off on, or at least construction has not begun on, and some of them I do not think have sites selected yet: The FDR Memorial, American Armed Forces Armored Units Memorial, Black Revolutionary War Patriots Memorial, Francis Scott Key Memorial, George

Mason Memorial, Korean War Veterans Memorial, Peace Garden, Vietnam Women's Memorial, Women in the Armed Forces Memorial, African-American Civil War Soldiers Memorial, Thomas Payne Memorial, World War II Memorial, Japanese-American War Veterans Memorial, and the Air Force Memorial.

Every memorial we build provokes an idea in somebody else's mind on another memorial.

Mr. President, I would be remiss if I did not say this memorial business and building memorials on sites on Park Service lands or general service land in this city is getting out of control. I am willing to provide a fair hearing and allow everybody who wants to come in and testify on this. I am willing to take my hold off this bill to accommodate the President so he can go to Moscow and say to the President of Russia that we have repealed all those old, cold war relic laws. I would not think this memorial being in there would necessarily warm the cockles of Boris Yeltsin's heart, but if the administration wants it, it is OK. But I am here to serve warning today. If I can help it, we are not going to go down this road with this memorial or any other until a hearing has been held in the appropriate committee of jurisdiction.

I yield the floor.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. BREAUX. I thank the Chair.

HEALTH CARE REFORM

Mr. BREAUX. Mr. President, earlier this afternoon, our colleague from Rhode Island, Senator CHAFEE, was in the Chamber to introduce his version of a health care reform bill, which is sponsored by a number of his Republican colleagues.

I wish to start by congratulating Senator CHAFEE and his colleagues for the good work they have done and are continuing to do to bring about a consensus on the issue of health reform, which I think is the most important issue all of us as Senators are going to face in this Congress. It is an issue that is important to every American because it affects every American, unlike many of the other things we do in Congress.

I think Senator CHAFEE has done a good job in bringing forth a proposal to the Senate for consideration. I want all of our colleagues to know we have been working with Senator CHAFEE in a bipartisan fashion, including Members of the House as well as the Senate, both Republicans and Democrats, to try to get a grip on this very difficult subject of how we solve the health care problems facing our country.

Some may say, "Why is the President and Congress so worried about health care reform?" It is simply a question we must deal with. In 1970, Mr. President, we spent about the same amount of money on health care in America as we spent on all of education. In 1992, just a relatively short 22 years later, we spent on health care what we spent on all of education, plus all of national defense, plus running all of the prisons in America, plus all of the foreign aid programs, plus all of the food stamp costs in America, plus all of the foreign aid costs.

In a relatively short period of time, we have increased annual health care spending to a total of about $900 billion each year. Yet, we still have large numbers of Americans who do not have any health insurance at all and many others who have less than adequate health insurance.

So the question is not whether we should address the question of health reform, but really why it has taken so long for the issue to become a priority, and how we are going to solve the problem in this Congress.

So I congratulate our colleague, Senator CHAFEE, for the work that he and his colleagues have done in bringing their bill to the floor.

In many ways, Mr. President, the Chafee approach is very similar to the bill that has been introduced and is now pending before the Senate Finance Committee known as the Breaux-Durenberger approach, which referred to as the concept of managed competition.

I would also point out that the Clinton proposal is also very similar to the Breaux-Durenberger approach, and I think also to the Chafee approach. While we have a lot of argument and debate going on in this country now about the different approaches to health care, the similarity of the various proposals is something that I think has gone unnoticed.

If you look at the proposal that I have introduced, that of Senator CHAFEE, and the proposal by the administration, I think you will find that there are more similarities than there are differences. Essentially the bills use the same type of approach toward reaching the goal of health reform, which is to provide secure, affordable insurance to all Americans.

The approach that I have introduced known as managed competition would reform the way the private sector delivers health care as opposed to increasing the Government's role in running the health care system.

Our approach says that we are for markets, not mandates. Our approach says that we are for competition, not more government. Our approach says that we are for incentives and not more regulation.

I think if you look at the things that all of these proposals have in common, you will find that there is a great deal of similarity. All of the bills that are out there that I am aware of, for instance, establish purchasing pools where individuals can group together to buy health insurance in larger numbers. It is clear that an individual who buys insurance by themselves or for a small office or firm of three, four, five employees is at a real economic disadvantage because they do not have the same purchasing power as if they were General Motors or Xerox or IBM or some other large multinational company or corporation.

So the concept of creating purchase pools so that people can buy health insurance as part of a large group would give each person greater purchasing clout and therefore allows that purchaser to get a better deal. Forcing insurance companies to compete for individuals through purchasing cooperatives will also bring about large savings.

The three major proposals also all provide for essential insurance reform which I think is so important. All three versions of health reform would guarantee open enrollment. They would bar any discrimination on the basis of preexisting conditions, which is so very important because too many people cannot buy health insurance because they have an existing medical condition. Also, all these plans would prevent anyone from having their insurance canceled because they got sick, which is the purpose of having insurance in the first place. This is called "guaranteed renewability." Finally, all three plans would institute some version of community rating. All of these common provisions really should be part of the final package.

All of the bills also would address existing inequities in the Tax Code for employer-provided health benefits especially for individual purchases and the self-employed. The Breaux-Durenberger bill encourages employers, in addition, to buy the least costly plans by limiting the amount of deduction that an employer can take to an average of at least the cost of the plan, as opposed to allowing an employer to deduct 100 percent of the premium costs for any plan the Nation buys no matter how costly it is. We think competition and wiser shopping on behalf of the insurance purchasers is essential, and that this feature in fact would encourage that.

All of the plans also would require that health plans publish essential information on price and quality of the outcomes and consumer satisfaction as to the type of plans they use.

It is very important that any reform help consumers to be smarter purchasers. It is clear that today many people who purchase health insurance do not have much of an informed choice. They do not have all of the information on the success of the plans that they are shopping among, and all of the reforms that I am aware of

would, in fact, provide this type of information and thereby make consumers wiser purchasers of health insurance than they have been in the past.

In addition, the major plans also would expand support for low-income families. Our legislation, as an example, would provide assistance for people who are at 100 percent of the poverty line by paying 100 percent of their premiums and by subsidizing insurance premiums for people with incomes up to 200 percent of the poverty line. So no one in America would have to say "I am too poor to provide health insurance for myself and my family." That is a feature in the Clinton plan. It is in the Breaux-Durenberger plan. It is also in the plan that was introduced today by Senator CHAFEE.

In addition, all of the plans address the question of medical malpractice reform in a way that continues to protect individuals' rights to seek judicial assistance for injuries that they may have received through malpractice. At the same time all attempt to reform the system so that doctors would not be practicing defensive medicine and doing eight tests when only two are necessary to properly diagnose a patient's illness.

I think malpractice reform can be done in a way that is fair, and that protects the rights of everyone involved, yet bring some real reform to this very difficult issue. All bills would also provide for reform of antitrust laws that might hamper hospitals and providers from being able to talk to each other where appropriate.

In many small towns around this country, we see two or three hospitals in a community all trying to do the same type of work, all trying to specialize in open heart surgery, all trying to specialize with CAT scans, MRI equipment, all trying to specialize in kidney dialysis or some other exotic type of medical procedure or equipment that costs a great deal of money, when in truth it may be that only one hospital in the community needs to specialize in one particular area. But because of existing law, hospitals and suppliers cannot be sure if they can even talk to each other about, "we will specialize in this area if you specialize in this area."

If they were able to do that, Mr. President, I think that we could reduce costs by eliminating duplication of efforts and overlapping services which are not necessary and this would be a major improvement if the reform, in fact, were to be adopted.

Mr. President, the point I am making in commending my colleague from Rhode Island for the work that he has done is to point out that all three of the plans that I have mentioned are really very close. We are much more similar than we are different. I think this is good. I think the coalition of the various sponsors can come together sometime in the early part of next year to bring about a health reform bill that really meets the requirements of the American people.

We talk about universal coverage for all Americans. I certainly share the goal that all Americans should have health insurance coverage. I do not think anyone would have any problem with that. My concern right now is that the administration bill tries to provide that type of coverage before we reform the system.

I think it is wrong to mandate something before we reform the package. Therefore, I think we should have more time to try to allow managed competition to allow the marketplace to work, to try to bring down the costs, and bring in greater competition among the suppliers of health care services so that we will have a system that everybody can participate in. We will not solve the health problem in this country merely by mandating that everybody has to have insurance unless we first reform the product. Let us put in the reforms. Let us reform the marketplace. Let us get rid of those impediments to real competition that currently exist, and then we can talk about achieving universal coverage for everybody with a product that has truly been reformed and is truly working in a way that would make all of this sustainable.

It does not do us any good to adopt a program or a plan that does not include the reforms that we all agree are so essential. I think that we are much more similar than we are different, and I think today's introduction by Senator CHAFEE, joining the Breaux-Durenberger approach, is a very good start toward coming together with a package that we can use to sit down with the administration and negotiate a compromise on that would truly meet the goals that we all share.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. BUMPERS. Mr. President, I ask unanimous consent that Senator STEVENS and Senator KEMPTHORNE be added as conferees to H.R. 1025, the Brady bill, in lieu of Senators HATCH and CRAIG.

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

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

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

Mr. GRAHAM. Mr. President, I ask unanimous consent to speak as though in morning business for up to 10 minutes.

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

JEAN-BERTRAND ARISTIDE

Mr. GRAHAM. Mr. President, 23 days have passed since Jean-Bertrand Aristide was to have returned to Haiti as President under the Governor's Island Accord. Over 2 years have passed since President Aristide's democratically elected Government was overthrown in September 1991.

Those in Haiti who continue to block President Aristide's return may be confident today that they have prevailed.

That President Aristide will never return. That the international community will back down. That a return to the days of Duvalier and the terrorist tactics of Ton Ton Macoute is within reach.

That they can continue to intimidate the overwhelming number of Haitians who support democracy, back President Aristide and simply want to live in freedom and peace.

Mr. President, the thugs now roaming the street of Port au Prince would be wrong to think so. Tragically wrong.

We are not going to turn our back on Haiti. We can't. Morality and national interests won't let us.

We cannot—will not—forget the hundreds perhaps thousands of Haitians who have been shot down in cold blood since the 1991 coup.

Nor can we overlook our obvious national interest in a democratically stable Haiti.

Absent democracy's restoration, we face the potential for a growing wave of refugees and increased drug trafficking. We also signal that we are unwilling to defend democratic government. This at the very time when emerging civilian-controlled democratic governments in this Hemisphere are working hard to consolidate their positions and the very time when the elements of reactionaries in the hemisphere are attempting to roll the clock back to the era that was.

President Aristide is the legitimate leader of Haiti, freely, fairly, and overwhelmingly elected. Those who would criticize him should concentrate more on the growing body count in the streets of Port au Prince and rural Haiti, more on the increase in drugs flowing through Haiti to the streets of America, and more on the consequences of a ravaging of democracy in Haiti to all of the Americas.

Our policy toward Haiti should include the following:

Strong support for Prime Minister Robert Malval, who represents in every way the democratic center in Haiti.

Continued sanctions. These sanctions are the most effective option available to convince the military of our seriousness in supporting democracy.

Continued support for an international aid package once democracy is restored to Haiti.

Maintaining the option to use force.

Mr. President, the Congress will recess within the next few hours. Let us all hope that between now and the end of the year, cooler heads in the Haitian military will prevail.

Let us hope that those elements of the military who truly care about the future of their country—and there are those elements—will recommit themselves to agreements already made to restore democracy to Haiti.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, as of the close of business on Friday, November 19, the Federal debt stood at $4,469,104,230,006.99, meaning that on a per capita basis, every man, woman, and child in America owes $17,399.06 as his or her share of that debt.

MANAGED COMPETITION WORKS

Mr. DURENBERGER. Mr. President, during a Senate Labor and Human Resources Committee hearing last month entitled "The Health Security Act: American Businesses and Workers Respond," my colleagues on the committee were extremely fortunate to hear how managed competition can work and, indeed, is working in parts of Minnesota.

Michael Peel, senior vice president of personnel for General Mills in Minneapolis, MN told the committee about General Mills' success in Minnesota and Florida in holding down health care costs and making quality health care available to its employees through managed competition.

As a result of innovative and aggressive management of health care costs, General Mills is currently spending only 5.6 percent of payroll in its consumer foods business and 4.3 percent of payroll in its restaurant business on health coverage. The company's per capita health expense grew only 1.6 percent from 1991 to 1992, and actually fell from 1992 to 1993. As a result, General Mills is able to make health coverage available to all of its 126,000 plus employees—both full and part-time.

General Mills has been successful in containing health care costs largely through its heavy use of managed care networks and its emphasis on wellness and preventive care. One of the major reasons for General Mills' success in Minnesota is the company's leadership in establishing the Business Health Care Action Group—perhaps the most developed model of managed competition in the country.

The success of General Mills and other companies doesn't mean that our Nation's current health care system is free from problems. It is not. But the experience of these companies in making markets work in Minnesota points the way toward real national reform.

Mr. President, I ask unanimous consent that a copy of Mr. Peel's testimony be placed in the RECORD. I hope all my colleagues benefit from this eloquent description of how managed competition can restore the market forces necessary to control health care costs and speed delivery of health care coverage to all Americans.

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

TESTIMONY OF MICHAEL A. PEEL

I appreciate the opportunity to testify today. My testimony will cover the two key issues in the health care debate: universal access and cost containment.

Our views on this subject are formed by our experience as a large and rapidly growing corporation headquartered in Minneapolis, which as you know, has long been a center of innovative approaches to health care.

UNIVERSAL ACCESS

We believe that health care should be available to every American. Furthermore, no American should lose their coverage when they change or lose their jobs, divorce, or become sick. Pre-existing conditions should not prevent any American from getting health care coverage at the same cost as other Americans in their geographic area.

There are, obviously, a number of different ways that the objective of universal access to health care can be met. While legislation is needed to provide universal access to health care, common benefits, portability, and assistance for low income families, we must avoid mandates which will eliminate incentives for corporations and individuals to control health care costs.

The Administration has been most articulate on the problems of lack of health care access. All of these issues can be addressed with very straightforward legislation. Universal access does not require a highly regulatory and mandate-oriented program.

MANDATES DESTROY INCENTIVES

Unfortunately, the Administration's plan achieves universal access to health care via a mandated approach that sets health care costs at a flat percentage of payroll, thereby eliminating all incentives for corporations and individuals to reduce health care costs. Furthermore, the Administration's plan, with its state and federal regulators, global budgets, and payroll taxes on employers will drive health care costs to unprecedented levels or result in rationed care. Mandates are the major problem with the Administration's plan.

COST CONTAINMENT

By contrast, the current market-oriented approaches are beginning to result in substantial cost containment. for instance, CalPERS has told 18 managed care companies that it expects 5% roll-back in health care premiums next year.

At General Mills, we are having excellent cost experience in managing health care. We obviously have a major incentive to deal with this problem since success directly affects our productivity and competitiveness. Here is some background on the company and our approach to health care. With more than 126,000 employees, General Mills is one of the 25 largest employers in the United States. Unlike many major U.S. corporations, our employment is growing sharply as we added 19,000 new jobs in the past year alone and more than 60,000 new jobs since 1988.

Approximately two-thirds of our sales are in the consumer foods business, while the other one-third is in the sit-down restaurant business. Thus, we are both a major manufacturer as well as a significant participant in the rapidly growing service economy.

As a result of innovative and aggressive management of health care costs, health care is currently costing 5.6% of payroll in our consumer foods business and 4.3% of payroll in our restaurant business. Our per capita health expense grew only 1.6% from 1991 to 1992 and actually fell from 1992 to 1993.

The strategies we have employed to contain our health care costs have emphasized heavy use of managed care networks and a strong emphasis on wellness and preventive care.

In Minnesota, where our consumer foods operations are headquartered, we helped found the Business Health Care Action Group which is perhaps the most-developed model of managed competition currently operating in the nation.

In Florida, where our restaurant business is headquartered, we helped establish the Employers Purchasing Alliance with other larger purchasers of care. This Alliance has actually led to health care cost reductions for the entire community in the Orlando area in each of the last two years.

General Mills employees also have a range of financial incentives to help control health plan expenses. The amount of money that employees contribute for their medical coverage is based upon their fitness and lifestyle, as well as their actual year-to-year utilization of the medical programs.

We believe that similar competitive pressures for productivity improvement will drive most American companies to do an increasingly better job of managing their health care costs.

Our "hands-on" health care reform experience in Minnesota and Florida have led us to have fairly strong opinions about what actually works and what won't.

REGULATION INSTEAD OF COMPETITION

One of the major problems with the Administration proposal is that it has the potential to reduce competition among health care providers, not increase it. Each of the 50 states has the option of creating a single payer plan. This would resulting in no competition and either a dramatic escalation in cost or health care rationing.

Furthermore, we believe most corporations will not form corporate alliances.

Despite claims to the contrary, the plan prescribes a government-run, regulation-based system instead of relying on competition and market forces. Long-term, this plan would result in a single payer system in each state.

The plan relies on the existence of corporate alliances to provide competition for the regional health alliances, yet the plan's various provisions, taken together, make it unlikely that many large employers will set up corporate alliances. The potential costs and restrictions the plan imposes for doing so make that a poor economic choice. Without corporate alliances, there is not competition—only large government-run regional alliances with dubious prospects for hope of controlling the costs of a huge new government entitlement program.

Our current analysis is that we would not form a corporate alliance at General Mills. Many large companies, service and industrial, are reaching similar conclusions as they absorb the full implications of the Administration's plan. Let me list the reasons why.

First, the Administration would impose a new tax, rumored to be at least 1% of payroll, on any corporate alliance. This tax would likely consume much of the "savings" a corporate alliance might generate. And, because the revenue is being counted on to fund the remaining portions of the Administration plan, there is a strong likelihood the "price of the privilege" will only increase over time.

Second, states are also granted unrestricted authority to tax corporate alliances further to pay for providing coverage. Since states are financially strapped, yet bear the responsibility under the plan for assuring universal coverage, it would be naive to think that corporate alliances would not be hit with additional state taxes for the privilege of remaining independent.

Third, the Administration plan would eliminate the ability of an employer to join with other employers to manage costs. The driving force behind the best efforts to reform our health care delivery system, initiatives like the Business Health Care Action Group in Minnesota and the Employers Purchasing Alliance in Florida, would be outlawed.

Fourth, because any individual employer would be small in comparison to the regional health alliance, costs could be "shifted" from the alliance to that employer, particularly when health alliance premiums are "capped."

Fifth, employers would be forced to deal with various rules and regulations in each state in which they operate. States could even compel employers to join mandatory single-payer systems. It will inevitably be easier and cheaper administratively to just send off a payroll-based premium to the health alliance.

Finally, employers opting for corporate alliances would forego the government guarantee of a fixed percentage of payroll for health care costs. Moreover, large employers with part-time workers, whom the plan requires to be covered by regional alliances, will forfeit the right to cap those premium expenses at 7.9% of payroll if they opt to cover their other workers in a corporate alliance. This means that for low-income employees, employers could easily pay 90% of wages in the case of a part-time worker receiving family coverage from a regional alliance.

WINNERS AND LOSERS

Fixing health care costs at a certain percentage of payroll for all employers would change the relative cost structures of every employer in the country. It would also create winners and losers within and among industries.

Large manufacturers, rust-belt industries, companies with aging workforces, Fortune 500 companies offering very generous benefit plans—would likely benefit inordinately as the government assumes significant portions of their huge health care liabilities.

Many manufacturers, with older, skilled or unionized employees, pay 15% or more of payroll for health care benefits today. Under the Administration plan, that employer would see its costs reduced and capped at 7.9% of payroll annually. Who would pay the difference between the current cost and the new maximum payroll percentage? Other companies who have done a good job of health care cost containment and taxpayers.

Other industries would lose. They include almost every low-wage sector of the economy, like domestic workers, child care providers and semi-skilled laborers. The entire service sector, the only part of the economy still reliably creating new jobs, could stall.

Industries in which low-wage, seasonal, or part-time jobs are common—agriculture, forestry, fisheries, foodservice, hospitality, amusement parks, construction, retail trade, business and personal services, have higher-than-average numbers of uninsured workers. They would be hit hard.

Those who should benefit from health care reform may pay the ultimate price for universal coverage—they could lose their job. While those who should benefit the least—large manufacturers and employees with overly generous benefit plans—will receive sizable, guaranteed, government hand-outs.

PART-TIME EMPLOYEES

Large employers of part-time workers are seriously disadvantaged by the Clinton Plan. Part-timers are 19% of the U.S. workforce—a significant segment. Most part-timers want part-time work. They are students, young parents, second earners or older workers who want or need flexible schedules.

Part-time jobs also offer opportunity and upward mobility. In the restaurant industry, 30% of restaurant management comes from the ranks of hourly employees, 70% of restaurant supervisors are women, and 20% are African American or Hispanic. One of General Mills' Vice Chairmen started as an hourly worker in one of our restaurants, as did the president of our Olive Garden chain, a $1 billion business.

A part-time job is the first exposure to the workplace for many Americans. Such positions offer entry-level employment and training to those whose education and skill levels do not qualify them for other work. The food service sector alone employs over 9 million people.

Service businesses employing part-time labor have low margins, and profits per employee are also low. The problem from a business perspective is weighing the economic value of a job to an enterprise versus the cost of providing that job. If the cost exceeds the value, the job is no longer sustainable.

Restaurant sales per full-time equivalent are only $47,300 per year, while manufacturing sales per full-time employee are $157,000 per year. Profits per service sector job are $500 versus $3500 in manufacturing.

Lowering direct wages to offset increased benefit costs in order to preserve the cost/value relationship is not an option with workers whose wages are already low. Price advances, which is the other option for covering increased costs, are difficult in today's economic climate and, under the Clinton Plan, virtually impossible because of the lower cost structure the plan gives smaller competitors.

PREMIUM CAPS

We also have serious doubts that the premium caps—which, we might add, do not take full effect for 8 years and are not available to us if we maintain a corporate alliance—can remain at the level that has been proposed for very long and may even be breached immediately by the states. If Germans pay a 13% payroll tax to finance a health care system that consumes 8% of their GDP, it defies logic that premium caps at 3.5%–7.9% of wages can pay for a U.S. system that consumes 14% of GDP.

Our major recourse for dealing with the business economics that the plan dictates is to eliminate or consolidate jobs. Here's an example from a business perspective.

The proposed plan requires businesses to pay for part-time workers on a pro-rated basis. At ten hours per week, businesses would pay one-third of the 80% share. At 20 hours per week, businesses would pay two-thirds of the cost. At 30 hours or more per week, the employer would pay the full 80% share of premium costs.

An employer with two employees working 20 hours per week, would pay two-thirds of the 80% employer-mandate for each employee—or four-thirds. Common sense tells you that the employer will try to eliminate both part-time jobs and create one 40 hour per week job and cut his health care costs by 25%.

Estimates of job loss in the service sector range from the high hundreds of thousands to 3.1 million. Studies are studies, and people will disagree about their conclusions, so I suggest you look at it this way: There are 375,000 eating and dining establishments in the U.S. and about another million retail establishments. If each one of them eliminated just one job, that would mean that 1.4 million jobs would be lost.

HOW TO ACHIEVE FULL ACCESS AND COST CONTAINMENT

Every American should have access to high-quality, affordable health care coverage. To achieve that goal, we favor careful reform of our health care system.

Universal access and cost containment do not require public price setting or excessive government intervention. With the right incentives to encourage competition on quality and value, the marketplace is much more likely than government budgets, caps or controls to deliver the highest quality health care at the lowest possible price.

Bureaucratic mechanisms that set prices and allocate resources are simply not effective in regulating dynamic markets. If they were, Medicare—already a price-controlled system—would have controlled health care costs in the Medicare system. It has not.

The formation of cooperative, actively-managed, member-controlled, nongovernment purchasing pools, or health alliances, should restore legitimate market forces in health care. These purchasing cooperatives should ensure open enrollment, measure quality, streamline administration and maintain consumer choice.

The purchasing cooperatives would negotiate with health plans to offer clear, understandable, competitive choices for consumers, who would retain the power to choose their own health plan.

The formerly uninsured and all government-subsidized purchasers should be required to join, with risk-adjustment mechanisms developed to balance any negative selection. Individual purchasers and most small groups would probably join immediately. They won't need to be coerced.

Each member of the HIPC would receive the same comprehensive benefit package, making it easier to compare price and value, with consumers, not employers, choosing annually among competing plans.

Employer contributions toward that premium would be tax-exempt to the employee, and tax-deductible for the employer, up to the level of the lowest-cost plan in the HIPC.

Premium payments should be 100% deductible for all individuals, including the self-employed, up to that same amount.

Health benefits or premium payments above that amount would be neither tax-exempt, nor tax-deductible.

Consumers who choose high-cost plans over cheaper ones should be willing to pay

the difference with their own money—without tax subsidies. Eliminating the tax subsidy for overly generous health care benefits will help fund coverage for the uninsured, while creating cost-consciousness to hold down the cost of health care.

Statutes should outlaw pre-existing condition exclusions and other discriminatory rating practices. Portability and renewability should be guaranteed. Each of us is only an illness away from being sick instead of well. Health alliances should be community-rated, with some variations for age and utilization.

Subsidies should be directed to individuals, based on income, not to employers based on size or wage-rates, with full subsidies for those below 100% of federal poverty guidelines and sliding scale subsidies for those below 200%.

If additional subsidies are necessary on grounds of equity, access and social responsibility, tax revenues—not mandated employer financing—should be raised to fund them.

Managed competition would restore a functioning health care marketplace, weed out low-value health care spending, restore responsibility, and establish competition based on the cost and value of care consumed.

CONCLUSION

A regulatory, government-dominated approach is neither the best nor the only approach. Managed competition, in our opinion, would effectively restore the market forces necessary to control health care costs—and should form the basis for an emerging, workable, bipartisan approach to health care reform.

Mr. PRESSLER. Mr. President, I wish to clarify my vote in support of the Stevens amendment to strike the side agreements from the implementing legislation for NAFTA. I continue to have serious reservations regarding the impact of the side agreements to NAFTA and the commissions and committees that the side agreements will create. These commissions and committees will have broad authority and not be answerable to the American public. I also am concerned over the money that may be required to fund these entities. While I supported efforts to delete the side agreements from the implementing legislation, their being part of this bill should not have defeated the agreement.

I applaud the administration in vigorously pursuing passage of NAFTA this year. Approval of NAFTA, and having it operative next year, opens the door to further gains in world-trade negotiations for a new GATT. The defeat of NAFTA would have placed unnecessary roadblocks to completing the Uruguay round. Enactment of NAFTA implementing legislation should prevent this from happening.

I look forward to NAFTA becoming operative. I intend to work with the administration to pursue even more trade opportunities for the United States under a new GATT Agreement.

Why do I take such strong interest in NAFTA and GATT? Because agriculture is my State's No. 1 industry, contributing nearly $14 billion to its economy. Growth in the agricultural sector is essential to South Dakota's future. Exports are crucial to that growth. In 1992, South Dakota's agricultural exports totaled nearly $900 million. Many of these exports are going to our foreign neighbors to the north and south. As much as 65 percent of South Dakota's wheat production is exported overseas. Maintaining and expanding foreign market opportunities are vital to the economic growth of South Dakota farmers and ranchers.

Many small businesses in South Dakota also stand to make significant gains from NAFTA. These range from mining operations, clothiers, manufacturers, electronics, bakeries, financial institutions, computers, service industries—almost all of whom support NAFTA.

A bright economic future for South Dakota depends on first, increasing exports of U.S. agricultural and small business products; second, eliminating nontariff trade barriers and significantly reducing the use of unfair export subsidies; and third, a level playing field in the world-trade arena.

History has taught us that economic growth is attained through freer trade. The United States stands to gain significantly from NAFTA.

THE LIBERTY SHIPS MEMORIAL ACT OF 1993

Ms. MIKULSKI. Mr. President, I rise today on behalf of myself and Senators FEINSTEIN and BOXER from California, to commend the Senate for its action in passing S. 1763, the Liberty Ships Memorial Act on Saturday. This bill will assist in the refurbishment of two merchant marine Liberty ships and one Victory ship so they can serve as the centerpiece of America's contribution to the ceremonies commemorating the 50th anniversary of the invasion of Normandy on June 6, 1994.

The bill requires the Secretary of Transportation to transfer six vessels in the National Defense Reserve Fleet to three nonprofit organizations. The organizations will scrap these vessels and use the proceeds to refurbish three merchant marine memorial ships. One of these ships, the *John W. Brown*, is docked in my neighborhood of Fell's Point, Baltimore, a mile away from my house.

Merchant marine veterans and volunteers have already spent a significant amount of time and effort readying the *John W. Brown* and the other two ships, the *Jeremiah O'Brien* and the *Lane Victory* for the trip to Normandy. We now have the opportunity to help ensure these efforts will not be wasted.

I feel it is extremely fitting that the merchant marine be included and duly recognized in this memorial ceremony. During World War II, it was the men of the merchant marine going on Liberty ships across the cruel waters of the North Atlantic, the Japanese submarine-laden waters of the South Pacific, carrying the kinds of supplies needed so that we could win the war. President Roosevelt called our merchant marine then the heroes in dungarees for their courage and their valiant service during the Second World War.

Most recently, whether it has been in Korea, Vietnam, and now most recently in Desert Storm, one of the most important backups that our American military had was the merchant marine.

Mr. President, the 50th anniversary of the invasion of Normandy is just 7 months away. The three ships to be repaired must be drydocked as soon as possible to allow for the required repairs. I urge my colleagues to pass this piece of legislation in an expeditious manner.

Mr. President, I ask unanimous consent that the text of the legislation appear in the RECORD at the conclusion of my remarks.

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

S. 1763

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 "Liberty Ships Memorial Act of 1993."

SEC. 2. CONVEYANCE OF VESSELS.

(a) AUTHORITY TO CONVEY.—The Secretary of Transportation may convey without consideration all right, title, and interest of the United States in 2 vessels described in subsection (b) to any nonprofit organization which operates and maintains a Liberty Ship or Victory Ship as a memorial to merchant mariners.

(b) VESSELS DESCRIBED.—Vessels which may be conveyed under subsection (a) are vessels which—

(1) are in the National Defense Reserve Fleet on the date of the enactment of this Act;

(2) are not less than 4,000 displacement tons;

(3) have no usefulness to the Government; and

(4) are scheduled to be scrapped.

(c) CONDITIONS OF CONVEYANCE.—As a condition of conveying any vessel to an organization under subsection (a), the Secretary shall require that before the date of the conveyance the organization enter into an agreement under which the organization shall—

(1) sell the vessel for scrap purposes;

(2) use the proceeds of that scrapping for the purpose of refurbishing and making seaworthy a Liberty Ship or Victory Ship which the organization maintains as a memorial to merchant mariners, to enable the ship to participate in 1994 in commemorative activities in conjunction with the 50th anniversary of the Normandy invasion; and

(3) return to the United States any proceeds of scrapping carried out pursuant to paragraph (1) which are not used in accordance with paragraph (2).

(d) DEPOSIT OF AMOUNTS RETURNED.—Amounts returned to the United States pursuant to subsection (c)(3) shall be deposited in the Vessel Operations Revolving Fund created by the Act of June 2, 1951 (65 Stat. 59; 46 App. U.S.C. 1241a).

(e) DELIVERY OF VESSELS.—The Secretary shall deliver each vessel conveyed under this section—

(1) at the place where the vessel is located on the date of the approval of the conveyance by the Secretary;

(2) in its condition on that date; and

(3) without cost to the Government.

(f) EXPIRATION OF AUTHORITY TO CONVEY.—The authority of the Secretary under this section to convey vessels shall expire on the date that is 2 years after the date of the enactment of this Act.

THE FUTURE OF HELICOPTER PROCUREMENT FOR THE DEPARTMENT OF DEFENSE

Mr. DODD. Mr. President, I rise today to express my deep concern about the lack of a long-term strategy for helicopter acquisition by the Department of Defense. The reality of reduced defense spending is upon us, and yet I fear that rapid decisions to terminate entire programs may well endanger the future of helicopter production in this country.

The issue here is how best to proceed with long-term acquisition of rotary aircraft for the Department of Defense, while recognizing the budget reality of reduced procurement. On the surface, the answer would seem rather simple: Cut current procurement funding and wait until later budgets permit a return to production. With an adequate number of prime contractors and a diversified supplier base, that option might be possible. Unfortunately, that simply is not the case.

Of the four remaining contractors now producing rotary aircraft in the United States, only one remains as the lead design and production center for U.S. Army helicopter airframes. To further complicate this situation, that contractor is also the lead designer of the next generation aircraft for the U.S. Army—the Comanche. With that level of investment at risk, does it really make sense to completely eliminate future funding for helicopter production?

The U.S. Army has a standing commitment for more than 200 UH–60 Black Hawk helicopters under the terms of a 5-year, multiyear contract. As a direct result of cost savings incurred from this contract, the Department of Defense is able to seek other contracts for modified airframes for the Navy, the Marines, and the Coast Guard. In essence, the economies of scale help benefit multiple service needs while keeping overall costs to a minimum. Unfortunately, that situation may come to an end.

It would appear that the U.S. Army is preparing to forego funding for the standing requirement of all UH–60 Black Hawk helicopters in the forthcoming 5-year defense plan [FYDP]. While cost concerns are clearly driving this decision, it must be made absolutely clear that a decision made by one service—the Army—will have grave implications for the future production rates and costs of airframes for the other services.

Of even greater concern is the long-term implication of this type of action. With the termination of the Black Hawk production line, all investment in the next generation Army airframe will be lost. Considering this airframe has been touted as the Army's most important modernization program by the Chief of Staff of the Army, it makes absolutely no sense to abandon the very production line that will produce that airframe.

Difficult budget decisions must be made. A decreasing defense budget is fiscal reality. Each service must examine the best possible course to reach levels of readiness to perform their missions. However, the complete nonfunding of a weapon system by a single service does not seem prudent without congressional review or input. Furthermore, the multiservice implications of such an action would seem to require—if not demand—some sort of review by the Secretary of Defense. This must be the case to ensure the decision does not cripple the needs of the other services.

The Department of Defense should review the 1995 Army budget submission and scrutinize the Black Hawk funding decision. Without serious review today, the helicopter procurement needs of tomorrow may never become reality. The Army budget submission must be carefully weighed against the future needs of all services and should take into account the repercussions to the helicopter industrial base.

Without some sort of rational plan for noninterrupted helicopter production, the tooling, suppliers, and the skilled craftsmen to bring about the next generation of Army aviation may no longer be in existence. That is a situation that must not occur. The Black Hawk decision clearly demands further review.

TRIBUTE TO B'NAI B'RITH

Mrs. MURRAY. Mr. President, this year marks the 150th anniversary of B'nai B'rith. I would like to join in saluting this organization for its years of service to the international community. The oldest organization of its kind in the United States, B'nai B'rith transcends economic spheres, national borders, and religious diversities in its commitment to helping others.

I am especially proud to join in this tribute to B'nai B'rith, because it gives me an opportunity to honor Mr. Jack Spitzer of Seattle for his outstanding leadership as a past international president of B'nai B'rith and as the general chairman of B'nai B'rith's 150th anniversary committee. Jack Spitzer's many achievements are inspiring, and I congratulate him for all that he has accomplished in his lifetime of service to others, here in the United States and throughout the world.

Originally established in 1843 to address the needs of the Jewish people, B'nai B'rith has expanded its agenda to include education, social service, and countless other projects which benefit the community at large. Through the Senior Citizens Housing Program, B'nai B'rith has helped provide affordable housing and social services for the elderly and their families. Through their efforts, more than 3,000 apartments have been established across this country.

While never losing sight of its original purpose, B'nai B'rith has played and continues to play a pivotal role in fighting religious persecution, intolerance and discrimination. Since its establishment, B'nai B'rith has always held an open door to the disadvantaged and downrodden. In response to the floods of new immigrants to this country in the late 19th century, B'nai B'rith opened the first free employment bureau, as well as manual and technical schools. After World War I, B'nai B'rith fed, clothed, and educated 600 orphaned European children until they were able to support themselves.

Through a century and a half of service, B'nai B'rith has repeatedly shown its ability to respond to the needs of the community—both in the United States and abroad. In 1868, B'nai B'rith successfully organized the first disaster relief campaign in the United States for victims of a Baltimore flood. More recently, B'nai B'rith provided relief for victims of Hurricane Andrew and those caught in the crossfire in the former Yugoslavia.

As a pioneer in the field of youth services, B'nai B'rith addresses the needs of our world's teenagers and college students. The B'nai B'rith Youth Organization offers teens throughout the world opportunities to cultivate leadership skills, a positive Jewish identity, and a solid commitment to community service. The B'nai B'rith Hillel Foundation has chapters in over 400 universities around the world. Hillel focuses much of its energy on addressing social ills, promoting Holocaust awareness, and expanding interfaith dialog.

B'nai B'rith has raised awareness and pride in the Jewish heritage, while making a real difference in the lives of countless numbers of people—Jews and non-Jews alike. I congratulate them on their accomplishments.

UNITED STATES RANGERS IN SOMALIA

Mr. HATCH. Mr. President, I wish to take a moment today to honor some valiant men who fought for the United States as part of the Rangers and other special operations forces in Somalia.

There has been a great deal of criticism of the conduct of United States

policy in Somalia, and I believe that at the political level our policy there was tragically flawed. However, my differences with the political direction of our policy in Somalia does not imply any criticism of the way our troops carried out the mission they were given.

In this respect, I would like to quote briefly from a statement by Gen. William F. Garrison, commanding general of Joint Special Operations at Fort Bragg, that highlights the courage with which the Rangers and other special operations forces undertook their difficult operation on October 3, when their units were caught in a deadly ambush:

> We accomplished our mission on October 3. We captured 20 of these people that had been killing U.N. troops, their leadership * * *. We got them out of there, and we tried to defend our men that were trapped in that helicopter. We simply got ourselves in a hell of a firefight, and we won, too. About 400 Somalis learned that Americans know how to defend themselves, even when they are trapped, pinned down, and you are sniping at them.

I do not wish to debate anew the wisdom of the policy that led to the loss of American lives in Somalia. But I do wish to take a moment to honor our fallen troops. They were put into an impossible and dangerous situation. Yet, they never abandoned their comrades and never abandoned the mission. As always, U.S. Rangers and other special operations forces acquitted themselves with unquestioned courage and dignity. They have the heartfelt gratitude of this Senator and, I believe, all the American people.

HEALTH CARE REFORM

Mr. PACKWOOD. Mr. President, I rise today to congratulate Senator CHAFEE on the introduction of the Health Equity and Access Reform Today Act of 1993. Senator CHAFEE has demonstrated exceptional leadership on this complex issue. More than 3 years ago he began leading a Republican task force on health care reform. Under his capable direction, the Republican health task force has been studying the health care system in this country, analyzing its strengths and its weaknesses. The bill that is being introduced is a culmination of these efforts and represents a cautious and sensible approach to reforming our health care system.

Health care reform will be one of the most important issues that we will debate next year. It is an issue of monumental importance to every citizen of this country. I am confident that with the continued leadership of people with the abilities and knowledge of Senator CHAFEE we will succeed in this most difficult task.

TAIWAN'S DESIRE FOR U.N. MEMBERSHIP

Mr. SASSER. Mr. President, I rise today to bring to the attention of Senators an important contribution to the ongoing debate regarding Taiwan's desire to be represented in the United Nations. President Lee Teng-hui of the Republic of China on Taiwan has recently written an article, entitled "The ROC's Right to Participate in the United Nations," in which he details the case for representation, noting Taiwan's formidable economic power and her progress in human rights and democracy. President Lee's argument for international support in Taiwan's bid for membership in the United Nations is worthy of our careful attention. I, therefore, ask permission that President Lee's article in the October 18, 1993, issue of Forbes magazine be printed in full in the RECORD.

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

THE ROC'S RIGHT TO PARTICIPATE IN THE UNITED NATIONS

(By H.E. Lee Teng-hui, President, Republic of China)

Twenty-two years have passed since the Republic of China (ROC) on Taiwan was deprived of its membership in the United Nations in 1971. Since then, many people have claimed that the issue of "China representation" has been resolved. But what about the 21 million Chinese of the Republic of China on Taiwan? Have they been abandoned by the United Nations? Though the Chinese Communist regime now controls the mainland and rules the 1.1 billion people there, it cannot represent the Chinese living in the islands of Taiwan, Penghu, Kinmen, and Matsu because it has never ruled these places. Neglecting this population and its government is a gross violation of the human rights and universality of membership principles which the United Nations upholds.

The current population and economic power of the Republic of China on Taiwan clearly qualify us for a place within the global context. Demographically, our population of 21 million is greater than that of two-thirds of the current U.N. member nations. In terms of economic performance and financial capability, the ROC has the second largest foreign exchange reserve holdings in the world, is the 14th largest trading nation, and ranks ninth in total overseas investment. These statistics represent an economic power to be reckoned with in the international economic system. Moreover, the ROC is fact approaching the world's advanced nations in the field of political democratization and also plays a constructive role in the promotion of humanitarian, economic and technical assistance to developing nations. Such activities contribute significantly to world peace and prosperity.

Formerly, East Germany and West Germany were both members of the United Nations; today, both North Korea and South Korea are seated in the world body. Now that Germany has become whole again, no one can say that parallel representation for a divided nation will hinder its reunification. If the United Nations can accommodate the wishes of the people in these two divided nations, why should it turn a deaf ear to the aspirations of the 21 million residents of the Republic of China on Taiwan? Until the Republic of China on Taiwan is given a seat, the U.N. cannot claim to be abiding by the principle of universality of membership enshrined in its charter.

Western nations have long praised the ROC's progress in human rights and democracy. Today, the people of the Republic of China on Taiwan have expressed, through the process of democratization, their strong longing for fair and just treatment on the world scene, including an equal opportunity of joining in international activities to reciprocate for the assistance she has received from other countries. We earnestly hope that all countries that cherish human rights, freedom, and democracy will support the Republic of China on Taiwan in her bid for membership in the United Nations. Let's work together for the cause of world peace and prosperity.

TIME FOR HEALING

Mr. ROCKEFELLER. Mr. President, I want to take just a couple of minutes of my colleagues' time to share some observations that come from my concern about the disagreement over the North American Free-Trade Agreement.

I want to urge NAFTA's supporters and opponents to put this battle behind us, mend the wounds, and get back on the field to fight for the numerous and pressing goals we have in common.

Lane Kirkland, the president of the AFL–CIO, is a friend of mine—a leader of working people, including thousands in my State of West Virginia, and a man whom I respect and deeply admire. But with respect, I think we have to keep perspective on the President's motives for promoting NAFTA and his overall agenda for this country and its working people.

I happen to be someone who voted against NAFTA. That's because the President, and his side of this issue, and I had a difference of opinion—over whether this is the time to take this step, and what the results will be if we take it.

But it seems pretty obvious that President Clinton has an absolute, genuine belief that he led a fight for this country and American workers and their families. He looks into his crystal ball on NAFTA, and predicts more jobs for Americans. I also concede that he is right to point out that America's long-term economic interests lie in liberalizing trade and integrating our economy with our neighbors. Again, the difference is over when to do it and how to do it. My own view is we need do a lot more first to be sure we are creating good-paying jobs for Americans, so we have a stronger foundation on which to build the future of more open trade in this region.

I am convinced the scenarios painted by both sides on NAFTA were exaggerated ones—as though NAFTA could be today's Armageddon. It just isn't, and that leads me back to my point.

There is no reason for the fight over NAFTA to burn bridges that will hurt

all of us. I say this to everyone—to the Democrats who fought Democrats, to anyone who tried or may try to make this a partisan issue, to labor that fought against NAFTA and to the industries that supported NAFTA, to the President and his administration.

Reflect on President Clinton's commitment to working people and their families. Just think about this incredible first year of his Presidency, and the agenda that this President has put forward—and thrown all of his might into. Family leave for working parents signed into law. The ability of Federal employees to exercise more of their rights as citizens signed into law. A bold plan to reduce the deficit, asking those who have the most to once again do the most, signed into law. A historic, comprehensive plan to reform our broken health care system, and offer security to all Americans and their families—prepared and submitted with more commitment and energy than any other President has ever invested and will ever invest. An all-out effort to pass a stimulus package for job creation that was blocked by the other party. Consistent support for protecting the health benefits of retired coal miners. A promise to sign legislation to prohibit permanent striker replacements.

I want to be sure none of us lose perspective over NAFTA and incur damage that does not do anyone any good.

We are deeply fortunate to have a President who wants to put America on track. We are fortunate to have a labor movement that remains dedicated to protecting workers and their jobs. But there will be disagreements over how to reach the same goals. NAFTA is one of them. It is not an issue or fight that earns the right to divide us from what we have in common. We must not allow NAFTA to weaken our ability—and our ties—to go on. The American people are anxiously waiting for this Congress, this President, labor and industry to reform our health care system, free them of their terror over crime, get our schools in working order, and do what a great country must do to be economically strong and decent. Now that the NAFTA vote is behind us, as the dust clears, we must still stand together to move forward.

KASHMIR: THE TIME TO TALK IS NOW

Mr. DECONCINI. Mr. President, with the focus of the world's attention on the escalating tension between the two Korea's, the last thing that this administration, indeed the world, needs is to ignore the other potential nuclear flashpoint—the India-Pakistan border and the festering dispute over Kashmir.

As these two nations have already fought three wars since Pakistan obtained independence, there is always the likelihood of an additional bloody and senseless conflict. The situation in Kashmir flared anew when Kashmiri Islamic militants holed themselves up within the Hazaratbal mosque, thus directly confronting Indian military troops stationed in the capital of Kashmir, Srinagar.

The turbulent history of this region has been often reported on the floor of the Senate. I will not attempt, at this point, to recount the tortured history of relations between India and Pakistan. Instead, I shall speak briefly about the future opportunities which have presented themselves to the peoples of the Indian subcontinent.

With the standoff at the mosque finally ending this past week, there is now the opportunity for a confidence-building dialog among representatives of the Kashmiri people, and the Indian and Pakistani Governments. The successful conclusion of the freest elections yet held in Pakistan also could assist in producing some healthy movement toward listening to the varied concerns of the participants.

None of the parties come into these talks without sharing a portion of the blame for the continued violence. Pakistan has armed and encouraged Kashmiri militants as proxies to take often violent action against Indian troops. India has altered the basic rules under which it obtained control of Kashmir and many have argued that the tactics of Indian troops have only encouraged more violence in Srinagar and elsewhere. For their part, the Kashmiris have often changed their allegiances, maneuvering to obtain what they perceive to be the best deal for their side at any given moment.

As Sumit Ganguly succinctly argued in a commentary in the Christian Science Monitor last week, some basic steps could be taken "to defuse the insurgency in Kashmir," and smooth the path to a meaningful dialog. Now is the time to lay aside past differences and opposing interpretations of history and engage in talks—if not for the sake of individual national pride, then at least for the lives which will otherwise be lost if the cycle of violence is allowed to escalate.

I ask unanimous consent that the article by Mr. Ganguly be printed at this point in the RECORD.

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

ROUTE TO PEACE IN KASHMIR

(By Sumit Gauguly)

The standoff, finally ended, between India's security forces and certain Kashmiri Islamic militants at the Hazaratbal mosque in Srinagar, the capital of Kashmir, presents an interesting irony.

In December 1964 miscreants broke into the same mosque and stole the Mo-e-Mogdas, a relic of the Prophet Muhammad. Yet though riots followed in Srinagar and elsewhere in northern India in the wake of the theft, Kashmiris remained loyal Indian citizens. Pakistan's efforts to woo them failed miserably. Today, however, Islamic militants holed up in the mosque have significant support among Kashmiris; indeed autonomist and even separatist sentiments are widespread in the Kashmir Valley.

It is imperative that Indians, Pakistanis, and the Kashmiri militants open talks about fashioning medium- to long-term strategies to end seemingly endemic conflict. Failure to do so will result in the loss of more blood and treasure, perhaps leading to another Indo-Pakistani conflict over Kashmir.

The 1964 events at the Hazaratbal mosque contain lessons for the current crisis. Agents of the Indian Intelligence Bureau, in cooperation with the local Kashmiri police, were able to track down the perpetrators and restore the holy relic to the shrine. Meanwhile, riots broke out throughout the valley, as well as in a number of India's cities. On the other side of the Kashmir border, President Ayub Khan and other leaders of the Pakistani military mistakenly construed the disturbances in Kashmir as indicating support for Pakistani intervention. Accordingly, in the summer of 1965, they sent lightly armed Pakistani troops disguised as local tribesmen to wreak havoc in the valley.

Although some Kashmiris may have been disaffected with Indian rule, most remained loyal Indian citizens and turned in the infiltrators to the authorities. Despite the failure of this plan, war erupted between Indian and Pakistan in September 1965. The limitations of firepower, a US arms embargo, and Soviet mediation helped to end this conflict.

Today neither Indians nor Pakistani actively contemplate starting another war. Nevertheless, two factors increase the threat of conflict. First, segments of the Kashmiri militants, particularly the Hezb-ul-Mujahideen, have strong allegiance to Pakistan. Second, considerable uncertainty exists about military doctrines in India and Pakistan. Cut off from their cold-war patrons, the military machines of both sides are in a state of flux. The situation in the region is uncertain.

Before the larger issue of Indo-Pakistani relations can be addressed, certain steps need to be taken to defuse the insurgency in Kashmir.

The Indian government needs to significantly alter its current counter-insurgency operations. The harsh "mailed fist" strategy that it adopted in dealing with the militants in the Punjab is inapplicable to Kashmir. In Punjab, deep-seated disaffection with Indian rule and support for an independent state of Khalistan was limited to a minority of the Sikh population. In the Kashmir Valley, however, the vast majority of people have some grievances against the Indian state. Unbridled police brutality only adds to the reservoir of disenchantment.

Persistent charges of torture and other human rights violations on the part of security forces need to be investigated and acted upon.

The government should consider offering an unconditional amnesty to the militants in exchange for a cease-fire for a specified period of time. During the cease-fire, serious negotiations can be started with the militants.

The government should move to restore Article 370 of the Indian Constitution to its original strength. Among other matters, Article 370 prohibits non-Kashmiris from purchasing land in Kashmir. Any restoration effort will generate considerable hostility on the part of the militant Hindu Bharatiya Janata Party. Nevertheless, their claim that the Muslims of Kashmir have been "pampered" is essentially without merit.

India should offer to hold an election in Kashmir in the presence of international observers. Nongovernmental organizations from the United States and other nations can make a useful contribution to this end.

India needs to take advantage of the opportunity provided by the change in government in Islamabad to renew talks with Pakistan. In this regard, too, the US can play a useful role. It can continue its pressure on Pakistan to cease support to the insurgents. Simultaneously, it can prod India to investigate charges of human rights violations and begin a meaningful set of negotiations with the militants.

None of these actions will be easy or popular for the weak regime of Indian Prime Minister P.V. Narasimha Rao. But maintaining the current strategy in Kashmir will restore neither law nor order. Instead, at best, India will continue to lurch from one crisis to another. At worst, the subcontinent may witness yet another costly war over Kashmir.

THE NOMINATION OF MORTON HALPERIN

Mr. LEVIN. Mr. President, last Friday the Senate Armed Services Committee held a hearing on the nomination of Dr. Morton Halperin to be Assistant Secretary of Defense for Democracy and Peacekeeping. It was a long hearing, well into the evening, at which Dr. Halperin was able to address most of the attacks and distortions which have been made against him over the last year. Since this nomination has been the subject of so much attention, I thought my colleagues should be aware of the remarks made by our colleagues—Senators BOREN and BIDEN—who appeared at the hearing to introduce Mort Halperin, and of Senator MOYNIHAN, who was scheduled to appear but could not and submitted his statement for the record. I will also include Dr. Halperin's opening statement at the end of my remarks, and note that his nomination is strongly supported by a wide range of distinguished professionals in national security affairs, including five former Secretaries of State or Defense and two former Directors of the Central Intelligence Agency. Although there is not sufficient time for the committee or the Senate to act on this nomination before the end of the first session, I fully expect it to be high on our agenda for the second session.

I ask unanimous consent that Dr. Halperin's opening statement be printed in the RECORD.

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

TESTIMONY OF SENATOR DAVID L. BOREN

Mr. Chairman, I appear before you today on behalf of Dr. Morton H. Halperin, the President's nominee to be Assistant Secretary of Defense for Democracy and Peacekeeping.

Based on my experience with Dr. Halperin during my time as Chairman of the Senate Committee on Intelligence, I support his nomination.

I believe the creation of the new position of Assistant Secretary of Defense for Democracy and Peacekeeping was a wise initiative on the part of the Secretary of Defense. The end of the Cold War has brought great hope and opportunities, but it has also brought new dangers and risks. In my view, we need an official at the Assistant Secretary level who can carefully evaluate the policy risks and benefits of using our armed forces in the non-traditional roles that they are increasingly called on to perform, such as peacekeeping, provision of humanitarian assistance, refugee activities, and promotion of democracy and human rights.

During my tenure as Chairman of the Senate Intelligence Committee, Dr. Halperin worked closely with our Committee and its staff. We found him to be a dedicated individual who could solve challenging problems in a manner that was fair to all sides. He was always aware of the importance of individual liberty, but he carefully balanced these concerns with his understanding of the necessities of national security.

Dr. Halperin has worked with the intelligence oversight committees and with Republican and Democratic administrations in support of numerous critical pieces of intelligence legislation, including legislation aimed at making our counter-espionage programs more efficient and laws governing the use of covert operation to further our national security objectives. in every case, Dr. Halperin helped craft legislation that was ultimately supported by both the intelligence community and defenders of individual rights. His work earned him the respect of the members of the intelligence committee and of the many Executive branch officials with whom he worked.

In all of my dealings with Dr. Halperin, he worked with me in a constructive and straight-forward manner. I have never known him to seek to water down or reduce efforts to strengthen the nation's intelligence capabilities. Instead, he supported our efforts while also ensuring that our methods were consistent with the fundamental rights of American citizens. His suggestions were practical and realistic. They were never ideologically rigid.

Dr. Halperin's background has prepared him well to meet the demands of the important position of Assistant Secretary of Defense for Democracy and Peacekeeping.

Dr. Halperin is currently a senior associate at the Carnegie Endowment for International Peace. Formerly, he was an official at the Defense Department and the National Security Council. As you may know, Dr. Halperin served many years with the American Civil Liberties Union, working on national security matters that implicated civil liberties.

Dr. Halperin has had a distinguished career in academia. He has taught at Columbia College, Yale University, Harvard, MIT, and the George Washington University.

Mr. Chairman, despite the outstanding qualifications of Dr. Halperin, there have been many unfair accusations about Dr. Halperin's views and character. I commend the Chairman and this committee for providing an appropriate forum that will allow Dr. Halperin to directly respond to any questions and concerns members may have.

I have always believed that all nominees are entitled to a fair hearing. I have tried to follow this principle when judging controversial nominees in the past—whether they be conservatives, moderates, or liberals; and without regard to whether they have been nominated by Democratic or Republican Administrations. It is a matter of principle and a matter of fairness that people who are nominated be granted the right to defend themselves before the Senate—and I applaud this committee and its Chairman for holding this hearing.

Over the last 20 years, Dr. Halperin has taken some controversial stands, but I am confident that his motivation has never been hostile toward or a desire to weaken this country. In fact, the opposite is true. His motivation has been his patriotic devotion to our most basic and most cherished constitutional principles: protection of individual rights and preservation of democracy. It is these very principles that separated us from the Soviet Union in the Cold War. It is these very principles that have made this country the inspiration for people all over the world seeking to free themselves from tyranny.

Dr. Halperin's work has gained him the endorsement of a large number of distinguished individuals in the defense and foreign affairs community including two Secretaries of State, Cyrus Vance and Edmund Muskie; three Secretaries of Defense, Robert McNamara, Clark Clifford, and Elliot Richardson; and two Directors of Central Intelligence, William Colby and Stansfield Turner.

In fact, former Secretaries of Defense McNamara and Richardson recently published an op-ed piece in the Washington Post in support of Dr. Halperin's nomination. They defended him, stating that the "case" against Dr. Halperin is "nothing more than a collection of false rumors, misapprehensions and distorted quotations." They further wrote that "Dr. Halperin is a highly intelligent, capable and moral man," and that "he has served the national interest for more than 30 years in Democratic and Republican administrations * * *"

I believe this committee will find Dr. Halperin possesses the gift of a keen mind, while also possessing unwavering integrity. Based on my experience in working with Dr. Halperin, I believe he would be nonideological in his decision-making and bring new ideas to defense policy issues. I believe our nation would be fortunate to have Dr. Halperin as the Assistant Secretary of Defense for Democracy and Peacekeeping.

STATEMENT BY U.S. SENATOR JOSEPH R. BIDEN, JR.

Mr. Chairman, Senator Thurmond and Members of the Committee, at one time or another all of us have come before a committee of the Senate to endorse a presidential nomination of a person whom we believe to possess extraordinary qualifications, or of a person whom we believe to have rendered outstanding and appropriate prior service to the United States, or simply of a friend. It is my pleasure and my privilege today to recommend for your approval a man I would place in all three of those categories.

It would be hard, in my view, to imagine a nominee better qualified than Morton H. Halperin—my friend, Mort Halperin—to serve as Assistant Secretary of Defense for Democracy and Peacekeeping. Mort Halperin has dedicated his entire career to the causes of peace and democracy. He has served this country with great distinction for more than 30 years. He is widely and justly admired as a bright, principled and patriotic public official.

By ability, character, temperament and long experience, Mort Halperin is especially well suited to the new position to which he has been nominated, a position I believe essential to reformulating and managing the role of the United States and its armed forces in the post-Cold War world. Peacekeeping operations hold out promise for creating a more just and peaceful world, but the

risks and challenges are immense. The Continued expansion of democracy and human rights around the world can not be achieved without the contribution of a Department of Defense guided by policies carefully adapted to both the opportunities and the obstacles confronting those values. Mort Halperin, in my judgment, is uniquely qualified to take on such a task.

In making this nomination, President Clinton has joined both Democratic and Republican presidents in recognizing and taking significant advantage of Mort Halperin's energy and imagination. He was a Yale Ph.D. and a consultant to the Kennedy Administration at an age younger than many people when they graduate from college. He became a Harvard professor soon after that. He was a Deputy Assistant Secretary of Defense in the Johnson Administration at the age of 29. He was a senior staff member on the National Security Council in the Nixon Administration.

For 18 years, he served as an official of the American Civil Liberties Union, working with principled effectiveness on issues ranging from national security to the Constitutional rights of Americans. He won one of those MacArthur Foundation "Genius Grants" in recognition of his outstanding abilities and contributions. He is now a senior associate at the Carnegie endowment for International Peace and Baker Professor at the Elliot School of International Affairs at George Washington University.

Mr. Chairman, as we all know, time marches on and I understand that this one-time whiz kid is now, at the age of 55, a grandfather. But Mort Halperin hasn't run out of energy or of ideas. And, most importantly, he has never abandoned his principles, the principles that compelled him to, and have sustained him in, a life of public service, even though the talents that have made him so valuable in that realm would certainly have fetched a much higher price in the private sector. But mere personal gain has never motivated Mort Halperin.

That's why, in large measure, the growing roster of his supporters are a virtual Who's Who of distinguished Americans: Former Secretaries of Defense McNamara, Clifford, Brown and Richardson. Former Secretaries of State Vance and Muskie. Former Directors of Central Intelligence Colby and Turner. Paul Nitze, a top arms-control advisor and negotiator for President Reagan. McGeorge Bundy, who was President Kennedy's National Security Advisor. Arnold Kanter, who was Under Secretary of State under President Bush. And retired Admiral Bobby Inman, the widely respected former Deputy Director of Central Intelligence, who says that he does not endorse candidates, but that he has seen no basis to oppose Mort Halperin—and if you know Bobby Inman, you know that says a lot.

Why do these former officials, all men of great distinction themselves, Republicans as well as Democrats, think Mort Halperin should get this job? Because they have worked with the man. They know him, and they know him to be an extremely capable and conscientious man, a man who can make a strong contribution at the Department of Defense. They do not rely on rumors and innuendo, and neither, members of the Committee, should we.

I have said that Mr. Halperin's critics appear to be trying to settle old scores left over from the Cold War, that they refuse to acknowledge that the Cold War is over. But I think, Mr. Chairman, that it would be useful for me to revisit the Cold War for a few moments.

The Cold War was not just a stubborn and dangerous test of wills between two giant superpowers—it was about something. It was about the struggle between freedom and oppression. It was about the struggle between democracy and tyranny. The very principles that our country stands for—democracy, individual liberty, freedom of expression, and fundamental fairness—are precisely what separated the United States, starkly and irrevocably, from the Soviet Union. Protecting these principles, and the security of the nation that sustained them through the Cold War, was and still is the mission of our armed forces. And defining that mission, in many ways more complicated today in the chaotic wake of the Cold War, requires leadership familiar both with the capabilities of our defense establishment and with the means by which the principles of peace and democracy can best be sustained and extended.

I submit, Mr. Chairman, that the nominee before you today has done as much to support and advance those principles as any American of his generation. His record is clear and unimpeachable, and it is a terrible irony that some of his most patriotic acts—by which I mean the actions he took to defend these basic American values—have been distorted into charges against him.

Let me give you some examples. When Mort Halperin expressed grave concerns about covert action—the use of the CIA and other agencies to secretly influence events abroad—it was not because he disrespected the women and men of the CIA or their contributions to our security. It was because the revelations of the early 1970s showed what could be wrong when is hidden from the American people and from the Congress that represents them—attempts to assassinate foreign leaders, efforts to overthrow elected governments. And more recent history, the Iran-Contra scandal, has shown us again what disastrous consequences can occur when basic foreign-policy decisions are hidden from the people and from Congress.

We were faced with a choice during the Cold War. We could emulate our enemy and, like the Soviet Union, hide our policies and their consequences from our own people, or we could trust the rightness of our own principles. Mort Halperin, because of the responsibilities he bore, realized better than most of us that sometimes covert action had to be considered. But he worked for 15 years to see passage of a law that ensures that if we do engage in covert action, it will be consistent with our stated policies and Congress will be informed about it. As I know well from my years on the Senate Intelligence Committee, Mort Halperin worked to make sure we struck a proper balance between the needs of our national security and the right of the people in a democracy to know the facts and make informed decisions.

When Mort Halperin pressed for reform of our nation's intelligence activities, both at home and abroad, he was not trying to undermine our society, but to strengthen it. We know now what happened right here at home when our intelligence agencies ran unchecked—spying on lawful domestic political activity, opening citizens' mail and taps on their phones without court orders, testing the effects of dangerous drugs on unsuspecting citizens, even efforts to get Martin Luther King to commit suicide. Mort Halperin didn't invent these misdeeds—the Church Committee in the Senate, the Pike Committee in the House and a Commission under Vice President Rockefeller, in a bipartisan manner, exposed them. Dedicated men and women in the Department of Justice, the Department of Defense, the CIA and the Congress have worked ever since to create rules and regulations that allow effective intelligence collection while protecting the rights of Americans and defending American principles. And those involved in this effort will tell you who, so many times, developed workable compromises to resolve seemingly intractable clashes between national security and civil liberties—Mort Halperin.

Sure, Mort Halperin defended or testified as the trials of controversial figures accused of disclosing government information, but not because he thought the information should have been released. It was again because of his commitment to the basic Constitutional values that differentiate us from totalitarian societies: criminal laws, especially those that affect, speech may not be excessively vague; government restraints on publication of materials by private citizens must meet a heavy burden; an accused person is entitled to a fair trial. No doubt some of those he defended deserved condemnation; Mort Halperin himself said so. If you sacrifice basic freedoms for some, you threaten them for all; if you pick and choose who gets justice, you threaten injustice for all. Our Founding Fathers understood these verities and enshrined them timelessly in our Constitution and Bill of Rights. If we forget these values, if we criticize those among us who defend them, we dishonor a priceless heritage.

Mort Halperin has never failed to honor those values. Even when he later defended people like John Poindexter, Oliver North, Lyn Nofzinger and Dartmouth students accused of racist speech, it was not because he had shifted from left to right. It was, instead, because he was constant—constant, in his defense of Constitutional values like freedom of speech and due process of law; constant, even though he knew that voices on the left would criticize him, just as voices on the right have done and continue to do today. But still, constant, because he recognized and still recognizes that the fight for freedom can not be a popularity contest, that patriotism can never be reduced merely to a difference between "us" and "them."

It was after all, Mr. Chairman, our character as a nation, our ultimate fidelity to the principles Mort Halperin has defended throughout his public life, that enabled us to outlast the Soviet Union in the Cold War and that will enable us to lead the world toward peace and democracy. To depart from those principles today, to impeach our character as a Senate and as a nation, would pose a very real and present threat to the national security Mort Halperin's critics profess to defend.

Let me take a minute to two to examine some of the charges made against Mort Halperin in an ill-conceived, last-ditch effort to derail his nomination. Each collapses like a house of cards as soon as you touch it.

Critics have implied again and again that he is a security risk. Well, folks, we have a careful process for making such decisions; it's called the "security clearance process." And this very year, Mort Halperin received a very high security for his work as a Pentagon consultant—long before President Clinton nominated him for the Assistant Secretary job. Years ago, at a time when he knew plenty of classified information, the Nixon Administration illegally tapped his home telephone for 21 long months. Is there any evidence from the wiretap logs that he never made an unauthorized disclosure or otherwise behaved improperly? None—none

at all! In fact, his former boss, Henry Kissinger, apologized for the tap and said there was never anything that cast the slightest doubt on Mort Halperin's loyalty.

But his critics are not interested in evidence. They pass along a rumor that Mort Halperin rejected a general's request. But that is a falsehood. Secretary Aspin says Mr. Halperin did not participate in the decision, and a departmental investigation found that he didn't even know of the request for tanks.

The critics whisper that he attempted to order another general to halt a military exercise in Guatemala. Mort Halperin says he did no such thing. More to the point, the general says he doesn't remember even discussing this operation with Halperin. And think about that, my friends, in the light of your experience with military affairs—is it likely a general would forget a consultant who tried to give him an order? I don't think so!

Someone apparently claimed once seeing a secret document linking Mort Halperin to some sort of shady meetings in a foreign country. This matter got raised in public, as is too often the case, before the evidence was examined. When the CIA finally located the document and showed it to the accuser, guess what? That's the document, sure enough—but it doesn't have anything to do with Mort Halperin.

Critics also like to misquote and distort pieces of Mort Halperin's voluminous writings. Well, the record is out there, as a friend of mine says, "in front of God and everybody." Mort Halperin is not ashamed of what he has written, nor should he be. But those who have cut and pasted his words, outrageously, out of context, misleading Senators and others, should be ashamed.

Mr. Chairman, Mort Halperin's record of distinguished public service and scrupulous stewardship over our national security has been unblemished for three turbulent decades. He has remained true to his principles, to our principles as a people, and he has left the political air fresher everywhere he has passed.

That is the Mort Halperin I know, and I believe all the Senators who have worked with him over the years know the same Mort Halperin—a tireless worker, a principled advocate, a brilliant thinker, a genuine leader. He is also a decent, compassionate, highly moral man I am proud to call my friend.

Reject him, and you deprive our government of a valuable asset that answers to a critical need. Reject him, and you reject the very principles that keep our people free and make our country great. Reject him, and you will make any talented young person think twice before he or she takes a principled but perhaps controversial stand—precisely the kind of stand which our Constitution defends and on which our democracy depends—for fear that on some later day that person will be subjected to the kind of unwarranted attacks Mort Halperin has bravely shouldered for the past year.

Instead, I urge you to look at the facts. Look at the man. Search your own conscience and make your own judgment. Mort Halperin is a first-class nominee, an outstanding choice by President Clinton. I am honored to present him to you.

Thank you, Mr. Chairman.

STATEMENT OF SENATOR DANIEL PATRICK MOYNIHAN

Mr. Chairman and members of the Armed Services Committee, I am pleased to appear before you today to introduce a fellow New Yorker, Morton H. Halperin, who has been nominated by President Clinton to be Assistant Secretary of Defense for Democracy and Peacekeeping.

I congratulate you, Mr. Chairman, for holding this hearing so that Mr. Halperin can directly address concerns that have been raised by some members of the Committee. Mr. Halperin has had a varied career of outstanding public service. I am confident that a full and public hearing will demonstrate that he is a dedicated, energetic, intelligent public servant committed to promoting the security of the United States. And to doing so in a manner which is consistent with our own best traditions and the requirements of the constitution.

Mort Halperin has had a distinguished career in government, in academia and in service with non-profit organizations. He is a prolific author. But I would like to focus on a particular aspect of his work—his efforts to help adjust our policies and, importantly, our way of thinking, to the post-cold war would. I think it is fair to say that Mort Halperin has been at the forefront of the effort to keep the United States from drifting from the cold war era into the next without thoroughly examining our way of doing business. The losers have no choice but to radically change their behavior. For the victors, however, the need is less obvious. But no less important. The cold war changed us. We came to accept behavior and strictures that would have been unthinkable to earlier generations of Americans. Mort Halperin has worked—not to sweep aside our institutions wholesale—but to carefully and thoughtfully examine each of our foreign policy institutions and practices to see whether or not they are truly suited to pursuing the best interests of the American people in a new era. In this, he has performed an important service to the nation.

Make no mistake. Mr. Halperin is not one who spins elegant theories that bear little relation to the real world. He has government experience. He knows that the world is a dangerous place. And believes that it is the quintessential obligation of the United States Government to maintain the security of the people of the United States. I believe that this will be apparent from his testimony.

In the course of a varied and energetic career, Mr. Halperin has made statements with which some senators strongly disagree. That, I think, is the inevitable result of holding strong views and expressing them vigorously. I believe that he will welcome the opportunity to address these issues directly.

But I would simply add that no member of the Senate need accept every view Mr. Halperin has ever adopted—nor every opinion of any other nominee for that matter—to be fully convinced that President Clinton is entitled to have the Senate confirm Mr. Halperin as his choice for Assistant Secretary of Defense. Moreover, I am not aware of any statement or position taken by Mr. Halperin which would disqualify him from serving this President with distinction. I am confident that this hearing will make that abundantly clear.

OPENING STATEMENT OF MORTON H. HALPERIN

Mr. Chairman, I welcome the opportunity to appear here today and to be able at last to describe in my own words who I am, what I believe, and what I would hope to accomplish if confirmed as the Assistant Secretary of Defense for Democracy and Peacekeeping. I also welcome the opportunity to respond to questions from all members of the Committee.

Mr. Chairman, some of my earliest memories are of my desire to serve the nation abroad as a foreign service officer. I remember thinking how lucky I was to be an American so that I could represent the only nation in the world whose diplomats were not sent abroad to lie. My patriotism stemmed from my confidence that the United States was different, that we had no desire to conquer or to exploit others, and that we wanted only to live in a world in which all peoples shared our right to liberty and opportunity.

I still believe that. I still believe that there is no higher calling than to serve this nation, to defend its interests, and to promote its ideals.

I believe, as Lincoln said, that this nation is the last great hope of humankind. I believe that the values embodied in our great documents—the Declaration of Independence, the Constitution, and the Bill of Rights—reflect and embody universal norms to which all people aspire.

The wise leaders who founded our nation understood that to remain free a nation had to be ready to use force in its defense. But they also understood that efforts to protect the nation from threats from abroad could undermine the very liberty at home that our military forces were designed to protect.

They left us the great legacy of our Constitution. The founders carefully crafted a system based on the separation of powers. Their goal was to insure that the nation, led by the President, could react with secrecy, vigor and dispatch when that was necessary, but also to insure that the nation did not lightly send its young to war.

It is not an act of patriotism to suggest that the requirements of the Constitution must give way when the talisman of national security is invoked. The genius of the Constitution is that its provisions ensure that we as a nation can pursue our interests abroad while protecting our values at home.

The collapse of the Soviet empire was a great triumph for those ideals. It opened new possibilities for us to help others to establish and nurture democratic regimes. We have an interest in doing so not only because we feel better if others are free, but because, as the founders of this nation recognized, our security is more easily protected if our nation resides in a sea of democratic states.

The end of the cold war was not, however, the end of history or of international politics. The new world is full of dangers as well as opportunities to advance our interests.

Force will still be the ultimate arbiter of international disputes. The United States must be ready to use force—alone if we must, in concert with others if we can—when our interests are threatened.

Before we commit ourselves to using force, we must be sure that the problem can be solved by armed force. We must be sure that our military goals are clear. We must deploy forces sufficient to insure quick and decisive victory. We must have a plan to terminate the use of force and then to involve our diplomats.

Over the past several years, with the end of the cold war, the Congress and our Presidents have begun to turn to the armed forces to perform new tasks, or, rather, to devote significant additional resources to activities which previously had been no more than incidental. These tasks include: participation in the effort against illegal drugs; provision of assistance to those who are the victims of natural disasters; provision of humanitarian assistance to those facing starvation and other deprivations, the result of manmade disasters; efforts to moderate or end ethnic

or other civil strife; and efforts to assist nations struggling to create military forces and structures suitable for a democracy.

When this administration came into office it found the armed forces deeply involved in many of these tasks ranging from the war on drugs, to assistance to victims of natural disasters, to a peace enforcement operation in Somalia, to Operation Provide Comfort in Iraq to support for the UNPROFOR effort in the former Yugoslavia, to military contact efforts in Eastern Europe.

Some of these activities were mandated by Congress. Others were the result of Presidential directives, but they were taking up a growing portion of a shrinking budget and lacked any single focus within the Office of the Under Secretary of Defense for Policy. Believing that these activities would need careful monitoring from a policy perspective, Secretary Aspin decided to use his existing authority to create the new office of the Assistant Secretary of Defense for Democracy and Peacekeeping. Upon the Secretary's recommendation, the President did me the great honor of nominating me for that new position.

Let me try to explain why the Secretary thought the office was needed by discussing with you the challenges I believe I will face if confirmed.

The primary mission of our armed forces is, and must remain, the conduct of combat operations. We must seek to deter aggression and be ready to fight and win wars. We cannot assume that events like Pearl Harbor, Korea, or the Iraqi invasion of Kuwait will not occur again. We size and equip our forces to fight such wars and we must not permit new functions to detract us from that goal.

As the members of this Committee know, Secretary Aspin dedicated himself and the Department of Defense to doing whatever needs to be done to insure the readiness of our forces for combat. The greatest and most important challenge of the Office of Democracy and Peacekeeping is to advise the Secretary as to what needs to be done to ensure that as our armed forces perform these new missions, they do so in a way, and only to the extent, that they do not adversely affect our readiness for armed combat.

This objective requires that we make sure that only a small portion of our forces are at any time committed to these new missions. Training and exercises for these purposes must complement and support our training for war. We also need budget mechanisms to ensure that our services and commands are not forced to absorb the cost of conducting new missions from Operations and Maintenance funds needed to maintain readiness.

Another challenge for the office of the Assistant Secretary of Defense for Democracy and Peacekeeping is to guard against the tendency to see our armed forces as the solution to every problem and every crisis of the post-Cold War world. Because the armed forces exist, because they have highly skilled and capable people and because the Department of Defense is perceived as having a large budget, there is a tendency to want to send in the Marines or the Army to deal with every problem. We must resist that.

I do not see this office as being a cheerleader for peacekeeping or any of the other new missions. On the contrary, I see a key part of the job to be warning of the dangers and resisting an easy resort to the armed forces of the United States for these purposes. We must insist that the Joint Staff, the relevant command, and others in the Executive Branch make a careful evaluation of any proposal to perform such missions. We must know precisely what the military task is and be confident that we can perform it. We must know how we will get out as well as how we plan to go in.

As the authorization bill just approved by the Conference Committee makes clear, Congress is likely to continue to authorize funds and programs for these new missions. Presidents will direct the Department to act. Thus, another challenge of the job is to make recommendations to the Secretary of Defense on how to get ready to perform these tasks in a more efficient and effective way.

This means hard thinking about doctrine and strategy. It means thinking about what training and equipment our forces should have for these missions. It means developing better methods of interagency coordination.

These are the tasks of the new office of the Assistant Secretary of Defense for Democracy and Peacekeeping. They are tasks that must be performed within the Department of Defense. The office would not usurp the authority of the Secretary of State or perform functions that belong in the State Department.

Having spent more than 30 years thinking, teaching and writing about the use of force, having thought hard and written about the security threats of the post-Cold War period, having worked to reconcile claims of national security and civil liberties in our nation, I believe that I have the qualifications and experience to do this job in a way that will enhance our security and advance our ideals. I am greatly honored that the President and the Secretary believe that I am the right person for this position. I hope that when the committee completes its consideration of my nomination it will agree that I am qualified to fill it.

Mr. Chairman, over the past several months, in an effort to suggest that I am not the right person for this position, a number of charges have been made about my beliefs and activities which are simply false. They are, in some cases, made up out of whole cloth; in others, they result from wrenching sentences out of context and building tales around them. I would be pleased to respond to questions about each of these and to provide more details, but I felt that I should, in my opening statement, briefly try to set the record straight:

I have been accused of advising the Secretary of Defense not to send armor to Somalia. That is false. I had no knowledge of any request for armor until I read about it in the newspaper after the fact.

I have been accused of ordering a regional Commander to terminate an exercise. That is false. I called General Joulwan only to obtain information, not to intrude into the chain of command.

I have been accused of believing that the United States should subordinate its interest to the United Nations, never using force without its consent, and putting American forces at its disposal. That is false. I have never advocated these positions.

I have been accused of believing that government officials have the right to disclose classified information. That is false. I have consistently stated that the government has the right to fire anyone who does and to impose criminal penalties for the disclosure of such information.

I have been accused of opposing all counter-intelligence operations. That is false. I have supported effective counter-intelligence measures designed to protect sensitive information.

I have been accused of aiding Daniel Ellsberg in the disclosure of the Pentagon Paper. That is false. I did not assist in, and had no knowledge of, his disclosure of the Pentagon Papers.

I have been accused of aiding Philip Agee in the disclosure of the identities of intelligence agents and advocating the disclosure of such identities. That is false. I never assisted Philip Agee in those efforts, and I have condemned such action by him and others. (I did testify at his deportation hearing in England—a matter I would be glad to discuss with the Committee.)

Most recently, I have been accused of traveling abroad for secret meetings with terrorists. That is false. I have had no such meetings, and to my knowledge there are no CIA documents suggesting that I have.

Mr. Chairman, I have also been accused of undergoing a "confirmation conversion". That is also false. I have changed none of my views since I was nominated, indeed, since President Clinton was elected, and I stand by my recent statements and writings.

If the charge against me is espousing pointed and provocative views, I have no quarrel with that description. But I resist any suggestion that I have done anything which compromises our nation's security or weakens our defenses. Indeed, the goal of my work has always been to strengthen our national security and to strengthen the freedoms of all Americans.

It is true, that on some subjects my views have matured over time. In particular, I expect to be asked about a number of statements I made in the first half of the 1970s about American intelligence operations. I regret making certain of those statements. Some of the views I expressed then I have long since abandoned. Others have become irrelevant as the government, with my strong support and active involvement, has altered the process by which intelligence agencies function and are monitored to bring them under effective control.

In order to put those statements into context, Mr. Chairman, I would like to recall for the committee the situation we were in at that time. We had learned of serious abuses of our intelligence agencies. There were reports—and eventually solid evidence—of unlawful surveillance of Americans, or manipulation of our political process. The CIA had tried to assassinate foreign leaders and to overthrow democratically elected governments. These are the facts.

Many thoughtful Americans had to comfort the question of what to do. The new President appointed a special commission to study the activities of the CIA in the United States. The Senate established a special committee to investigate intelligence abuses, as did the House.

I was surprised, anguished, and angered by these revelations as were so many others. I began to think, and perhaps too soon to write, about what I thought should be done. I believed that we had tarnished the image of the United States and damaged the ideals for which we stood in the world. We had learned that institutions set up to protect our liberties could undermine freedom at home and hinder our efforts abroad.

One of the suggestions I put forward in 1974—to abolish the covert operations side of the CIA—I abandoned in 1976. I advocated then, and consistently since 1976, that the CIA be divided into two organizations—an analytic agency to prepare intelligence analysis, and an operations agency to conduct clandestine intelligence collection and operations. In other respects my views have evolved over time as the intelligence agencies have come to operate under a regime of law and effective congressional oversight.

Finally, Mr. Chairman, I wanted to make a statement about my activities in the Department of Defense over the past months. As the committee knows, during the first months of the administration, I and my colleagues in the Office of Policy, engaged in practices which we later learned were inappropriate.

As my colleagues have done, I want to apologize to the committee for my actions. I can only assure you that it was not done with any intention of presuming on the Senate's right to confirm nominees. We were all eager to begin to do what the Secretary of Defense wanted done, and we failed to brief ourselves fully about the committee's expectations.

Since May, I have been scrupulous in following the expanded guidelines provided by the General Counsel of the Department. I have great respect for the Senate and its constitutional powers over confirmation and for this committee. Nothing that I did was intended in any way to express disrespect for those rights and expectations. I regret that my behavior did not in the early months live up to the standard that it should.

Mr. Chairman, I appreciate the indulgence of the committee in permitting me to present this somewhat lengthy statement. I felt that the committee would want to hear my responses to some of the issues that have been raised. I am sure that I have not answered all of them and look forward to responding to your questions.

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

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

GUN AMMUNITION

Mr. MOYNIHAN. Mr. President, I rise to announce to the Senate the important development that the Winchester Ammunition Co. has withdrawn the Black Talon handgun ammunition from sale to the public.

This comes in the aftermath of hearings by the Finance Committee in which we described this particular round which has as its function a ripping activity within the body once it has entered. The round splits open into six prongs which spin and which are specifically destructive of organs in the area of the body that they will have entered.

I would like to say that the Winchester Co. has shown good judgment and good grace in this regard and ought to be commended.

We have been talking now on this subject for a number of years, and we have been legislating. In 1982, I believe, I introduced legislation to ban the so-called cop-killer bullet, the Teflon-coated round of greenish hue, what is known as the green hornet, which being designed as a penetrating round would have the capacity to penetrate the body armor that police officers were beginning to wear, the cloth armor from the waist to the shoulders which is now standard issue in most metropolitan police departments, if not indeed all, such being the state of handgun violence on our streets.

It took 4 years to enact that, but we did. President Reagan signed the bill. Senator THURMOND from South Carolina was very active in supporting it, and it became the first round of ammunition to be outlawed.

On Saturday in the crime bill we outlawed yet another round, in this case a new class of thick, steel-jacketed handgun ammunition, the M39B Parabellum—bellum is Latin for war—developed in Sweden, which again has the armor-piercing qualities. We had the definition of the Teflon-coated round in statute. We simply described the new round on Saturday in the crime bill. We made a generic description of a round which we will not have manufactured, sold, or imported into the United States.

Can I say that at the time we outlawed the cop-killer bullet, as it has come to be called, no American firm was manufacturing it. They were made in Czechoslovakia and brought into the United States. They were not being manufactured because their purpose could be nothing more than activities such as killing police officers.

Now on the question of continuing this sequence of statutes, I proposed outlawing the manufacture or sale of .25-caliber and .32-caliber rounds. These are rounds that only are used in what is called Saturday night specials, but those small, cheap handguns are no longer anything like the consequence they were. What we now have are 9-millimeter clip-loaded rounds which in the 9-millimeter mode of the Black Talon could be devastatingly destructive if a schoolyard were sprayed, or simply in the kind of general use we see regularly or currently on our streets.

I would make the point, Mr. President, that we have been trying to bring the analytic technique of public health to this subject. We have been trying to say now, how would an epidemiologist look at this epidemic? And one of the first things that leaped out at you is the fact that, to use the paraphrase, guns don't kill people; bullets do.

Some 15 years ago in the North Carolina Medical Journal a small article appeared. The bullet is the weak link in the epidemiological triad, as it is called, in which you have the host, the agent, and the environment. The agent is the bullet. The host is the individual. The environment is wherever guns are being fired.

It happens that this same approach was used with respect to the problem of automobile crashes. Automobile mortality and morbidity became a great national issue in the 1950's. After World War II, the number of automobiles manufactured grew enormously. The driving population grew enormously, and so did the deaths and injuries associated with crashes.

It was observed that the automobile crashes then were the largest cause of death from persons aged 1 to about age 37 in the United States in the 1950's. And we began the effort to introduce epidemiological models. We would say when a car hits a tree, no one is injured. It is not until a person inside the car hits the car. Therefore, you think of restraining techniques. Seatbelts were an obvious transfer from aviation, cleaning up dashboards, and putting padding on, and now air bags, and generally using passive devices. It was clear with respect to the automobile design that it was much easier to influence the behavior of 5 automobile companies, 3 major ones, than 90 million drivers.

The automobile industry had a very great difficulty understanding this. They resisted it. They did not really understand what was being said, were not certain of the motives of those who were saying it even though they were eminently respected and respectable physicians.

In the end it took national legislation. We had to establish the National Highway Safety Transportation Administration. Dr. William Haddon was its first head, who had helped to begin this work in Albany, in the administration of Averill Harriman in which I was also involved.

Today it is commonplace to watch advertising for new cars. I believe it is the case, I have read it, that in advertising the judgment is that the first thing you sell is the style of the vehicle, and the second thing is the safety. We are used to now seeing facsimile collisions with airbags opening, the designs of scenes of dummies in collisions, and how they behave. And often it is quite different than we would expect such physics, travel of speed, and collision and such like.

I think it was costly to the automobile companies that they resisted this so. I think it put them in a state of mind that it was not alert to other possibilities, other needs, and we went through a very difficult time with the automobile industry itself.

I would hope we might be seeing here understanding on the part of ammunition makers that they can cooperate in this public health problem, the problem the President of the United States addresses regularly.

We start with the fact that since 1918, we have taxed the manufacturers of ammunition. The Revenue Act of 1918 was in response to the costs of World War I. Since 1938 the Bureau of Alcohol, Tobacco and Firearms in the Treasury Department of the U.S. Government has required a license to manufacture.

There are a fair number of these licenses out. They cost $10 a year. But the actual quantity manufacture of ammunition is concentrated in about 10 firms, Winchester possibly being the largest and being a branch of the Olin Corp.

I have said I think the case could be made that we have a 2-century supply of handguns, but only a 4-year supply of ammunition; so again, obviously, we should move in the direction of ammunition, the only function of which is to kill or injure a human being.

A Senate version of the case in point might be made that in the Brady bill there is some concern that antique weapons have been redefined as up to the year of manufacture of the year 1918. I simply note that those who are concerned have a point, since one of the most widely available and widely used handguns in our country is the Colt Model 1911.A1 .45-caliber clip-loaded pistol. It was first rated in 1911, and it is the standard handgun of the armed services. Almost 50 years ago in the Navy, I remember carrying one of those handguns, as the officer of the deck has a handgun. And they are still being used today.

The armed services are moving over to the 9-millimeter caliber Baretta, I believe, but the 1911.A1 service pistol is entirely serviceable, perfectly functional, as long as you have ammunition to use that side arm, making the point that the life of a handgun seems to be measured in decades, generations, even centuries. Ammunition is a different matter. As we begin to think of it in these terms, I hope we will have a better outcome than the necessary efforts to control the access to handguns, but realizing that we have 50 million in the United States. Police Commissioner Raymond Kelly of New York City, one of our distinguished police officers, when the issue of the Black Talon was raised 3 weeks ago, commented that in the city of New York there are somewhere between 1 million and 1.7 million handguns, and they are not going to go away.

So that addressing the question of the ammunition they use is possibly a rewarding one. I think it is, and I think that the action of Winchester Ammunition in withdrawing the Black Talon handgun ammunition from sale to the general public is, again, an act of good judgment and good grace. I make the point that they will continue to be available to the police. We have no intention in any way of restricting that kind of availability.

I ask unanimous consent that the press release regarding Winchester be printed in the RECORD.

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

[Winchester Ammunition Press Release, Nov. 22, 1993]

WINCHESTER WITHDRAWS BLACK TALON HANDGUN AMMUNITION FROM SALE TO PUBLIC

EAST ALTON, IL.—Winchester Ammunition today announced it is withdrawing Black Talon handgun ammunition from sale to the general public.

"This action is being taken because Black Talon ammunition is becoming a focal point for broader issues that are well beyond the control of Winchester Ammunition. The controversy also threatens the good name of Winchester, which has stood for the safe and responsible use of ammunition and firearms for 125 years; and our reputation as the leading supplier of quality ammunition for the sporting public, law enforcement agencies, the United States military, and private citizens who believe as firmly as we do that there is a place for the safe, legal and responsible use of firearms," according to company spokesman Mike Jordan.

Distribution of the ammunition will now be limited strictly to law enforcement agencies, the company said. The superior ballistics performance of Black Talon has made it the standard issue for more than 400 law enforcement agencies across the United States.

Winchester will continue to offer a full line of ammunition to meet the needs of the military, law enforcement, recreational marksmen and the hunting community.

Mr. MOYNIHAN. Mr. President, I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. STEVENS. I will yield for a moment to the majority leader before I speak.

STAR PRINT—S. 1757

Mr. MITCHELL. I ask unanimous consent that S. 1757 be star printed to reflect the changes now at the desk.

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

The Senator from Alaska is recognized.

HEALTH EQUITY AND ACCESS REFORM TODAY ACT OF 1993

Mr. STEVENS. Mr. President, the Health Equity and Access Reform Today Act of 1993 is the culmination of a great deal of hard work and effort on the part of a number of Republican Senators who have worked together almost weekly for 3 years to examine the issues related to health reform.

Senator CHAFEE deserves a great deal of credit for being responsive to the needs of rural populations and those States with low population density, and in promoting a maximum of State flexibility. He has been our leader in holding these meetings over these past 3 years.

I would like to see a consensus position develop and, therefore, I have cosponsored this bill today with Senator CHAFEE and also Senator NICKLES' consumer choice bill in hopes that we will see the best parts of each of these bill figure in a final bill on health care reform.

The Health Equity and Access Today Act, which is known as the HEART Act, promotes development of health infrastructure where there is none today. We often see high costs of health care being portrayed as too much infrastructure and not enough money to pay for that infrastructure.

In Alaska, most communities are not accessible easily by road, and in many cases not accessible by water, but only by air, year-round. That is a situation where meaningful access is not a provision in an insurance policy.

Access, to us, means getting patients living in remote areas to health care providers in the cities and regional hubs.

Alaska, like many States, has much to do to prepare for health care reform. I have worked on this bill, both of these bills, to maintain Alaska's ability to make choices among a wide range of options, because there is not yet a consensus in our State on which model of reform might work best in Alaska.

Alaska's health care needs require development of an infrastructure of training and extension of preventive care to inaccessible areas. It is my judgment that this HEART bill Senator CHAFEE introduced could do this, through the development of rural health networks, and by allowing our State to design our own approach to health care reform.

Alaska needs a maximum of State flexibility because our issues in the north country are different. We are, after all, one-fifth the size of the United States. We have half the coast line of the United States, and over 176 of our villages and cities can be reached only by air. While long-term care is a priority for Alaskans, we are also interested in improving our sanitation conditions, where there is no running water and in obtaining treatment for alcohol and drug abuse where alcoholism is very high—probably the highest rates in the world occur in our State.

Alaska has a relatively young population. It has a high birth rate. We want the flexibility to use our resources in the prevention of infant mortality and in the expansion of telehealth networks. This HEART bill of Senator CHAFEE's offers us this flexibility.

We may want to try mobile prevention centers that would be involved in the use of aircraft or even on our State ferries, so that mammography or eye care services could be extended everywhere, even into the remote Eskimo villages, or to the most distant islands of the Aleutian chain.

It is my belief that Alaska's small businessmen and women are better served by an approach that gives them the assistance to obtain health coverage through small business purchasing groups, without taking from the funds they need to expand their companies and create their jobs. This bill does not include an employer mandate.

I yield the floor.

KASHMIR

Mr. WALLOP. Mr. President, today, the standoff at the Hazratbal Mosque in Kashmir has ended but the tensions between India and Pakistan remain high. India and Pakistan have had disputes over Kashmir since 1947 when British colonial rule ended. During this time two wars have been waged, costing thousands of lives and dividing the two countries even more.

Another war between these governments would be devastating, especially since it is believed that both Pakistan and India can produce and deliver nuclear weapons. Measures must be taken to mediate these countries in this time of uncertainty before our worst nightmare comes true.

With the end of the cold war, the time is ripe for talks to begin. It has become the official U.S. view that outside involvement in this matter will only disrupt the hopes of a peaceful settlement. This is unfortunate.

Reports of widespread human rights violations by the Indian Government will make the path to peace a difficult one. The tensions in Kashmir remain at perhaps their highest level ever due to those human rights abuses. As long as injustices like these persist there can be no hopes to ending the conflict between India and her people, much less India and Pakistan.

There have been statements given on the floor by my esteemed colleagues previous to this one concerning Kashmir. I ask, much like those proceeding me, that the Indian Government take steps to settle the situation. There can be no lasting peace in the region and no hopes of diplomatic relations between our two countries until these violations are resolved.

DR. SEYMOUR LACHMAN CELEBRATES HIS 60TH BIRTHDAY

Mr. LAUTENBERG. Mr. President, I rise to pay tribute to Dr. Seymour Lachman who will be celebrating his 60th birthday on December 12, 1993. Dr. Lachman is an eminent author and scholar, prominent educator, and a forceful advocate of humanitarian causes. He is currently serving with distinction as dean for community development, City University of New York and as a professor of history at the Baruch Graduate School.

Dr. Lachman served as president of the New York City Board of Education during a turbulent period of change in the 1970's. He led one of the world's largest school systems through difficult adjustments related to decentralization. Dr. Lachman's unstinting and creative efforts on behalf of all of New York City's children are a credit to his energy and idealism. These efforts shall long be remembered by the people of New York.

Nothing reveals Dr. Lachman's commitment to humanitarian causes more than his commitment to the cause of Soviet Jewry, during a period when they suffered severe discrimination. As chairman of the Greater New York Conference on Soviet Jewry, he not only fought tenaciously against Soviet mistreatment of Jews and to allow unrestricted emigration of Soviet Jewry, but also worked arduously to smooth the adjustment of life in the United States for the many Soviet Jews who emigrated to the New York area.

Dr. Lachman recently coauthored "One Nation Under God," a seminal and imaginative study of American attitudes toward religion. The book has already received wide acclaim. It is a perceptive analysis and well-researched work based on extensive polling throughout the United States. Dr. Lachman is a talented American historian and teacher who has done excellent scholarly work both in the fields of education and religion.

As he commemorates this significant milestone it is indeed an honor for me to join with Dr. Lachman's family, many friends and colleagues in conveying my warmest birthday wishes to a remarkable and distinguished American. Seymour has my heartiest personal congratulations. May he have good health, success and happiness in the coming years.

REGARDING S. 1607, THE CRIME BILL

Mr. CHAFEE. Mr. President, I would like to take a moment to express my concerns about the direction that this crime bill has taken in recent days. In our zeal to prove just how tough on crime we are, we have approved amendments which simply do not stand up to careful scrutiny, and, in my view, will be terribly damaging to our Federal justice system if enacted into law.

I would point to two amendments approved yesterday by substantial margins. Each represents a sweeping change in the way we fight crime in this country and a radical departure from our long-accepted understanding of the appropriate duties of the Federal and State governments.

The first amendment was presented as a tough anti-gang amendment. That sounds very appealing. Who could possibly oppose an amendment intended to deal with gangs and the terror which they inflict upon our society? But listen for a moment to what this amendment does. It makes it a Federal criminal offense to commit a predicate gang crime, with the intent to promote or further a criminal street gang. It makes it a Federal crime to participate in, or conspire to participate in a criminal street gang or to induce others to join the gang. Furthermore, it establishes mandatory minimum sentences for the commission of gang crimes.

The second amendment attempts to deal primarily with the terrible problem of gun violence. Simply put, this amendment federalizes and establishes mandatory minimum sentences for all violent crimes committed with a firearm. Let me repeat—all violent crimes committed with a firearm; not just those which occur within Federal jurisdiction. In addition, the amendment sets forth the following mandatory minimum sentences—10 years for possessing a firearm during the commission of the crime, 20 years if the criminal discharges the firearm, 30 years if a machinegun or a silencer is used, and the death penalty if a death results.

I have no objection to exacting swift and certain punishment on violent criminals. As has been pointed out numerous times during this debate, in some of our states, the sentences actually served by convicted violent offenders make a mockery of our criminal justice system. Murderers are sometimes paroled from prison in a few years which is nothing short of a travesty. Understandably, we are all terribly frustrated by this sad state of affairs and want desperately to do something about it.

But I think it is time that we in the Senate step back and reflect upon what our appropriate role should be and what the limits are of the Federal Government's jurisdiction. Do we really want the U.S. Department of Justice to have jurisdiction over all gang-related offenses and every violent crime involving a firearm? We are talking about hundreds of thousands, if not millions of crimes. Not only would this place an enormous burden upon our Federal courts, but it makes no sense from a public policy point of view. It is the local and State law enforcement agencies that are best equipped to address the crime in our streets. But listening to the debate on this bill, you would think that they don't exist. Clearly, those agencies are having a difficult time. They need help, and that is precisely what we are providing in this bill—$21 billion and 100,000 new police officers to walk the streets. But it is one thing to help the States do their job better and quite another to do their job for them.

I do not think that most members would favor the establishment of a centralized, national police department anymore than they would support the Federal Government usurping local control of our Nation's schools. But if

we continue down this path of federalizing crime after crime, I feel that that is exactly where we are headed.

One of the supposed virtues of the Senate is that through thoughtful, careful deliberation, we are able to set aside the passions which surround emotional issues like crime control and arrive at sensible, reasonable solutions. Regrettably, as in years past, this debate often has been devoid of any rational discussion.

Rather than continue to allow this debate to focus solely upon who is tough and who is not, I think we need to start asking ourselves some basic questions when we are asked to vote on these amendments: "Does this really make sense? Do we fully understand the implications of this proposal?" It seems to me that by ignoring these questions and looking only at which is politically attractive, we do a real disservice to this body and run the risk of doing very serious harm.

MESSAGES FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT

Under the authority of the order of the Senate of January 5, 1993, the Secretary of the Senate on November 22, 1993, received message from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

The nominations received on November 22, 1993 are shown in today's RECORD at the end of the Senate proceedings.

MESSAGES FROM THE HOUSE RECEIVED DURING ADJOURNMENT

Under the authority of the order of the Senate of January 5, 1993, the Secretary of the Senate on November 22, 1993, during the adjournment of the Senate, received message from the House of Representatives announcing that the Speaker has signed the following enrolled bill:

H.R. 3225. An act to support the transition to nonracial democracy in South Africa.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, 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 sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE U.S. RAILROAD RETIREMENT BOARD FOR FISCAL YEAR 1992—MESSAGE FROM THE PRESIDENT—PM 75

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Labor and Human Resources.

To the Congress of the United States:

I hereby submit to the Congress the Annual Report of the Railroad Retirement Board for Fiscal Year 1992, pursuant to the provisions of section 7(b)(6) of the Railroad Retirement Act and section 12(1) of the Railroad Unemployment Insurance Act.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *November 22, 1993.*

MESSAGES FROM THE HOUSE

At 4:09 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 and joint resolution, in which it requests the concurrence of the Senate:

H.R. 1645. An act to amend title 13, United States Code, to require that the Secretary of Commerce produce and publish, at least every 2 years, current data relating to the incidence of poverty in the United States.

H.R. 1926. An act to amend the National Narcotics Leadership Act of 1988 to extend and authorize appropriations for the Office of National Drug Control Policy, and for other purposes.

H.R. 2178. An act to amend the Hazardous Materials Transportation Act to authorize appropriations for fiscal years 1994, 1995, 1996, and 1997, and for other purposes.

H.R. 2960. An act to amend the Competitiveness Policy Council Act to provide for reauthorization, to rename the Council, and for other purposes.

H.R. 3216. An act to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 to control the diversion of certain chemicals used in the illicit production of controlled substances such as methcathinone and methamphetamine, and for other purposes.

H.R. 3474. An act to reduce administrative requirements for insured depository institutions to the extent consistent with safe and sound banking practices, to facilitate the establishment of community development financial institutions, and for other purposes.

H.R. 3548. An act to require the Secretary of the Treasury to mint coins in commemoration of the 250th anniversary of the birth of Thomas Jefferson, Americans who have been prisoners of war, the Vietnam Veterans Memorial on the occasion of the 10th anniversary of the Memorial, and the Women in Military Service for America Memorial, and for other purposes.

H.J. Res. 272. Joint resolution designating December 15, 1993, as "National Firefighters Day."

The message also announced that the House has passed the following bills, each with amendments, in which it requests the concurrence of the Senate:

S. 3. An act entitled the "Congressional Spending Limit and Election Reform Act of 1993".

S. 1284. An act to amend the Developmental Disabilities Assistance and Bill of Rights Act to expand or modify certain provisions relating to programs for individuals with developmental disabilities, Federal assistance for priority area activities for individuals with developmental disabilities, protection and advocacy of individual rights, university affiliated programs, and projects of national significance, and for other purposes.

The message further announced that the House agrees to the amendment of the Senate to the bill (H.R. 698) to protect Lechuguilla Cave and other resources and values in and adjacent to Carlsbad Caverns National Park.

The message also announced that the House disagrees to the amendment of the Senate to the bill (H.R. 1025) to provide for a waiting period before the purchase of a handgun, and for the establishment of a national instant criminal background check system to be contacted by firearms dealers before the transfer of any firearm, and agrees to the conference asked by the Senate on the disagreeing votes to the two House amendments thereon; and it appoints Mr. BROOKS, Mr. HUGHES, Mr. SCHUMER, Mr. SENSENBRENNER, and Mr. GEKAS, as managers of the conference on the part of the House.

The message further announced that the House agrees to the amendment of the Senate to the bill (H.R. 1944) to provide for additional development at War in the Pacific National Historical Park, and for other purposes, with an amendment.

The message also announced that the House agrees to the report of the committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2202) to amend the Public Health Service Act to revise and extend the program of grants relating to preventive health measures with respect to breast and cervical cancer.

The message further announced that the House agrees to the amendment of the Senate to the bill (H.R. 2535) to amend title 38, United States Code, to provide additional authority for the Secretary of Veterans Affairs to provide health care for veterans of the Persian Gulf war.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 131. Concurrent resolution expressing the sense of the Congress with respect to the situation in Sudan.

The message further announced that the House has agreed to the following concurrent resolution:

S. Con. Res. 50. Concurrent resolution concerning the Arab League boycott of Israel.

The message also announced that the House has passed the following bills and joint resolution, without amendment:

S. 717. An act to amend the Egg Research and Consumer Information Act to modify the provisions governing the rate of assessment,

to expand the exemption of egg producers from such act, and for other purposes.

S. 778. An act to amend the Watermelon Research and Promotion Act to expand operation of the act to the entire United States, to authorize the revocation of the refund provision of the act, to modify the referendum procedures of the act, and for other purposes.

S. 994. An act to authorize the establishment of a fresh cut flowers and fresh cut greens promotion and consumer information program for the benefit of the floricultural industry and other persons, and for other purposes.

S. 1716. An act to amend the Lime Research, Promotion, and Consumer Information Act of 1990 to cover seedless and not seeded limes, to increase the exemption level, to delay the initial referendum date, and to alter the composition of the lime board, and for other purposes.

S.J. Res. 154. Joint resolution designating January 16, 1994, as "Religious Freedom Day".

ENROLLED BILL SIGNED

The message further announced that the Speaker has signed the following enrolled bill:

H.R. 1268. An act to assist the development of tribal judicial systems, and for other purposes.

MEASURES REFERRED

The following measures were read the first and second times by unanimous consent, and referred as indicated:

H.R. 1133. An act to combat violence and crimes against women; to the Committee on the Judiciary.

H.R. 3098. An act to amend title 18, United States Code, to prohibit the possession of a handgun or handgun ammunition by, or the private transfer of handgun or handgun ammunition to, a juvenile; to the Committee on the Judiciary.

MEASURES PLACED ON THE CALENDAR

The following bills were read the second time and placed on the calendar:

S. 1757. A bill to ensure individual and family security through health care coverage for all Americans in a manner that contains the rate of growth in health care costs and promotes responsible health insurance practices, to promote choice in health care, and to ensure and protect the health care of all Americans.

H.R. 881. An act to prohibit smoking in Federal buildings.

H.R. 334. An act to provide for the recognition of the Limbee Tribe of Cheraw Indians of North Carolina, and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 798. A bill to amend the Federal Fire Prevention and Control Act of 1974 to establish a program of grants to States for arson research, prevention, and control, and for other purposes (Rept. No. 103-204).

By Mr. MCCAIN, from the Committee on Indian Affairs, with an amendment:

S. 1618. A bill to establish Tribal Self-Governance, and for other purposes (Rept. No. 103-205).

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. JOHNSTON (for himself and Mr. BREAUX):

S. 1769. A bill to make a technical correction, and for other purposes; considered and passed.

By Mr. CHAFEE (for himself, Mr. DOLE, Mr. BOND, Mr. HATFIELD, Mr. BENNETT, Mr. HATCH, Mr. DANFORTH, Mr. BROWN, Mr. GORTON, Mr. SIMPSON, Mr. STEVENS, Mr. COHEN, Mrs. KASSEBAUM, Mr. WARNER, Mr. SPECTER, Mr. FAIRCLOTH, Mr. DOMENICI, Mr. LUGAR, Mr. GRASSLEY, and Mr. DURENBERGER):

S. 1770. A bill to provide comprehensive reform of the health care system of the United States, and for other purposes; read the first time.

By Mr. DECONCINI:

S. 1771. A bill to amend provisions of title 28, United States Code, to provide for the payment of attorney fees to a prevailing defendant in civil actions, and for other purposes; to the Committee on the Judiciary.

By Mr. GRAMM:

S. 1772. A bill to reduce Federal employment to the levels proposed in the Vice President's Report of the National Performance Review; to the Committee on Governmental Affairs.

By Mr. SIMON (for himself, Mr. WOFFORD, Mr. ROBB, and Mr. ROCKEFELLER):

S. 1773. A bill to make improvements in the Black Lung Benefits Act, and for other purposes; to the Committee on Finance.

By Mr. KENNEDY (for himself and Mrs. KASSEBAUM):

S. 1774. A bill to amend the Public Health Service Act to revise and extend the bone marrow donor program, and for other purposes; considered and passed.

By Mr. MOYNIHAN:

S. 1775. A bill to ensure individual and family security through health care coverage for all Americans in a manner that contains the rate of growth in health care costs and promotes responsible health insurance practices, to promote choice in health care, and to ensure and protect the health care for all Americans; read the first time.

By Mr. METZENBAUM (for himself, Mr. FEINGOLD, Mr. WOFFORD, Mrs. MURRAY, and Mr. SIMON):

S. 1776. A bill to amend the Revised Statutes to restore standards for proving intentional discrimination; to the Committee on Labor and Human Resources.

By Mr. PRESSLER:

S. 1777. A bill to extend the suspended implementation of certain requirements of the food stamp program on Indian reservations, to suspend certain eligibility requirements for the participation of retail food stores in the food stamp program, and for other purposes; considered and passed.

By Mr. MOYNIHAN:

S. 1778. A bill to amend the Internal Revenue Code of 1986 with respect to the tax treatment of cooperative housing corporations; to the Committee on Finance.

By Mr. KENNEDY:

S. 1779. A bill to ensure individual and family security through health care coverage for all Americans in a manner that contains the rate of growth in health care costs and promotes responsible health insurance practices, to promote choice in health care, and to ensure and protect the health care of all Americans; read the first time.

By Mr. DODD (for himself, Mr. COATS, and Mr. DURENBERGER):

S.J. Res. 159. A joint resolution to designate the period commencing on February 14, 1994, and ending on February 20, 1994, as "Children of Alcoholics Week"; to the Committee on the Judiciary.

By Mr. RIEGLE:

S.J. Res. 160. A joint resolution to designate the month of April 1994, as "National Sudden Infant Death Syndrome Awareness Month", and for other purposes; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BROWN:

S. Res. 174. A resolution to express the sense of the Senate concerning the expeditious resolution of the dispute concerning sales of commercial grade uranium between the United States and Russia; to the Committee on Foreign Relations.

By Mr. MOYNIHAN:

S. Res. 175. A resolution to authorize the termination of the 1903 lease on Guantanamo Bay, as a gesture of good will, at such time as democracy is achieved in Cuba; to the Committee on Armed Services.

By Mr. LEAHY:

S. Con. Res. 56. A concurrent resolution to authorize corrections in the enrollment of S. 1766; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHAFEE (for himself, Mr. DOLE, Mr. BOND, Mr. HATFIELD, Mr. BENNETT, Mr. HATCH, Mr. DANFORTH, Mr. BROWN, Mr. GORTON, Mr. SIMPSON, Mr. STEVENS, Mr. COHEN, Mrs. KASSEBAUM, Mr. WARNER, Mr. SPECTER, Mr. FAIRCLOTH, Mr. DOMENICI, Mr. LUGAR, Mr. GRASSLEY, and Mr. DURENBERGER):

S. 1770. A bill to provide comprehensive reform of the health care system of the United States, and for other purposes.

HEALTH EQUITY AND ACCESS REFORM TODAY ACT OF 1993

Mr. CHAFEE. Mr. President, I am very pleased today to join with 19 of my colleagues in introducing the Health Equity and Access Reform Today Act of 1993.

This is our health care bill, Mr. President, presented on behalf of the Republican Senators' health care task force. The cosponsors of this legislation are Senators DOLE, BOND, HATFIELD, BENNETT, HATCH, DANFORTH, BROWN, GORTON, SIMPSON, STEVENS, COHEN, KASSEBAUM, WARNER, SPECTER, FAIRCLOTH, DOMENICI, LUGAR, GRASSLEY, and DURENBERGER.

Mr. President, Representative BILL THOMAS is introducing the HEART plan companion bill in the House of Representatives and has made a solid contribution to the development of this proposal, for which I am very grateful.

I also want to thank Representative NANCY JOHNSON, of Connecticut, for her help in developing the provisions dealing with voluntary purchasing groups.

To start with, Mr. President, I want to thank the distinguished Republican leader, Senator DOLE, for his vision in directing the establishment of a Senate Republican health care task force in 1990. Think of it: Over 3 years ago, Senator DOLE set up this Republican health care task force. His support and encouragement of our efforts have brought us here today. I am particularly indebted to him for that.

In addition, I personally want to thank and commend the cosponsors of this proposal for their commitment to the task force effort and for their many fine contributions. As I say, these are the individuals that I previously listed as cosponsors.

Mr. President, as we set about the difficult task of developing this health care task force proposal, named HEART, we had three objectives. I do not suggest that these three objectives are unique to us, but they were extremely important as our goals went.

First, we wanted to ensure coverage of affordable health insurance for all our citizens. That was the first goal.

Second, we wanted to bring down the explosive increase in health care costs.

So, first, we wanted coverage for everybody. Second, we wanted to deal with the explosive increase in cost.

Third, we wanted to preserve the choice and quality that have distinguished American health care.

Now, while this bill is not perfect, I believe it satisfies these important goals.

Let me briefly give an overview.

First, HEART will guarantee universal coverage by making health care insurance more accessible and affordable, and by helping low-income Americans purchase coverage through a Federal voucher program. The voucher will be financed through reductions in the rate of growth in Federal health care entitlement programs, Medicare and Medicaid. We believe we can restrain the rate of growth of these programs. The voucher program for low-income Americans is going to be phased in under our proposal, starting in 1997, at 90 percent of the poverty level, reaching 240 percent of the poverty level by the year 2005.

Now, that does not mean, at 240 percent of the poverty level the entire cost of the health premium will be paid for by the taxpayers. No, we have a phaseout schedule starting at, as I recall, 100 percent of poverty and then scaling down, reaching total elimination at 240 percent of poverty.

This is done, as I say, on a sliding scale, so that those at or below 100 percent of poverty would have the full cost of their insurance paid with a phaseout, as I mentioned, going on upward. As we wrestled with the options, this pay-as-you-save approach was the most responsible way to proceed, in our judgment.

HEART will guarantee health security for all Americans by fundamentally reforming the standards governing the health insurance industry. In order for health plans to be qualified for tax-favored treatment, they will have to guarantee eligibility for all applicants. In other words, no more of this cherry picking. And the insurance companies will be prohibited from discriminating based upon the health of the applicant or from denying coverage because of a preexisting condition. If somebody comes with a preexisting condition—heart problems, whatever it might be—they still have to be covered.

HEART will also improve competition in the marketplace, ensuring the best service, quality, and price for consumers. By facilitating the establishment of voluntary purchasing groups, it gives small businesses and individuals the same leverage that is currently enjoyed by large employers. Members will be able to pick from a wide range of qualified health plans which compete for their business, such as fee-for-service, health maintenance organizations, or preferred provider plans.

Under HEART, qualified health plans will be required to offer a standard or catastrophic benefit package. These benefits will emphasize primary and preventive care, and will be adjusted periodically by a Benefits Commission. The Congress will consider submissions from the commission on an up or down basis. The commission will come forward with a suggestion dealing with the basic benefits package, for example. That can be approved and accepted by Congress or it can be rejected, but it cannot be amended. The vote will be yes or no, similar to the base closure package We do this in order to prevent the politicizing of the benefits package.

HEART provides significant reforms for the tax treatment of health care premiums to encourage cost control, and to help make more affordable. Premiums paid by employers, as well as individuals, would be fully deductible up to an amount equal to the average of the lowest one-half of the plan premiums offered in a health care coverage area.

Employer premiums in excess of the cap would become taxable income to the employee. We also make long-term care insurance premiums deductible, payments from such plans nontaxable to the recipients, and other reforms to encourage long-term care insurance.

HEART also provides for a number of other critical reforms, including antitrust reforms to provide safe harbors for medical providers to share expensive medical equipment without fear of prosecution. We encourage cooperation among hospitals; medical malpractice reforms to encourage mediation before litigation, and to limit attorneys' fees; administrative reforms to establish a health care data interchange system and to reduce paperwork costs—now estimated at 17 cents on the health care dollar.

I particularly want to pay tribute to Senator BOND for his work in connection with administrative reforms. He has worked very hard in this area, and very effectively, and made a wonderful contribution to the final legislation we produced.

We have incentives to encourage doctors, nurses, and other health care professionals to practice in rural and inner-city areas, and increased Federal assistance to train more primary care physicians, nurse practitioners, and physician assistants.

Capitation of Medicaid payments to States, and added state flexibility to move Medicaid beneficiaries into managed care programs.

The option for Medicare and Medicaid beneficiaries to receive the standard benefit package—including prescription drug coverage—if they enroll in a qualified health plan.

In summary, Mr. President, the cosponsors of the HEART bill stand ready to work toward the enactment of responsible health care reform legislation next year. Several of us have already begun a dialogue with Congressmen COOPER and GRANDY, and with Senators BREAUX, BOREN, NUNN, and others aimed at forging a solid centrist coalition. Our bills and principles are quite similar, and there is a strong interest in both camps to forge ahead.

We have also begun to work with the administration, and I wish to commend President and Mrs. Clinton for the tremendous effort they have made in developing their bill. While we have clear differences over the degree of regulation, the employer mandate, the structure of the regional alliances, and the potential costs of the Clinton legislation—there is also much common ground from which to begin the process early next year.

Christine Ferguson of my staff and Sheila Burke of Senator DOLE's staff have been absolutely essential in preparing this legislation. Without their knowledge and drive and energy, we would not have this bill today.

In addition, I want to thank my entire personal staff for ably assisting me in putting together this proposal, and note the specific contributions of Bob Greenawalt, David Sloane, Katherine Hayes, Doug Guerdat, Catherine Taylor, and Kathy Bell. Also, the help of Ann LaBelle of the Ways and Means

Committee staff was instrumental in getting this proposal drafted.

Finally, I want to thank the staff from other Senate and House offices who assisted in putting this bill together, including: Bill Hoagland, Priscilla Hanley, Peter Leibold, Laura Steeves, Susan Foote, Jim Capretta, Mark Hayes, Andrew Patzman, Julie James, Ed Mihalski, Lindy Paull, Roy Ramthun, Susan Nestor, Peg Walker-Brown, Jane Rosenquist, Sue Pihlstrom, Karen Mattson, Elise Gemeinhardt, Sharon Helfant, Tim Hanford, Vicki Hart, Nina Ovieda, Remmel Dickinson, and Patricia Knight.

You might say that is a lot of people. This bill is 600 pages long and it took the administration with everything it had, the entire administration behind it, 9 months to produce their bill. We just had this staff that I mentioned to produce this 600 pages.

In addition, we had the help of Mark Mathiesen, Ed Grossman, and William Baird and Julie Simon of Senate Legislative Counsel and House Legislative Counsel as well were wonderful in helping to put this complex proposal together, as were their colleagues: Susan Fauver, Susan Fleishman, Lawrence Johnston, Noah Wofsy, and James Fransen.

So, it is with considerable pride, representing all the Senators on the task force and of course especially those who joined as cosponsors, that we submit this legislation today. I thank the Chair and I thank the others for letting me proceed.

I ask unanimous consent a summary of the bill be printed in the RECORD.

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

SUMMARY OF THE HEALTH EQUITY AND ACCESS REFORM TODAY ACT OF 1993 [HEART]

The "Health Equity and Access Reform Today Act of 1993" guarantees every individual access to affordable and secure health coverage through substantial health insurance market reforms. Low income individuals will receive government vouchers to help purchase insurance. The vouchers are phased in through 2005 as savings in current government health programs are realized. The legislation will constrain the growth of health care costs through structural reforms and other savings.

HEART makes important changes in the tax treatment of health insurance that will make it easier to obtain coverage. The proposal also creates equity in the tax code. Individuals and the self-employed will be able to deduct all of their reasonable health insurance expenses. Tax code clarification will also help make long-term care insurance more affordable.

In addition, special assistance is provided for medically underserved, frontier, rural, and inner-city areas. "HEART" also contains important administrative, antitrust, medical fraud, malpractice, and quality assurance initiatives.

SECURE AND EQUITABLE HEALTH INSURANCE COVERAGE

Insurance and consumer protection reforms

To be fully tax deductible, an insurance plan must be certified by the state as a "qualified health plan" following federal benefit and other standards. All qualified health insurance plans must meet the following requirements:

Guarantee eligibility to all applicants;

Prohibit discrimination based on illness or preexisting conditions;

Guarantee renewal;

Ensure delivery of services throughout the entire geographic area (or Health Care Coverage Area) in which they are offered;

Offer either a standard or catastrophic/medical savings account benefit package (or both);

Encourage formation of purchasing groups for individuals and small businesses (100 or fewer employees);

Comply with administrative reforms, meet quality assurance and solvency standards, participate in risk-adjustment programs among insurers, and implement requirements to reach the medically underserved.

Individual and small business purchasing groups

To provide some of the same market advantages large businesses enjoy, and to disseminate better consumer information, purchasing groups may be established through which individuals and small businesses may choose from among several qualified health plans. States will establish geographic areas called Health Care Coverage Areas (HCCAs) in which one or more purchasing groups may compete for members. An HCCA may also be formed by interstate agreement to cover more than one state.

Vouchers to assist low income purchasers

Starting in 1997, those with incomes below 905 of the poverty level (and who are not eligible for Medicaid) will receive vouchers to buy insurance through purchasing groups. Voucher assistance will expand annually up to 240% of the poverty line in the year 2005.

Uniform benefits package

The standard benefit package includes medical and surgical services and equipment, prescription drugs, preventive services, rehabilitation home health services for acute care, hospice care, and some mental health services—all of which are based on a medically necessary or appropriate standard. Copayments and deductibles may apply to all but preventive services. An alternative catastrophic benefit plan can also serve as qualified coverage.

A Benefits Commission, appointed by the President and Congressional leadership, will report to Congress on any needed clarifications of the benefit plan. Annually, the Commission may recommend benefit changes for the approval of the Congress and President.

UNIVERSAL COVERAGE: INDIVIDUAL AND EMPLOYER RESPONSIBILITIES

Individual Responsibility for Health Care Coverage

All individuals must obtain health insurance coverage by 2005. The requirement is phased in based upon an individual's ability to purchase the standard plan and will be tied to the gradual expansion of federal assistance for low-income uninsured individuals. Individuals who enter the health care system uninsured will pay a penalty equal to the average yearly premium of the local area plus 20%.

Employer responsibility for health care coverage

Small Employers (those with 100 employees or less) must offer (but need not pay for) a standard benefit package or alternative catastrophic insurance obtained from a qualified health plan. Employees of small businesses may choose not to join any of the plans offered by their employer. They may, instead, purchase insurance through a different group or qualified health plan.

Large Employers (those with more than 100 employees) must offer both a standard and catastrophic benefit package to all employees. The employer may form a purchasing group, purchase from a qualified health plan, or self-insure for the purpose of providing insurance; however, its plan must comply with all consumer protection and insurance reforms.

TAX TREATMENT OF HEALTH CARE COVERAGE

Individual and employer tax provisions

All purchasers of qualified health plans will receive favorable tax treatment up to the "applicable dollar limit." Employees with employer paid insurance will not count the premium payments as income when the premiums do not exceed this amount; premiums in excess of the cap will be taxable to the employee as income. The health insurance deduction for self-employed persons is extended permanently and increased to cover 100% of the cost of qualified health plans, up to the "applicable dollar limit." The medical expense deduction for health insurance premiums of other taxpayers would be expanded to permit the deduction of 100% of the cost of qualified health plans (up to the amount discussed above), even for individuals who do not itemize deductions.

MEDICAL SAVINGS ACCOUNTS (MSA'S)

Medical Savings Accounts can be part of any qualified catastrophic benefit plan. Contributions to an MSA will be fully deductible up to the applicable dollar limit. If the employer makes the contribution, the amount contributed is excluded from the employee's income. These accounts are available to pay the cost sharing requirement of the catastrophic health plan and may also be used to purchase long-term care.

FEATURES TO IMPROVE THE CURRENT HEALTH CARE SYSTEM

ADMINISTRATIVE REFORMS

Standard information and means for communicating information on health insurance claims for filing, processing, and payment will be established. Privacy and confidentiality for health information will be protected by strong penalties for unauthorized access.

Quality assurance and medical research

All health plans must have a quality assurance program consistent with federal guidelines. Federal research on effectiveness outcomes will be expanded, and a clearinghouse and other registries on clinical trials research will be developed. A Medical Research Trust Fund is established to guarantee funding for research.

Assistance to underserved areas and provider incentives

Health plans may be required to provide additional benefits to special needs populations in defined geographic regions. Plans will be compensated for such care through grants or enhanced reimbursement.

In order to increase the number of primary care providers, the National Health Service Corps and other health profession funding would be increased. States may apply for Medicare graduate medical education demonstration authority to experiment with methods of changing physician specialties.

JUDICIAL REFORMS

Malpractice reforms

To lower health care costs, parties in malpractice suits must participate in alternative dispute resolution systems before entering regular litigation procedures. Noneconomic damages are capped at $250,000, and liability for such damages shall be based on proportion of fault. Providers following practice guidelines approved by the Agency for Health Care Policy and Research (AHCPR) shall have a presumptive defense against malpractice claims.

Anti-fraud and abuse control program

The bill establishes a national health care fraud prevention program. It increases and applies civil penalties for Medicare and Medicaid fraud to all health care programs. Providers convicted of fraud will be excluded from the Medicare program.

Antitrust reforms

The Attorney General, along with HHS and FTC, shall establish competition guidelines for approved providers, health care plans, and purchasing groups. Justice, HHS and the FTC will establish expedited waiver procedures from antitrust laws. Cooperative ventures shall be subject to the "rule of reason analysis."

"HEART" FINANCING GUARANTEES NO INCREASE IN FEDERAL HEALTH COSTS

Reductions in Medicare/Medicaid programs

Savings in Medicare and Medicaid finance fully the low income voucher program. Savings arise from means testing the Medicare Part B premiums, phasing out payments to hospitals for uncompensated care and for enrollee bad debt, and instituting a managed care program in Medicaid.

Budget procedures to protect against cost overruns

The voucher program expansion proceeds only after certification by OMB that savings are occurring as scheduled. In the event that savings occur more rapidly, the phase-in will be accelerated. In the case of a savings shortfall, it will be decelerated. The Benefits Commission may make recommendations to Congress to reduce the deficit amount by restructuring benefits or restructuring health care entitlements. If Congress enacts such recommendations, the deceleration in voucher coverage will be appropriately adjusted.

Mr. BOND. Mr. President, first, I am here to commend Senator CHAFEE and his very able staff for the excellent leadership that they have given the Republican Health Care Task Force for the more than 3 years we have labored on the questions of health care. As I had told many groups to whom I have spoken, it took us the first 9 months just to figure out all the questions involved in health care. It was under JOHN CHAFEE's able leadership we were able to dissect those problems and I think come up with a workable solution.

We have made a great deal of effort to talk with people in our own States. I have had the privilege to visit other States—to share our concerns about health care and to hear what others have suggested to us. We have talked to consumers who have suffered outrageous examples of loss of insurance when they became sick. We talked with people who have been concerned about the administrative headache. We have talked with experts who said we could do so much more in health care if we had a good electronic information system that would enable us to collect information on health care treatment and the effect of it. All of these matters are addressed in this measure that we have presented today.

We presented it today knowing full well with the coming months there will be opportunity for every interested citizen, everyone who has knowledge and interest and a commitment to health care reform to give us their views, to help us develop what we think can and must be a good mainstream bipartisan coalition to pass health care reform.

We have the finest health care system in the world today, as I have stated many times before on this floor, but there are some problems. We need to deal with the problems but we also believe, "If it ain't broke, don't fix it."

Our effort in the HEART measure is to fix what is broken and to protect the strengths, including the choice by consumers, including responsible financing, including insurance market, administrative, and malpractice reform that we believe are essential.

I add to the compliments Senator CHAFEE has paid to the many staff. My particular thanks to Mark Hayes of the famous Hayes team, Mark being my health care legislative assistant, who has worked many 80- and 90-hour weeks to contribute to this plan.

Mr. DOMENICI. Mr. President, I am pleased to be an original cosponsor of the health care reform bill introduced today by Senator CHAFEE and a number of Senators who have been part of the Senate Republican health care task force. This has been led by Senator CHAFEE. This task force has been committed for more than 3 years to reforming our health care system, has met innumerable times, and I believe they have conducted themselves such that it is clear they are committed, each and every one, to reforming the system.

We worked very hard to understand the complex problems plaguing our health care system, and this bill is a product of a year-long effort to formulate a solution. Although I am a cosponsor and I support much of what is in this bill, I must begin by stating one major reservation. Incidentally, I believe the reservation is of interest to the occupant of the chair, knowing of his concern for what is going to happen to the deficit and unfunded, open-ended entitlements in the future.

This bill, like all others that are major in this field, does not achieve significant deficit reduction but uses up most, if not all, of what we currently spend for Medicare and Medicaid to help pay for the new system.

Instead of offering us some deficit reduction that is significant, this bill devotes most, if not all, as I indicated, of the savings from controlling current health care entitlements to expanding new health care programs needed as part of reform.

Unfortunately, we cannot afford our current health care entitlements. And that is interesting. Everybody says you cannot fix the Federal deficit without getting the current health care entitlements under control. The President must have said it during his campaign 50 times if he said it once. After he was in office and submitted his own plan he said, as for deficit reduction, we will never control it unless we get health care entitlements under control. If you look at the submissions the President made to the Congress, it is obvious that unless some of that health care entitlement explosion of costs over the next decade goes to deficit reduction, the deficit will grow until it is totally out of control.

Even after the biggest tax increase in history, the Congressional Budget Office and our experts say the deficit will exceed $360 billion by the end of the decade—largely because Medicare and Medicaid spending will triple during that time. Insisting on deficit reduction will clearly complicate our desire to expand health insurance coverage. But I believe very strongly that if we do not attend to our fiscal health and adopt policies that promote economic growth, we will not be able to afford the kind of health system that keeps us as healthy physically as we would like.

Nonetheless, this legislation does at least recognize that we cannot add to the deficit with uncontrolled and open-ended health care entitlements. –In this bill we make sure that the Federal Government's health expenditures are at most what we currently project for Medicare and Medicaid. If spending were to exceed those levels, the bill provides for slowing down the phase-in in new subsidies, scaling back the costs of the standard benefit package, or making other adjustments to keep total Federal health spending in check.

Although I would prefer some deficit reduction, I am very pleased that this bill includes this kind of spending control mechanism. We are beginning to call it "pay as you save," which is absolutely essential for fiscal responsibility; as you save within the Medicare and Medicaid system by reform, then apply that to spending. Pay for things as you save.

Other provisions in this package, I believe are the very best. Some concerns that I have about fiscal policy are clearly of concern. But I believe this bill is the most sound of all health care reforms and the various plans that are before the Congress.

First, it does not burden small business with new mandates;

Second, it does not create a government-run health care system;

Third, it provides coverage for all Americans without over promising benefits; and,

Fourth, it controls health care costs through managed competition, not price controls or other arbitrary Government regulations.

So I conclude that in a bill of this size, with so many authors, there are going to be provisions that I am not totally comfortable with, or less comfortable with than others. But that is fine, because this is not our last word on health care reform. Rather, it is our first step. We are all still learning about this complex system. As we learn more, I am sure we will revise our plans. Moreover, we hope this bill will give us an opportunity to get more input from the American people about what they want in a health care reform package so we can improve the product and move toward a national consensus.

I repeat, from the standpoint of the future of our economy, controlling the budget deficit, so-called fiscal probems of our Nation, I believe this is the best bill that has been introduced on either side, Senate or House, including the bill introduced recently in behalf of the President of the United States. I remain convinced that we must inject into this debate the future deficit of the United States, for it will to some extent, and I think a large extent, determine our economic future, our jobs future, and whether we can pay for any major health care program on a sustained basis.

So while I today reflect my concerns, I am also very pleased to state that in most respects, this is the best bill that has been introduced and referred to committees in the U.S. Senate or House, in my opinion.

Mr. HATFIELD. Mr. President, today 3 years of hard work culminates with the introduction of the Health Equity and Access Reform Today [HEART] Act of 1993. I would like to take this opportunity to thank Senator CHAFEE for his outstanding leadership of the Senate Republican Health Care Task Force. He and his staff have labored diligently to educate Republican Senators and their staffs about health care reform. And, the bill that we are introducing today is a reflection of the compromise and consensus cultivated by their efforts.

I am pleased to join my colleagues on the Task Force as an original cosponsor of this legislation. This legislation represents a responsible approach to a complex problem and it sets the stage for further bipartisan discussions on health care reform as we move into the second session of the 103d Congress. And, although I am not convinced that Congress will pass comprehensive health care reform legislation next year, I believe the Health Equity and Access Reform Today Act lays out a number of areas of agreement that will facilitate the ensuring health care reform debate.

I would like to take a comment to highlight the bill's treatment of several issues of importance to me. The first issue is financing. I am encouraged by the approach taken in this legislation with regard to financing. Our basic premise is "pay-as-you-save". We have committed to universal access through an individual mandate but have said that coverage of the uninsured will be phased in as the savings from the structural reforms in the bill are realized. The bill provides for an extension of the phase-in if savings are not realized as quickly as we hope. In addition, this legislation will finance reforms through changes in the deductibility of employer provided insurance and restraints on the growth of Medicare and Medicaid. Due to our checkered past with regard to accurate cost estimates and expected savings, I believe the approach taken in this bill is a sound one.

The second issue is the provision of health care services in rural and underserved areas. It is essential that we develop the infrastructure needed to assure that health care services are adequately delivered in rural and underserved areas. I support the provisions in this legislation that provide for grants to States to facilitate the creation of community-based primary health care systems in medically underserved areas, and the creation of demonstration projects to help States evaluate innovative approaches to improving access to primary care providers. I also support the incentives, such as tax incentives, National Health Service Corps loan repayment income exclusions and student loan repayment deductions, to primary care providers to practice in underserved areas.

The third issue I would like to highlight is medical research and its role in long term cost containment. I firmly believe that any comprehensive reform plan must include medical research as a central mechanism for controlling the cost of health care in this country. After all, a cure is the ultimate in cost control. It is a key link in our strategy to find treatments and remedies which will finally drive down costs. The lack of debate surrounding this issue has distressed me—it illustrates an apparent disconnectedness between medical research and true health care reform. Reformers are missing the point: Health care reform will not be complete without a research component.

The United States has built an impressive biomedical research enterprise since the inception of the Marine Hospital Service over 200 years ago. Today, dramatic developments in genetics and gene therapy offer new hope to many suffering from disorders such as cystic fibrosis, sleep apnea, breast and prostate cancer, diabetes and Alzheimer's Disease. Yet, our commitment to continue our disease defense buildup is threatened by our fiscal crisis—as we head into a 5-year freeze on discretionary spending, I fear the instability and unpredictability of providing increased Federal funds for research.

As a member of the Appropriations Committee for over 20 years, I am convinced that the stability necessary cannot be accomplished simply through the appropriations process. A dedicated funding source to augment annual appropriations is essential if we are to fulfill the hopes of millions of Americans suffering from disease and disability and achieve effective long-term health care cost control.

For this reason, my colleague from Iowa, Senator HARKIN, and I unveiled earlier this year our proposal to establish a medical research trust fund as part of any package which is billed as comprehensive health care reform. I am delighted that the HEART legislation includes our proposal for a National Fund for Medical Research. This fund is created and financed outside of the Federal budget process, by relying on a variety of funding sources. In this bill, we generate funds from two sources: First, the revenue raised from a voluntary Federal income tax checkoff, and second, income generated from the application of civil penalties under the Employee Retirement Income Security Act and the HEART proposal itself. We estimate that these sources will generate over $500 million in new revenue to be devoted to the research agenda of the National Institutes of Health.

This proposal is a starting point. I am hopeful that we will be able to find other creative financing options which are stable and adequate to fund the potential of biomedical research in this country. We are not alone in this task. Public opinion polls have shown massive public support for making health research the number one Federal science priority. Polls have shown that Americans favor an investment in medical research by a 30 to 1 ratio when compared to weapons research. I believe we owe it to the American people to create a vehicle whereby this interest can be mobilized to achieve a critical purpose.

The final issue that I would like to raise is the ability of States to act as laboratories for reform by enacting their own approaches to health care reform. As you know, Oregon is in the process of implementing a major reform plan which will extend health care to all Oregonians. The Medicaid portion of this plan, which will eventually extend Medicaid coverage to an additional 120,000 Oregonians, will go into effect in February. I believe that as we develop comprehensive national reform, we must also allow several States to continue their reforms in order to test and develop a database that can be used to refine national reform. The bill we are introducing today does not allow a full opt out for States, except in extraordinary circumstances, although it does allow states to apply

for waivers to try different approaches within a market system. This provision would allow States like Oregon to continue their innovative programs. In the end, I believe our national reform efforts will be strengthened by the data that is gathered by these States.

While I believe we have a long way to go before enacting comprehensive health care reform, I am pleased that we have been able to bring the ideas of the Task Force together in legislative form. I look forward to working with my colleagues in Congress and the administration as we proceed with this debate.

Mr. COHEN. Mr. President, I am pleased to join with Senator CHAFEE in introducing the Health Equity and Access Reform Today Act, which is the product of 3 years of study, negotiation, and just plain hard work by the Republican Health Care Task Force. The legislation—dubbed HEART—is a comprehensive initiative, which incorporates many of the principles outlined in my own health care reform bill, which I introduced last January.

First, it guarantees universal access to a standard benefit package emphasizing primary and preventive care and ensures that all Americans have health care coverage. It also provides for fairer and more equitable tax treatment of health care benefits, and includes insurance market reforms to ensure that individuals will not lose their coverage if they become ill, change jobs, become unemployed, or have a chronic health condition. Health plans will have to compete on the basis of price and the quality of the services they provide, rather than on their ability to exclude sick people from coverage.

The plan emphasizes the principles of individual responsibility and consumer choice. Individuals and small businesses will have the option of joining health insurance purchasing cooperatives, which will give them more buying power and access to better, more affordable coverage. Low-income and unemployed persons could also purchase insurance through these cooperatives, with their premiums subsidized by vouchers.

The plan also takes a number of important steps to contain health care costs.

Administrative costs would be reduced by as much as $100 billion a year by replacing the more than 1,100 insurance forms that clog the system with a simplified, standardized claims processing system. Increased outcomes research will help to establish the circumstances under which certain drugs and procedures are most effective, which will help reduce the costly practice of defensive medicine. And a measure of antitrust relief will be provided to enable hospitals and other providers to share costly high-tech equipment and services.

With health care costs approaching $1 trillion a year, health care fraud and abuse is one of the fastest growing law enforcement challenges facing our Nation. In fact, the General Accounting Office estimates that by 1995 fraud and abuse in our Nation's health care system could cost taxpayers as much as $100 billion a year.

Consumers and businesses are paying dearly for these health care rip-offs in the form of higher taxes and skyrocketing insurance premiums. Therefore, any health care reform plan must address the issue of health care fraud. I am particularly pleased that the HEART bill includes provisions of an antifraud bill I introduced earlier this year, the National Health Care Anti-Fraud and Abuse Act, which would strengthen the Federal Government's efforts to combat fraud and abuse.

The HEART bill also places a greater emphasis on prevention. George Bernard Shaw once asked why we pay doctors to take a leg off, but we don't pay them to keep a leg on. We spend billions of dollars on elaborate equipment and services once serious illness or injury occurs. Yet we scrimp on the preventive services that could have helped us avoid such situations all together. Health care reform presents us with a real opportunity to shift our emphasis from curing to preventing.

And finally, health care coverage won't do you much good if health services aren't available in your community. Therefore, our plan takes steps to increase the number of providers in rural areas in order to expand access to care for the millions of Americans who live in these underserved areas.

President Clinton's health care plan is expected to be introduced formally before Congress adjourns for the year. While there are many areas of agreement, there remain a number of significant differences which we will seek to resolve in the coming months.

For instance, I am concerned that the Clinton plan calls for too much government control at the expense of individual choice. It establishes dozens of new Federal Government agencies and commissions and turns substantial new regulatory power over health care services to the Federal Government. Further, it requires all businesses with fewer than 5,000 employees to purchase insurance through monolithic regional health alliances, many of which are likely to be government-run. In my home State of Maine, for instance, where only one business—Bath Iron Works—employs more than 5,000 people, virtually every business and every individual in the State would be forced to purchase their insurance through the health alliance. Not only is this likely to eliminate choice for dissatisfied customers, but it also will involve the heavy hand of government too intimately in personal health decisions.

The plan we are introducing today would allow more than one purchasing cooperative to compete for businesses in a region. It also allows consumers to purchase insurance outside the alliances, which, under our plan, would be member-run rather than government-run. The health alliances would therefore have to compete on the basis of price and the quality of their services in order to attract customers. If consumers are able to get a better deal or better service elsewhere, they will be free to do so.

President Clinton has also proposed that all employers pay 80 percent of the cost of their employees' health insurance premiums. Even if you only employ a part-time babysitter, you will still be required to contribute to their health coverage. Such a mandate is the equivalent of a tax on jobs—a dangerous thing to do in our current economy. Employers will not bear the cost of the insurance—workers will in the form of lower wages or lost jobs. In fact, the Employee Benefit Research Institute estimates that as many as 1.2 million jobs could be lost as a result of the mandate.

And finally, I am concerned that the President does not have a realistic financing plan, and that he may be promising more than the taxpayer can deliver. Too often, government tries to do too much, too quickly, at too great a cost to the taxpayers. Therefore, in our plan we have proposed financing health care reform on a "pay as you save" basis. As our reforms cut health care costs, we can afford to expand coverage and phase in new benefits.

Health care reform is an extremely complex issue. It will alter the lives of millions of people and make far-reaching changes in an industry that makes up one-seventh of our Nation's economy. Therefore, we must move forward with great caution and great care.

But move forward we must—we cannot afford to allow this opportunity to pass. The issue is simply too important and the need too compelling. We believe that the plan we are introducing today lays the foundation for a new approach to health care, and we look forward to working together with the President and our colleagues next year in an effort that is not just bipartisan, but nonpartisan.

Mr. DURENBERGER. Mr. President, I am pleased to be an original sponsor of the S. 1770, the HEART proposal that is being introduced today.

During the last 3 years, I have been pleased to work with my distinguished colleague from Rhode Island, JOHN CHAFEE, and other Republican members in the Republican Health Care Task Force. Our goal was to develop greater understanding of the health care marketplace and to propose responsible reforms.

I have been a supporter of market-based health reform principles throughout my entire career in the U.S. Senate. In 1979, I introduced the Health Incentives Reform Act to encourage competition and consumer

choice that is now a mainstay of the Minnesota health care marketplace.

I applaud the Clinton administration for putting health reform on the national agenda. I have personally pledged to the President and to the First Lady that I will work tirelessly to accomplish health reform in the 103d Congress.

I firmly believe that the only way to accomplish our goals in health care reform is through markets not regulation. I am the lead Republican cosponsor of S. 1579, the Breaux-Durenberger Managed Competition Act, which reflects my commitment to a competitive health care marketplace.

While I do not agree with every provision in the HEART bill we are introducing today, I support this effort to move toward functioning health care markets.

I applaud the President for rejecting Government-run health care reform. I will support President Clinton's bill when it removes all the regulatory provisions that I believe will impede the development of medical markets.

When we speak about health reform, we really mean three different components: system reform, coverage reform, and health reform.

System reform requires that we fundamentally change the way medical markets work. System reform requires informed buyers exercising choices among accountable health plans. The Government's role is to facilitate markets by setting the rules of the road for competitors.

The Managed Competition Act has the clearest set of national rules for local markets and the most effective set of institutional arrangements to achieve functioning medical markets.

The HEART bill also comes close in many important ways. I have concerns about the voluntary purchasing cooperative arrangement. I have much greater confidence in a system of exclusive, non-profit, consumer run cooperatives embodied in the Managed Competition Act.

However, I think the HEART bill does a better job constructing the tax cap premiums. While the Managed Competition Act ties the cap to employer deductions only, the Republican Task Force caps both the employee exclusion and the employer deduction. In order to encourage responsible purchasing, employees and employers both must feel the bite. The government should not subsidize over-consumption of extravagant health plans.

While I have much respect for my distinguished colleague from Oklahoma, DON NICKLES, I cannot support his proposal, S. 1743, which was introduced last week. It doesn't accomplish the essential reforms to make markets work. We must fundamentally change the way medicine is organized and delivered in order to get lower costs and increase quality.

The Clinton proposal includes many necessary market reforms. However, medical markets are constrained by regulation—including government imposed premium caps, State-by-State budgets, and highly bureaucratized purchasing alliances. States will have the discretion to interfere in the markets which traditionally have not conformed to arbitrary state boundaries.

President Clinton's much touted State flexibility will lead to 51 different health care financing and delivery systems that disrupt interstate commerce. This State authority will burden buyers who do business in more than one State as well as provider networks that cross State lines. This approach will add unnecessary inefficiency and involve States in activities for which they have little capacity and no expertise. Congress must design national rules and then let local markets work.

In addition to reforming the delivery system, all the bills deal in some form with coverage reform. Much of the recent debate has centered around which reform plan offers universal coverage. The Truth is that we all share in a common goal to extend coverage to every American.

But, Mr. President, the promise of universal coverage without the financing to pay for it is an empty one. The President's bill does not pay for the promises that it makes. It promises universal coverage but does not deliver on that promise.

The HEART proposal promises universal coverage through an individual mandate, but that promise warrants a closer look. The requirement for universal coverage is conditioned on the achievement of real savings. If the requite savings in the public expenditures do not accrue, the phase-in of the subsidies will not occur. This amounts to a commitment to move toward universal coverage, but it is no guarantee.

The Breaux-Durenberger bill does not make false promises of universal coverage. It shares with Clinton and CHAFEE reform of the insurance industry to remove barriers to obtaining coverage. It shares with Clinton and CHAFEE the assumption that Government has an obligation to help low-income individuals pay for health care. But, once the barriers are lifted, Breaux-Durenberger assumes that the decision to buy coverage is an individual responsibility not a new entitlement.

In my view, the promise of universal coverage, particularly when it is financed on the back of Medicare and Medicaid and not on new revenue sources, cannot occur without major restructuring of those publicly-financed programs. Without Medicare and Medicaid, no promise of coverage reform can truly occur.

Breaux-Durenberger restructures Medicaid, the program for low-income individuals. That is an important step.

The Managed Competition Act moves aggressively to reform Medicaid, by federalizing its source of funds, eliminating its tie to welfare, and substituting a low income voucher program. Thus, low income people will be "Mainstreamed" into the accountable health plans along with all other employed individuals.

Unfortunately, the bill as introduced does not address the Medicare program. I plan to introduce a separate proposal that will restructure Medicare through the application of managed competition principles.

Specifically, my legislation will provide Medicare beneficiaries with an annual enrollment period in which to select among competing health plans, employer-sponsored coverage, or the current federally administered fee-for-service program. When the elderly see the additional benefits and reduced costs that will be available through accountable health plans, they will willingly abandon the Medicare system as they now know it.

The HEART proposal takes some very small steps in the direction of managed care for low income individuals and for Medicare.

None of the health reform bills introduced to date deal with health in its broadest context. Health is more than a plastic card that promises access to doctors and hospitals. Health is what we read about in the newspapers every day—its the deterioration of our communities, it's children having children, it's violence and substance abuse, it's poverty and despair. We cannot improve our health outcomes if we ignore the social conditions in which people live.

All the plans that have been introduced fail to deal with health reform in its broadest context. I plan to introduce a bill in January that addresses these pressing issues.

In brief, the Responsible Federalism Act will encourage States to assume responsibility for what are now federal categorical grant programs in return for the Federal Government assuming responsibility for the costs of acute medical care for low income individuals. States, freed from dependence on rigid Federal grant programs, can return to their traditional responsibilities to protect the public health.

Mr. President, now the President's bill, and the HEART bill by the Republican Task Force join the Breaux-Durenberger Managed Competition Act. Despite many differences in detail, these three bills are premised on making medical markets work. In the next few months, the Congress will embark on the difficult task of reconciling our differences in order to hammer out a credible reform package that the American people will embrace.

I believe that a bipartisan consensus can be developed as long as it is premised on market reform. I believe that

consensus will be based on the best provisions in these three bills. I look forward to the opportunity to work with my colleagues on both sides of the aisle to make health reform a reality in the 103d Congress.

By Mr. DeCONCINI:

S. 1771. A bill to amend provisions of title 28, United States Code, to provide for the payment of attorney fees to a prevailing defendant in civil actions, and for other purposes; to the Committee on the Judiciary.

ATTORNEY ACCOUNTABILITY ACT OF 1993

Mr. DECONCINI. Mr. President, today I am reintroducing the Attorney Accountability Act, a bill to provide for the payment of reasonable attorney fees to prevailing defendants in Federal court actions. This legislation is meant to address the inequity that arises when an individual is forced to defend a lawsuit where he has done nothing wrong. As we all know, the costs of litigation can be enormous. This legislation allows defendants who prevail to be reimbursed for legal fees incurred in defending themselves.

Last year when I introduced this legislation, I heard from a large number of small business owners who strongly supported the bill. They recalled their experiences with lawsuits that threatened their businesses. Many were hit with frivolous lawsuits that they felt compelled to settle in order to avoid the legal fees involved.

I believe there needs to be greater accountability on the part of individuals and their lawyers. Making plaintiffs and their lawyers, in certain situations, responsible for the legal fees of winning defendants is necessary to bring about much needed reform in our civil justice system.

Under the provisions of this bill, fee awards to prevailing defendants can be waived by the court if such an award would be against equity and good conscience. This waiver is intended to allow the court the discretion not to impose fees on the poor or others for whom to do so would be unjust.

The bill clarifies that plaintiffs who are required to pay defendants' attorney fees will be reimbursed by their attorney if the court finds rule 11 of the Code of Civil Procedure was violated. Rule 11 provides that attorneys must certify that every pleading, motion or other paper filed is, to the best of his knowledge, "well grounded in fact and is warranted by existing law * * * and that it is not interposed for any improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation." Although rule 11 already allows reimbursement for attorney fees, this bill ties the two together and gives the losing plaintiff recourse to recover fees paid.

This legislation places part of the burden of paying fees on attorneys who take cases on a contingency basis. Attorneys working on a contingency basis will be held responsible for a proportionate share of any attorney fee award equal to the percentage of their contingency fee. Concerns have been raised that contingency fee arrangements contribute to the litigation explosion. My bill seeks to impose accountability on the part of lawyers who take cases on a contingency fee basis by requiring that they share not only in the possible rewards of filing suit but also in the potential risks.

The bill does not intend to preempt other existing Federal statutes dealing with fee shifting, unless they are inconsistent. There are already a number of Federal statutes which provide for the award of attorney fees to prevailing parties. There is nothing in this bill that would prohibit prevailing plaintiffs in civil actions brought under statutes with fee shifting mechanisms from recovering their attorney fees. Finally, the bill does not apply to pending cases or to class actions.

Tort reform has been the subject of heated debate over the past decade. Concerns have been raised about the problems resulting from the high cost of liability insurance, the expense of litigation and the tremendous backlog in our courts. When I introduced the Attorney Accountability Act last Congress, I received strong support for the legislation from small businesses and the National Federation of Independent Business [NFIB] which endorsed the bill. The threat of litigation and its associated costs are major impediments to starting a small business. The Small Business Administration has estimated that the threat of malpractice suits adds an alarming $4 billion to the cost of health care each year and that defensive actions on the part of doctors costs $100,000 per year per physician.

Filing suit, no matter how baseless the charge, requires both parties to hire an attorney. Everyone knows that the cost of defending a lawsuit is skyrocketing; defending an employment discrimination suit has been estimated to cost over $60,000. Faced with the prospect of defending a lawsuit and paying the lawyers' fees, many defendants conclude they should settle. Even if they do proceed and win, their costs generally cannot be recovered and they are never made whole.

Fee shifting is an issue that generates much debate. The American legal system generally requires both parties to pay their own legal costs. The reason behind the so called "American rule" is the belief that such a system enhances access to the courts. The "English rule" is used virtually everywhere except the United States. Its goal is to reduce the number of cases filed and to eliminate frivolous cases. Critics of the English rule, however, argue that the loser-pays rule discourages the average citizen from filing suit because of the threat of huge legal fees.

I recognize that this bill could have the effect of discouraging litigation. However, plaintiffs who have valid, meritorious claims have little to fear, since they will not have to pay. What this bill will do is discourage claims initiated with the goal of settlement, claims without merit, and defendant shopping.

I have serious concerns about so-called "defendant shopping," a practice that is ripe for reform. In a personal injury suit, injured plaintiffs are looking for compensation, the "deep pocket." Therefore, in many cases suit is filed against any number of possibly negligent parties in order to seek out the best chance for recovery. For example, in an automobile accident claims may be filed against the person who caused the accident, the brake manufacturer, the car manufacturer, the mechanic, the driver's employer, etc. The list is nearly endless. Today there is little risk in such an approach. If the plaintiff knew that he could be responsible for each of these defendant's legal fees he might reconsider his strategy. This would reduce the workload in the courts, cut costs and reduce the time necessary to resolve such suits.

We don't sufficiently understand the incentives and deterrents in filing lawsuits and whether the benefits outweigh the costs of our current system for reimbursement of attorney fees. I am not confident that a major overhaul of our Nation's tort system of justice is necessary or advisable. This bill is my attempt to continue the debate on this most serious issue. I welcome comments, suggestions, and recommendations from my colleagues and other interested parties. I believe there are any number of ways that we can help restore some accountability in the court system, and I hope this will stimulate additional thoughts on this issue.

Mr. President, I ask unanimous consent that the full text of the Attorney Accountability Act be printed in the RECORD.

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

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 "Attorney Accountability Act of 1993".

SEC. 2. AWARD OF ATTORNEY FEES TO PREVAILING DEFENDANT.

(a) IN GENERAL.—Chapter 123 of title 28, United States Code, is amended by inserting after section 1931 the following new section:

"§ 1932. Award of attorney fees to prevailing defendant

"(a)(1) Except as otherwise provided in this section, in each court of the United States, the court shall award reasonable attorney fees to a prevailing defendant from the plaintiff after the entry of final judgment in any civil action.

"(2) In an action involving multiple parties, the court may apportion the payment of attorney fees under paragraph (1) between or among plaintiffs to defendant or defendants at the court's discretion.

"(3) The provisions of this section shall not apply to any class action suit.

"(b) The court may waive the provisions of subsection (a) in exceptional cases in which the application of such subsection would be against equity and good conscience.

"(c) In any case in which the provisions of subsection (a) apply and the court finds that the attorney for a plaintiff has violated rule 11 of the Federal Rules of Civil Procedure, the court shall order such attorney to reimburse the plaintiff for the amount awarded under subsection (a).

"(d) In any case in which the provisions of subsection (a) apply and the attorney for the plaintiff has a contingency fee agreement with the plaintiff, the court shall order such attorney to pay a portion of the fees awarded under subsection (a). Such payment shall equal the amount of the total fees awarded to the prevailing defendant under subsection (a) multiplied by the contingency fee percentage under such agreement.

"(e) The provisions of this section shall preempt and supersede any other Federal law relating to attorney fees to the extent such law is inconsistent with this section.".

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 123 of title 28, United States Code, is amended by adding after the item relating to section 1931 the following:

"1932. Award of attorney fees to prevailing defendants.".

(c) EFFECTIVE DATE.—The provisions of this Act and amendments made by this Act shall be effective on and after the date of the enactment of this Act and shall apply only to civil actions filed on and after such date.

By Mr. SIMON (for himself, Mr. WOFFORD, Mr. ROBB, and Mr. ROCKEFELLER):

S. 1773. A bill to make improvements in the Black Lung Benefits Act, and for other purposes: to the Committee on Finance.

BLACK LUNG BENEFITS RESTORATION ACT

• Mr. SIMON. Mr. President, I am introducing the Black Lung Benefits Restoration Act today with my colleagues: from Pennsylvania, Senator HARRIS WOFFORD; from Virginia, Senator CHUCK ROBB; and from West Virginia, Senator ROCKEFELLER.

The Black Lung Benefits Restoration Act should not just be of interest to those from coal producing States. The Black Lung Benefits Restoration Act should be of interest to anyone interested in equity and fairness.

BACKGROUND

Mr. President, as you know, Title V of the Federal Coal Mine Health and Safety Act of 1969 established a program of monthly cash payments to eligible coal miners totally disabled by coal workers' pneumoconiosis, or black lung disease, and their survivors. Amendments in 1972 and 1977 made changes to the program's eligibility so that more claimants would qualify for black lung benefits.

The Black Lung Program has two components—part B and part C. Under part B, cash benefits are awarded for miners disabled by black lung, and their dependents and survivors. The beneficiaries are paid from annually appropriated general revenues by the Social Security Administration. Benefits under part B are only paid to claims filed before July 1, 1973—for some survivors the deadline was December 1973. when the period of Federal responsibility for claims filed under part B ends, claims are to be paid under part C by the responsible coal operator. If no such operator can be found, then claims are to be paid by the coal industry as a whole through the Black Lung Disability Trust Fund. The trust fund, financed by an excise tax on coal, is to pay benefits when either no responsible coal operator can be identified, or if the operator is in default, or if the claim is based on coal mine employment that ended before January 1, 1970.

The trust fund has had a deficit since it was created. In 1981, Congress enacted legislation to eliminate the deficit and debt by increasing the excise tax on coal and strictly limiting eligibility for black lung benefits for future claimants. The debt is estimated to reach $4 billion by the end of this year.

Mr. President, the changes to the act made through the 1980's are not and will not eliminate the deficit or the debt, and the limits on eligibility are not equitable.

Mr. President, the purpose of the Black Lung Benefits Restoration Act is to establish a more objective and equitable process for determining black lung benefits and to work toward the solvency of the trust fund.

Let me share with you and my colleagues three stories about mining families from my State of Illinois.

CASE STUDIES

On June 4, 1993, Lyndell Laird called my Carbondale office to tell me what is happening to his mother, Sophie Laird, and her husband, Elmer's, black lung case. I had first been contacted by the Laird family in regard to Elmer's case 10 years ago.

Mr. President, let me take a moment and tell you about Elmer Laird. Elmer mined coal underground for 46 years. In 1973, the Department of Labor came to where he worked to take chest x rays of the miners to determine if any of the miners had black lung. Elmer took the test and was told by the Department that he had the disease. In 1973, however, Elmer was only aged 63; and therefore worked until retirement at age 67. He then applied for black lung benefits. Elmer was awarded benefits, but the decision was appealed. While the case was on appeal, interim benefits were started in 1976.

Elmer's son, Lydell, called to tell me that his mother had received a letter from the U.S. Department of Labor stating that she must pay back $59,210.60 within 30 days. Fifty-nine thousand, two hundred ten dollars and sixty cents is 17 years of interim black lung benefits that had been paid to Elmer. Elmer died April 2, 1993, His black lung case is still being appealed.

Under current law—because Elmer Laird's case was not final, and it cannot be proved that he died of black lung—his widow must return the $59,210.60 and is not eligible for survivor benefits.

Fortunately, Mrs. Laird and her husband were frugal and left the interim benefit money in a bank drawing interest. However, most cannot afford to leave the benefit money in a bank. Most need the benefits for their day-to-day needs and medical expenses.

The Black Lung Benefits Restoration Act would help Mrs. Laird, and others like her in similar situations. Under my legislation, Mrs. Laird would not have to return the 17 years worth of benefits, she would be eligible for spousal benefits, and it won't take almost 20 years to determine whether or not someone is eligible.

On September 13, 1993, the children of Joan Durbin wrote to me about the difficulty their mother was facing regarding her late husband's black lung benefits. I ask unanimous consent that the letter the Durbin children wrote to me be inserted into the RECORD. For 18 years Joan, her late husband, Ronald Durbin, and their eight children have been caught in the unrelenting cycle of the Black Lung Benefits Program. They were awarded benefits, only then to be denied. Some of the things the Durbins had to go through include: being told in 1985 that they would have to repay 10 years of benefits which came to $53,000; for 18 years Ronald having to undergo numerous medical examinations and court battles to prove his claim, which were paid for at his and his family's expense; and the emotional toll the disability and unending benefits battle took on his family. As the letter says, "Because of this on-again off-again black lung claim, over the years, our parents had to mortgage the house they owned for 35 years, cash in various life insurance policies, and have to do without many things.* * *" Even after Ronald's death in 1992 and an autopsy confirming a diagnosis of black lung, his widow is still fighting.

Joan was awarded survivor benefits in January 1993, only to be denied benefits the following July.

Under the Black Lung Benefits Restoration Act the Durbins would not have had to wait 18 years for a decision. Moreover, Joan would be eligible for benefits as his widow.

BLACK LUNG BENEFITS RESTORATION ACT

Benefit overpayment. Under current law, if a miner receives an interim ruling from the Department of Labor's Deputy Commissioner that he is entitled to benefits, and it is later determined by an Administrative Law Judge

that the miner is not entitled to benefits, then the miner must refund all interim benefits received.

There is a significant delay between the Deputy Commissioner's ruling and the Administrative Law Judges ruling. According to a General Accounting Office report, the Deputy Commissioner's decision takes an average of 2 to 3 years. In addition, the Administrative Law Judge ruling could take an additional 2 to 3 years. By this time, the miner has usually spent the interim benefit. Furthermore, the system is currently weighted in favor of the coal operators.

The Restoration Act would not require the miner, who through no fraud or deception, is awarded benefits prior to the final adjudication of their claim, to return any of the interim benefits if it is later determined that the miner is not entitled to benefits.

In addition, before the final adjudication of a claim, if a miner through no fraud or deception, received an interim benefit and has repaid the interim benefit to the trust fund, then the trust fund is to refund the repayment to the miner.

If a miner receives interim benefits from an operator, and is later found to be ineligible, the trust fund will reimburse the operator.

Lastly, if the Secretary of Labor makes an initial determination of eligibility, or that particular medical benefits are payable, or an award of benefits are made, then the responsible operator, within 30 days of such determination or award, is to begin payment of monthly benefits. If an operator fails to make any payment required by an initial determination or award in a timely manner, such determiantion or award shall be considered final as of the date of its issuance.

Evidence to determine benefit eligibility. Under current law, the miner and the opposing party—either the responsible coal operator or the trust fund—can require any number of medical examinations and present any number of medical experts as evidence to determine a miner's eligibility for benefits.

The problem is one of David versus Goliath. The coal miner is pitted against resources of the coal operators-industry or the Federal Government. More often than not, the coal miner is barely able to scrape together enough money to pay for one medical examination.

During the course of all proceedings on a claim, the Restoration Act would limit the number of medical examinations and chest x rays the miner can use as evidence to support eligibility to three each. In addition, during the course of all proceedings on a claim, the responsible operator or the trust fund may require that the miner undergo certain medical examinations, but the responsible coal operator or trust fund may not submit or require any more medical examinations than are conducted and submitted during the course of all proceedings by the miner, and may offer into evidence the set results of one chest x ray for each set offered into evidence by the miner. However, a complete pulmonary evaluation provided each miner, any evaluation developed by the District Director, any record of hospitalization or medical treatment for pulmonary or related disease, and a biopsy or an autopsy, shall be received into evidence without regard to the previous limitations.

Also, in addition to the above medical examinations, each party may submit not more than one interpretive medical opinion. Such an opinion may review other evidence derived from chest x rays, blood gas studies, or pulmonary function studies contained in the reports offered into evidence.

An Administrative Law Judge may require the miner to submit to a medical examination by a physician assigned by the District Director if the Administrative Law Judge determines that, at any time, there is good cause for requiring such an examination. Good cause shall exist only when the Administrative Law Judge is unable to determine from existing evidence whether the claimant is entitled to benefits.

A request of modification of a denied claim under section 22 of the Longshore and Harbor Workers' Compensation Act shall be considered as if it were a new claim for the purpose of applying the limitations on the number of medical examinations.

The opinion of the miner's treating physician is to be given substantial weight over other physicians in determining eligibility for benefits, if the treating physician is board certified in a specialty relevant to the diagnosis of total disability or death due to black lung.

Survivor benefits. Under the current law, a widow(er) cannot receive survivor benefits unless it is proven that the coal miner died from black lung.

Proving that the cause of death was black lung is extremely difficult. In addition, the widow(er) is usually a senior citizen who is left with limited or no means of support.

The Restoration Act would provide that if an eligible survivor files a claim for benefits and the miner was receiving benefits before the final adjudication, or was totally disabled with black lung at the time of death, it is presumed that he died from black lung—thus entitling the widow(er) to survivor benefits. However, if the miner's death was the result of an event that had no medical connection with black lung, then the widow would not be entitled to benefits. For example, the miner was killed in a car accident.

In addition, a widow(er) who was married to the miner for less than nine months prior to the miner's death is not eligible for survivor benefits, unless children were born as a result of the marriage.

The widow(er) of a miner may not receive survivor benefits if they remarry before attaining the age of 50. In addition, the widow(er) may not receive an augmentation of benefits on any basis arising out of the result of a remarriage.

Responsible operator. Under current law, the Department of Labor designates a parade of possible responsible operators.

The numerous designated operators all must incur considerable expense defending themselves against such claims. This process is also time consuming.

The Restoration Act would require the Secretary of Labor, prior to issuing an initial determination of eligibility and after investigation, notice, and a hearing, to determine whether an operator meets the Secretary's criteria for liability as a responsible operator. If a hearing concerning the question of liability is requested in a timely manner, then the decision of the Administrative Law Judge conducting the hearing shall be issued no later than 120 days after such request and is not subject to further appellate review.

If the Administrative Law Judge determines that an operator's request for a hearing on the question of liability was made without reasonable grounds, the Administrative Law Judge may access the operator for the costs of the proceeding, not to exceed $750.

Attorney fees. It is often difficult to get a lawyer to take on black lung cases are often difficult, expensive, and time consuming. You'll recall that Mr. Laird came to me with his case 10 years ago.

Under the Restoration Act, if a miner is to be awarded benefits, the miner is entitled to reasonable attorney's fees and expert witness fees that are to be paid by the responsible operator or if there is no responsible operator, then by the trust fund. However, the determination of what is reasonable must be made within 60 days of the miner submitting a petition outlining the costs. Furthermore, the attorneys must be paid within 45 days of the notice of determination, unless a motion to reconsider the amounts or the liability is pending. If the claim is denied, and the miner is not to be awarded benefits, the trust fund will pay the responsible operator's reasonable attorney's fees.

The awarding of reasonable attorney's fees shall apply only to those claims that are filed for the first time after the date of enactment of this act.

Appeals. Under the Restoration Act, no appeal of an order in a proceeding under the Black Lung Benefits Act may be made by a miner or responsible operator to the Benefits Review Board unless such order has been made by an Administrative Law Judge.

In addition, the Secretary of Labor may not delegate the authority to refuse to acquiesce in a decision of a Federal court.

Refiling. The Restoration Act would allow any claim that was filed under the Black Lung Benefits Act after January 1, 1982, but before the date of enactment of the Black Lung Restoration Act, to be refiled for a de novo review on the merits.

Definition. Coke ovens are included to be covered by this act.

Benefits Review Board and Employee Compensation Appeals Board. At the request of the administration, the Black Lung Benefits Restoration Act would allow the Secretary of Labor to appoint and fix the compensation of the Benefits Review Board and Employee Compensation Appeals Board members, but the rate of compensation shall not exceed the daily equivalent of the maximum rate specified in section 5376 of title 5, United States Code.

Black Lung Disability Trust Fund. Mr. President, as I stated before—the Black Lung Disability Trust Fund is in trouble. It has been operating with a deficit since its creation and is accumulating a substantial debt. Moreover, the gradual build up of funds generated by the 1986 amendments providing for an increase in the excise tax on coal and the gradual reduction in benefit outlays due to beneficiaries deaths and the limits on eligibility is dwarfed by the dramatic increase in interest charges from the deficit. According to the Department of Labor, 10 years ago, interest charges equaled only 30 percent of benefit outlays. Today, interest charges will equal 64 percent of benefit outlays. Absent any legislative changes, interest charges will actually exceed benefit outlays in the year 1999 and for subsequent years.

The debt has been financed with advances from the general revenues of the U.S. Treasury. These advances must be repaid from future trust fund revenues.

Through fiscal year 1985, interest on the cumulative advances to the trust fund was also due. However, Public Law 99–272 forgave trust fund interest payments for fiscal years 1986–90. This, along with the increase in tax rates and reduced benefit spending, substantially reduced the trust fund's borrowing from the general revenue beginning in fiscal year 1986; however, with the beginning of the payment on the interest as of 1991, substantial borrowing has resumed.

The first interest payment on the debt in the amount of $323.6 million was made on September 30, 1991. This payment accounts for the entire increase, $315 million, over fiscal year 1990 obligations.

According to the report by the Department of Labor on the status of the Black Lung Benefits Act submitted to Congress last year, without an unexpectedly large increases in coal production and/or sale prices to increase revenue, there is no realistic prospect at this time that the trust fund will achieve solvency under current tax law.

The Black Lung Benefits Restoration Act works toward restoring solvency to the trust fund.

Reduction of tax rate only when trust fund is solvent. The current excise tax on coal operators for underground mines is $1.10 per ton of coal or 4.4 percent of the price for which the coal was sold, whichever is less and for surface mines $0.55 per ton of coal or 4.4 percent of the price for which the coal was sold, whichever is less. The current excise tax is for the period between October 1, 1985, through December 31, 2013, after which the rates are to return to their original levels in 1977. The 1977 rate for underground mines was $0.50 per ton of coal or 2 percent of the price for which the coal was sold, whichever is less and for surface mines $0.25 per ton of coal or 2 percent of the price for which the coal was sold, whichever is less. The date was included in the statutory language because it was thought that the trust fund would have been solvent at that time. All estimates show that the trust fund will not be solvent by this date.

The legislation introduced today will remove the specific date and allow the excise tax rates to revert back to the 1977 levels when the trust fund is solvent, which means that there is no balance of repayable advances made to the trust fund and there is no unpaid interest on such advances.

Rate of interest of repayable advances. In an effort to advance the time when the trust fund becomes solvent, the legislation would also allow that the interest on any advances made to the trust fund be at the Federal long-term rate as determined by the Secretary of the Treasury for the month in which such advance occurs.

Refinancing of accumulated advances. In addition, the legislation would allow the trust fund to refinance its old debt to a more favorable current long-term rate. The average interest rate on the old or accumulated debt is at 10 percent. A current rate would be at about 6 percent.

Mr. President, I urge my colleagues to join me, Senator WOFFORD, Senator ROBB, and Senator ROCKEFELLER, in restoring equity and solvency to the Black Lung Program through cosponsorship and support of the Black Lung Benefits Restoration Act. I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1773

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

SECTION 1. SHORT TITLE; REFERENCE.

(a) SHORT TITLE.—This Act may be cited as the "Black Lung Benefits Restoration Act".

(b) REFERENCE.—Whenever in this Act (other than section 9(a)(1), 10, 11, or 12) an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Black Lung Benefits Act (30 U.S.C. 901 et seq.).

SEC. 2. BENEFIT OVERPAYMENT.

Part C is amended by adding at the end the following:

"SEC. 436 (a) The repayment of benefits paid on a claim filed under this part before the final adjudication of the claim shall not be required if the claim was finally denied, unless fraud or deception was used to procure the payment of such benefits.

"(b) The trust fund shall refund any payments made to it as a reimbursement of benefits paid on a claim filed under this part before the final adjudication of the claim, unless fraud or deception was used to procure the payment of such benefits.

"(c) The trust fund shall reimburse an operator for any benefits paid on a claim filed under this part before the final adjudication of the claim if the claim was finally denied.

"(d) If on a claim for benefits filed under this part—

"(1) the Secretary makes an initial determination—

"(A) of eligibility; or

"(B) that particular medical benefits are payable; or

"(2) an award of benefits is made,

the operator found to be the responsible operator under section 422(h) shall, within 30 days of the date of such determination or award, commence the payment of monthly benefits accruing thereafter and of medical benefits that have been found payable. If an operator fails to timely make any payment required by an initial determination or by an award, such determination or award shall be considered final as of the date of its issuance.".

SEC. 3. EVIDENCE.

Section 422 (30 U.S.C. 932) is amended by adding at the end the following:

"(m)(1)(A) During the course of all proceedings on a claim for benefits under this part, the results of not more than 3 medical examinations and 3 interpretations of chest roentgenograms offered by the claimant may be received as evidence to support eligibility for benefits.

"(B) During the course of all proceedings on a claim for benefits under this part, the responsible operator or the trust fund—

"(i) may require, at no expense to the claimant, that the claimant undergo certain medical examinations, but the responsible operator or trust fund may not submit or require more medical examinations than are conducted and submitted during the course of all proceedings by the claimant; and

"(ii) may offer into evidence the set of results of one chest roentgenogram for each set of chest roentgenogram results that are offered into evidence by the claimant.

"(C) An administrative law judge may require the miner to submit to a medical examination by a physician assigned by the District Director if the administrative law judge determines that, at any time, there is good cause for requiring such examination. For purposes of this subparagraph, good cause shall exist only when the administrative law judge is unable to determine from existing evidence whether the claimant is entitled to benefits.

"(D) The complete pulmonary evaluation provided each miner under section 413(b) and any consultative evaluation developed by the District Director shall be received into evidence notwithstanding subparagraph (A) or (B).

"(E) Any record of—

"(i) hospitalization for a pulmonary or related disease;

"(ii) medical treatment for a pulmonary or related disease; and

"(iii) a biopsy or an autopsy,

may be received into evidence notwithstanding subparagraph (A) or (B).

"(2) In addition to the medical examinations authorized by paragraph (1), each party may submit not more than one interpretive medical opinion whether presented as documentary evidence or in oral testimony. Such medical opinion may review other evidence derived from chest roentgenograms, blood gas studies, or pulmonary function studies contained in the reports offered under this subsection.

"(3) A request for modification of a denied claim under section 22 of the Longshore and Harbor Workers' Compensation Act, as made applicable to this Act by subsection (a) of this section, shall be considered as if it were a new claim for the purpose of applying the limitations prescribed by paragraphs (1) and (2).

"(4) The opinion of a miner's treating physician, if offered in accordance with paragraph (1)(A), shall be given substantial weight over the opinion of other physicians in determining the claimant's eligibility for benefits if the treating physician is board-certified in a specialty relevant to the diagnosis of total disability or death due to pneumoconiosis.

"(5) For purposes of this subsection, a medical examination consists of a physical examination and all appropriate clinical studies (not including a biopsy or an autopsy) related to the diagnosis of total disability or death due to pneumoconiosis.".

SEC. 4. SURVIVOR BENEFITS.

(a) DEATH.—Section 422 (30 U.S.C. 932), as amended by section 3, is amended by adding at the end the following:

"(n) If an eligible survivor files a claim for benefits under this part and if the miner—

"(1) was receiving benefits for pneumoconiosis pursuant to a final adjudication under this part; or

"(2) was totally disabled by pneumoconiosis at the time of the miner's death,

the miner's death shall be considered to have occurred as a result of the pneumoconiosis, unless the miner's death was the result of an event that had no medical connection with the pneumoconiosis.".

(b) RULES FOR WIDOWS AND WIDOWERS.—Section 422 (30 U.S.C. 932), as amended by subsection (a), is amended by adding at the end the following:

"(o)(1) A widow or widower of a miner who was married to the miner for less than 9 months at any time preceding the miner's death is not qualified to receive survivor benefits under this part unless the widow or widower was the natural or adoptive parent of the miner's child.

"(2) The widow or widower of a miner is disqualified to receive survivor benefits under this part if the widow or widower remarries before attaining the age of 50.

"(3) A widow or widower may not receive an augmentation in survivor benefits on any basis arising out of a remarriage of the widow or widower.".

SEC. 5. RESPONSIBLE OPERATOR.

Section 422(h) (30 U.S.C. 932(h)) is amended by inserting "(1)" after "(h)" and by adding at the end the following:

"(2)(A) Prior to issuing an initial determination of eligibility, the Secretary shall, after investigation, notice, and a hearing as provided in section 19 of the Longshore and Harbor Workers' Compensation Act, as made applicable to this Act by subsection (a) of this section, determine whether any operator meets the Secretary's criteria for liability as a responsible operator under this Act. If a hearing is timely requested on the liability issue, the decision of the administrative law judge conducting the hearing shall be issued not later than 120 days after such request and shall not be subject to further appellate review.

"(B) If the administrative law judge determines that an operator's request for a hearing on the liability issue was made without reasonable grounds, the administrative law judge may assess the operator for the costs of the proceeding (not to exceed $750).".

SEC. 6. ATTORNEY FEES.

(a) ELIGIBILITY FOR FEES.—Section 422 (30 U.S.C. 932), as amended by section 4(b), is amended by adding at the end the following:

"(p)(1) If in any administrative or judicial proceeding on a claim for benefits a determination is made that a claimant is entitled to such benefits, the claimant shall be entitled to receive all reasonable costs and expenses (including expert witness and attorney's fees) incurred by the claimant in such proceeding and in any other administrative or judicial proceeding on such claim occurring before such proceeding.

"(2) In the case of a proceeding held with respect to such claim—

"(A) the person or Board that made the determination that the claimant is entitled to benefits in an administrative proceeding and any other person or Board that made a prior determination in an administrative proceeding on such claim; or

"(B) the court in the case of a judicial proceeding,

shall determine the amount of all costs and expenses (including expert witness and attorney's fees) incurred by the claimant in connection with any such proceeding and shall assess the operator responsible to the claimant for such costs and expenses that are reasonable or if there is not an operator responsible to the claimant, shall assess the fund for such costs and expenses.

"(3) The determination of such costs and expenses shall be made within 60 days of the date the claimant submits a petition for the payment of such costs and expenses to a person, the Board, or court that made a determination on the claimant's claim. The person, Board, or court receiving such petition shall take such action as may be necessary to assure that such costs and expenses are paid within 45 days of the date of the determination of such costs and expenses unless a motion to reconsider—

"(A) the amount of such costs and expenses; or

"(B) the person liable for the payment of such amount,

is pending.

"(4) If an operator pays costs and expenses assessed under paragraph (1) and if the claimant for whom such costs and expenses were paid is determined in a later proceeding not to be eligible for benefits under this part, the fund shall pay the operator the amount paid for such costs and expenses.

"(5) Section 28(e) of the Longshore and Harbor Workers' Compensation Act shall apply with respect to any person who receives costs and expenses that are paid under this subsection on account of services rendered a claimant.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply only with respect to claims that are filed for the first time after the date of the enactment of this Act and shall not apply with respect to any claim that is filed before such date and that is refiled under section 8 of this Act after such date.

SEC. 7. ADMINISTRATION.

(a) APPEALS TO THE BENEFITS REVIEW BOARD.—No appeal of an order in a proceeding under the Black Lung Benefits Act may be made by a claimant or respondent to the Benefits Review Board unless such order has been made by an administrative law judge.

(b) ACQUIESCENCE.—The Secretary of Labor may not delegate to the Benefits Review Board the authority to refuse to acquiesce in a decision of a Federal court.

SEC. 8. REFILING.

Any claim filed under the Black Lung Benefits Act after January 1, 1982, but before the date of the enactment of this Act, may be refiled under such Act after the date of the enactment of this Act for a de novo review on the merits.

SEC. 9. DEFINITIONS.

(a) COKE OVENS.—

(1) FEDERAL MINE SAFETY AND HEALTH ACT OF 1977.—Section 3 of the Federal Mine Safety and Health Act of 1977 (30 U.S.C. 802) is amended—

(A) in subsection (d), by inserting before the semicolon the following: "or who operates a coke oven or any machine shop or other operation reasonably related to the coke oven";

(B) in subsection (g), by inserting before the semicolon the following: "or working at a coke oven or in any other operation reasonably related to the operation of a coke oven"; and

(C) in subsection (h)(2), by inserting before the semicolon the following: "and includes a coke oven and any operation, structure, or area of land reasonably related to the operation of a coke oven".

(2) BLACK LUNG BENEFITS ACT.—The first sentence of section 402(d) (30 U.S.C. 902(d)) is amended by inserting before the period the following: "or who works or has worked at a coke oven or in any other operation reasonably related to the operation of a coke oven".

(b) PNEUMOCONIOSIS.—Section 402(b) (30 U.S.C. 902(b)) is amended—

(1) by adding after "sequelae" the following: "which disease or sequelae is restrictive or obstructive or both"; and

(2) by striking out "coal mine" and inserting in lieu thereof "coal mine or coke oven".

SEC. 10. BENEFITS REVIEW BOARD.

Section 21(b)(1) of the Longshoremen's and Harbor Workers' Compensation Act (33 U.S.C. 921(b)(1)) is amended—

(1) by inserting after the first sentence the following new sentence: "The Secretary shall appoint and fix the compensation of the Benefits Review Board members 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, relating to classification and the General Schedule pay rates, and without regard to chapter 75, relating to adverse actions.";

(2) in paragraph (5), by striking the sixth sentence; and

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

"(6) The rate of compensation for members of the Board shall not exceed the daily equivalent of the maximum rate specified in section 5376 of title 5, United States Code.".

SEC. 11. COMPENSATION FOR WORK INJURIES REGULATIONS.

Section 8149 of title 5, United States Code, is amended—

(1) in the second sentence by striking "designated or"; and

(2) by inserting after the second sentence the following new sentences: "The Secretary shall appoint and fix the compensation of the Employee's Compensation Appeals Board members without regard to the provisions of this title, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53, relating to classification and the General Schedule pay rates, and without regard to chapter 75, relating to adverse actions. The rate of compensation for members of the Board shall not exceed the daily equivalent of the maximum rate specified in section 5376.".

SEC. 12. BLACK LUNG DISABILITY TRUST FUND.

(a) REDUCTION IN TAX RATE ONLY WHEN TRUST FUND IS SOLVENT.—Paragraph (2) of section 4121(e) of the Internal Revenue Code of 1986 (relating to reduction in amount of tax) is amended to read as follows:

"(2) TEMPORARY INCREASE TERMINATION DATE.—For purposes of paragraph (1), the temporary increase termination date is the first January 1 after 1981 as of which there is—

"(A) no balance of repayable advances made to the Black Lung Disability Trust Fund, and

"(B) no unpaid interest on such advances."

(b) RATE OF INTEREST ON REPAYABLE ADVANCES.—Paragraph (3) of section 9501(c) of the Internal Revenue Code of 1986 (relating to repayable advances) is amended to read as follows:

"(3) RATE OF INTEREST.—Interest on any advance made pursuant to this subsection shall be at the Federal long-term rate determined by the Secretary of the Treasury under section 1274(d)(1)(C)(ii) for the month in which such advance occurs."

(c) REFINANCING OF ACCUMULATED ADVANCES.—Notwithstanding section 9501(d)(3) of the Internal Revenue Code of 1986 (as in effect before the amendment made by subsection (b)), in the case of any repayable advance made on or before the date of the enactment of this Act, interest on such advance for any period after such date shall be computed by using the Federal long-term rate determined by the Secretary of the Treasury under section 1274(d)(1)(C)(ii) of the Internal Revenue Code of 1986 for the month in which such date occurs.●

● Mr. WOFFORD. Mr. President, I join with my colleagues, Senator SIMON, Sentor ROBB, and Senator ROCKEFELLER, today in introducing legislation to provide fairness for black lung claimants. During the past several years court decisions and the administrative process have made it increasingly difficult for coal miners or their surviving spouses and dependents to obtain black lung benefits.

This legislation restores fairness to the black lung claims system. Currently, claimants must wait far too long for decisions. I have heard these same problems from claimants throughout Pennsylvania. The claims process is often bogged down with too many requests for medical examinations which may never allow for a hearing and decision on the claim. Sadly, a miner's claim becomes a widow's claim in many cases.

I am joining my colleagues, Senators SIMON, ROBB, and ROCKEFELLER, in introducing legislation that will streamline the process for adjudicating black lung claims. This bill stops the endless number of physical examinations claimants may be forced to undergo. A party's rights are preserved but needless delay is stopped. Survivors benefits are classified as well as the rules for attorneys fees. The current system discourages lawyers from taking a claimant's case, which further stacks the deck against the miner.

Mr. President, the time has come to give black lung claimants a fair shake. As a member of the Committee on Labor and Human Resources, I look forward to working for enactment of legislation that will restore fairness to the black lung claims system.●

● Mr. ROBB. Mr. President, I join my colleagues from Illinois, Pennsylvania, and West Virginia, Senators SIMON, WOFFORD, and ROCKEFELLER, in introducing the Black Lung Benefits Restoration Act. Our chief patron, Senator SIMON, has worked tirelessly to craft this legislation and I sincerely commend his dedication to this important issue.

As you know, Mr. President, the Commonwealth of Virginia has vast natural resources and enormous economic diversity. We have large urban metropolitan centers and sprawling farmlands; 100 miles of coastal land along the Atlantic Ocean and magnificent mountain ranges. We have the busiest port on the east coast—and in the largely rural southwest, we have coal mines.

With limited employment options, working the mines has put bread on the table for generations of southwest Virginia families. Fathers and sons—now mothers and daughters—can spend decades working in the mines.

My support for this legislation stems from one simple premise. Our country needs coal both as a source of energy and for national security purposes. And Virginians who provide that coal and become sick, or even die, as a consequence, deserve better for themselves and their families than a 4 percent national approval rating for black lung benefits.

I believe this bill will bring some much-needed equity back into the system.

This is not an ambitious expansion of the current program, Mr. President. Rather, it is a collection of reasonable modifications to allow for a more level playing field and a more rational, streamlined administrative process for all parties involved. Since my colleague from Illinois has described the bill in detail, I will briefly highlight some of the most important provisions.

First, the bill allows claimants to keep interim benefits received between filing and adjudication if a negative determination is made and the claim is filed without fraud or deception. It requires the black lung trust fund to repay coal miners for interim benefits it has collected for denied claims not yet finally adjudicated and requires the fund to repay coal operators for interim benefits paid for claims that have not been finally adjudicated but are ultimately denied.

Second, the legislation allows coal operators to offer into evidence only one medical examination and one chest roentgenogram interpretation for each medical examination and chest roentgenogram offered by the miner, with a maximum of three each, unless an administrative judge requests a fourth based on a good cause standard. In addition, each side is limited to one interpretive medical opinion. A pulmonary evaluation, a consultative evaluation produced by the District Director, hospital and treatment records for pulmonary related disorders, biopsies, or an autopsy, however, are permitted notwithstanding these limits.

In deciding eligibility for benefits, the opinion of the miner's physician, if he is certified in a pneumoconiosis specialty, is given substantial weight over the medical opinion offered in opposition to the claim.

The evidentiary section is extremely important, Mr. President, since medical evidence offered by miners—which can be expensive to obtain—can be completely overshadowed by the sheet volume of evidence offered by the other side.

A constituent of mine from Buchanan County submitted four claimant readings to support his eligibility for black lung benefits, while his employer submitted 64 readings in opposition to the claim. Another constituent, also from Buchanan County, submitted 8 claimant readings supporting his case, while his employer submitted 96 in opposition.

This is not a level playing field, Mr. President.

Third, the bill allows eligible spouses to receive survivor benefits if a miner is receiving black lung benefits at the time of his death, or if it is determined after his death that he was disabled from black lung. This presumption of eligibility does not apply if the cause of death is clearly unrelated to black lung.

The legislation also directs the Department of Labor to designate responsible operators in black lung cases within 120 days, establishes a timeframe for the payment of attorneys and expert witness fees, and allows claims filed since January 1, 1982 to be filed for a de novo review.

Finally, Mr. President, the bill tackles the $4 billion deficit currently in the Black Lung Trust Fund. It does so by refinancing the debt at today's lower interest rates, allowing the fund to receive future advances at the Federal long-term interest rate, and extending the coal excise tax earmarked for the fund—which is scheduled to end in the year 2013—until the trust fund is solvent.

Mr. President, we will continue to fine-tune the financing provisions during committee consideration of the bill. We are committed to both paying for the extra benefits authorized in the bill, as well as addressing the current debt in the trust fund.●

● Mr. ROCKEFELLER. Mr. President, today I join my colleagues in introducing the Black Lung Benefits Restoration Act of 1993. I congratulate Senators SIMON and WOFFORD, the chief sponsors of this legislation, for the hard work committed to developing this important effort to repair and rebuild the Federal Black Lung Program.

Our legislation has two important objectives: First to establish a more objective, and fairer, process for determining black lung benefits for disabled miners and widows, and second, to work toward shoring up the Black Lung Disability Trust Fund. It will help the Government fulfill the commitment that was made to miners disabled by pneumoconiosis, and their widows, when the Black Lung Program was begun in 1969.

I am an original sponsor of this legislation because it will help the people of my State who deserve a black lung program that responds to their needs. For nearly a decade, I have heard the heart-wrenching stories of disabled miners and widows from Bluefield, Oak Hill, and Jackson, West Virginia, from coal mining communities across my State, describe the incredibly frustrating, unjust, and seemingly interminable process that they have had to suffer through in order to get the black lung benefits that Congress promised would be available to them.

Ever since I came to the Senate, I have tried to deal with these problems. Several years ago, I focused on the delays in the review stage of the application process, and fought for additional judges and resources needed to speed up the time when decisions were made appeals from miners and families.

But much more remains to be done. This legislation tries to address many of the problems that I have heard about over the years, as well as some of the fundamental flaws that legislative hearings and oversight have demonstrated are commonplace in the operation of the Federal Black Lung Program. It will give miners and widows a fair chance to prove that they are eligible for benefits. At the same time, it does not take any appropriate rights from responsible coal operators.

This legislation intends to level the playing field so that an individual miner will have a fighting chance to prove that he should rightfully be a recipient of black lung benefits. It gives him an opportunity to prove his eligibility. For example, the Black Lung Benefits Restoration Act would limit the number of medical examinations and chest x-rays that miners and companies can use as evidence to support or refute eligibility to three each. In addition, each party can submit no more than one interpretive medical opinion. An administrative law judge can require a miner to submit to a medical exam by a physician that he/she assigns if there is a good cause. But the opinion of a miner's physician is to be given substantial weight over other physicians in determining eligibility for benefits. These changes should dramatically improve, and help to shorten the process that is currently used to determine eligibility.

The legislation also makes it a legal presumption that a miner who dies before final adjudication of his black lung claim, or who was totally disabled at the time of his death, died from black lung. This entitles his widow and children to black lung survivors benefits. Today, it is very, very difficult for a widow, or survivors to win a claim once a miner dies. Exceptions to this presumption are made if a miner dies as a result of a medical event that had no connection with black lung, such as a car accident.

Another provision of this legislation will mean that miners will no longer be required, after years of delay, to pay back interim final benefits if an administrative law judge ultimately rules that the miner is not entitled to benefits, as long as the interim benefits were not awarded as a result of fraud or deception. The stories of miners, or their widows, being badgered to repay large lump sums to the Department of Labor because ultimately their claim was rejected, are among the most harrowing that I have heard. Disabled miners and their families should not have to mortgage or sell their homes, or hock all their worldly goods, so that they can repay benefits that they used to buy food for their families or pay medical bills. Especially when they honestly believe that these benefits were rightfully awarded to them and their claim would be accepted.

Miners in West Virginia have also often told me how difficult it is to get a lawyer to take their black lung cases. These cases can take years to resolve. They are very complicated and expensive. So while we are doing what we can to speed up the process for making determinations, this bill allows a miner to recover reasonable attorney's fees, as well as expert witness fees, from either the responsible operator or the Trust Fund if he is awarded benefits.

There are some important administrative changes in the operation of the black lung program that will occur as a result of this legislation, too, which I think are key to improving the program.

Mr. President, for the victims of black lung disease, the 1980s will be remembered as a sad decade when the Executive branch of their Federal Government waged a relentless war aimed at tying the black lung program into knots. That Administration tried their utmost—and partly succeeded—to prevent deserving men and women from obtaining desperately needed compensation for a painful disease. A disease is the price for working years and sometimes decades to produce the coal that has made this country an industrial might.

That's why in the Black Lung Restoration Act, miners who filed a claim after January 1, 1982, but before enactment of this bill, would be allowed to refile their claims for a de novo review.

Finally, to help finance this legislation, this bill would extend the current excise tax on coal until the Black Lung Disability Trust Fund is solvent. The Fund will be able to refinance its old debt to a more favorable long term rate.

The black lung program may seem unimportant to Members who do not represent coal producing states, and therefore, coalminers and their families, but I would argue that it is an example of the government living up to its word. People who have worked hard for their entire lives, in the most dangerous occupation in this country, are entitled to our helping hand if as a result their health is devastated by what we call black lung disease. These miners have done the back-breaking, health-endangering, work of digging coal out of the earth so that we, Americans, can heat our homes, power our machines, and build the most powerful and just democratic society in the world. These miners and their families deserve a program that provides the help they need when they need it most. It is my sincere hope that we will enact the Black Lung Benefits Restoration Act and improve that program, and provide that help.●

By Mr. METZENBAUM (for himself, Mr. FEINGOLD, Mr. WOFFORD, Mrs. MURRAY, and Mr. SIMON):

S. 1776. A bill to amend the Revised Statutes to restore standards for proving intentional discrimination; to the Committee on Labor and Human Resources.

CIVIL RIGHTS STANDARDS RESTORATION ACT

● Mr. METZENBAUM. Mr. President, I introduce the Civil Rights Standards Restoration Act, with a strong sense of deja vu. It was just 2 years ago that Congress overturned eight Supreme Court decisions which had dramatically narrowed the rights and remedies

available to victims of employment discrimination. The Civil Rights Act of 1991 sent a strong signal to the Court that the people of this country would not tolerate a retreat from the freedoms they fought so hard for during the 1950's and 1960's.

Well, Mr. President, the Supreme Court is at it again. Last summer, in *St. Mary's Honor Center* v. *Hicks*, No. 902–602 (6/25/93), a bare 5–4 majority of the Supreme Court made it substantially harder for victims of intentional discrimination to enforce their rights. The Court abandoned a three-step legal framework Federal courts have used for 20 years to resolve claims of intentional discrimination filed under Federal civil rights laws. Instead, as Justice Souter wrote in dissent, the Court adopted "a scheme that will be unfair to plaintiffs, unworkable in practice, and inexplicable in forgiving employers who present false evidence in court." Notably, the Court's ruling cast aside the position taken by the Reagan administration, the Bush administration, the Clinton administration, and a majority of the Federal courts of appeals. The Civil Rights Standards Restoration Act restores this longstanding legal framework for proving intentional discrimination.

Let me explain what the law was for 20 years before the Hicks decision. In 1973, in McDonnell Douglas Corporation versus Green, the Supreme Court articulated a method for proving intentional discrimination using a three-part analytical framework. Notably, although this framework allocates between the parties the burden of producing evidence, the plaintiff retains the ultimate burden of proving unlawful discrimination.

Under the McDonnell Douglas framework, the plaintiff must first establish a "prima facie" case of unlawful discrimination—evidence strong enough to warrant a judgment for the plaintiff if the defendant offers no evidence of its own. Once the plaintiff has made such a showing, it is then fair to ask the defendant to explain its reasons for the challenged conduct. At this point, the defendant must simply articulate, through the introduction of admissible evidence, a legitimate, nondiscriminatory explanation for its decision.

Once the defendant meets this burden of producing evidence, the plaintiff must then prove that the defendant's explanation is, in reality, a pretext for discrimination. As the Supreme Court made clear in 1981 in Texas Dep't of Community Affairs versus Burdine, the plaintiff could meet this burden "either directly by persuading the court that a discriminatory reason more likely motivated the employer or indirectly by showing that the employer's proffered explanation is unworthy of credence."

Mr. President, this is the critical point. Before Hicks, plaintiffs could prove intentional discrimination by establishing a prima facie case and disproving the employer's explanation for its conduct. This framework serves to narrow the issues in these cases, and enables victims of intentional discrimination to enforce their rights without having "smoking gun" evidence of the employer's intent. As Attorney General Reno recently wrote, this approach "most fairly and efficiently balances the interests of employers and employees, while advancing the national interest in eliminating unlawful discrimination from the workplace." While this framework is not the only means of proving unlawful intentional discrimination, Federal courts have applied it in thousands of civil rights cases brought under a broad range of Federal laws.

Then came the Hicks decision. Melvin Hicks was an African-American corrections supervisor employed at a Missouri corrections facility. In 1981, the State conducted a study of the facility's management structure. The study concluded that "ethnic differences can be seen—or imagined—as a potential for organizational disruption." The study concluded that "Whites control only 38 percent of the decision making power" and that the number of African-Americans in supervisory positions created "the potential for subversion of the [white] Superintendent's power."

The facility's management was changed in January 1984, and three of five African-American supervisors were terminated and replaced by whites. The racial make-up of supervisors changed from one white and five African-Americans to four whites and two African-Americans—including Hicks. In the ensuing months, the facility demoted, suspended and finally terminated Hicks. Hicks sued the facility, alleging that he had been discharged because of his race.

Six months after the trial, the district court found that Hicks had established a prima facie case of intentional race discrimination. The court rejected the corrections facility's explanation for firing Hicks—that he had violated work rules—because the facility had disciplined Mr. Hicks much more harshly than his white coworkers, and had "manufactured [a] confrontation * * * in order to terminate him"

Even though Hicks had established a prima facie case of discrimination, and had disproved the employer's explanation for firing him, the court inexplicably rendered judgment for the employer. The court concluded that Hicks was terminated because of his supervisor's personal animosity toward him—an explanation with no evidence in the record to support it. Hicks' employer had never offered this explanation at trial, and Hicks had never had an opportunity to rebut it.

The Eighth Circuit Court of Appeals reserved, holding that "it was improper for the district court to assume—without evidence to support the assumption—that [the employer's] actions were somehow 'personally motivated.'" The court concluded—based on McDonnell Douglas, Burdine, and a clear majority of Federal courts of appeals—that the plaintiff should prevail as a matter of law where he proves a prima facie case of intentional discrimination and disproves the nondiscriminatory reasons offered by the employer to explain the challenged action.

The Supreme Court reversed the eight circuit's decision and upheld the district court's judgment for the employer. In an opinion by Justice Scalia, the Court abandoned the 20-year-old McDonnell-Douglas framework, holding that the plaintiff was not entitled to a judgment even though he had proved a prima facie case of discrimination and disproved the employer's only proffered reason for its conduct. Instead, the Court held that plaintiffs may be required not just to prove that the reasons offered by the employer were pretextual, but also to "disprove all other reasons suggested, no matter how vaguely, in the record." Justice Scalia acknowledged that the majority's decision places an employer who lies in a better position than one who says nothing.

Incredibly, the Hicks majority ignored 20 years of precedent, and rejected the position of the Reagan, Bush, and Clinton administrations as well as a majority of the Federal circuit courts. In a dissenting opinion—joined by Justices Blackmun, White, and Stevens—Justice Souter charged that the majority's decision "stems from a flat misreading of Burdine and ignores the central purpose of the McDonnell Douglas framework." "The Court is throwing out the rule," Justice Souter asserted, "for the benefit of employers who have been found to have given false evidence in a court of law." Justice Souter expressed particular concern that the decision "provides [the plaintiff] with no opportunity to produce evidence showing that the district court's hypothesized explanation, first articulated six months after trial, is unworthy of credence."

The Hicks decision turned the McDonnell Douglas framework—used in thousands of civil rights cases—on its head. First, as the Clinton EEOC has recognized, Hicks makes the plaintiff's task "much more onerous." A plaintiff must disprove not just the nondiscriminatory reasons offered by the employer but, as the Court explained, "all other reasons suggested, no matter how vaguely, in the record." In an earlier brief to the eighth circuit, the Bush administration argued that this approach "makes no sense as a matter of logic or policy" because a plaintiff "cannot be expected to eliminate every possible reason for an employer's action," particularly "a reason that is never proffered."

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Second, Justice Souter rightly concluded that by requiring plaintiffs to disprove all conceivable reasons for the defendant's actions, Hicks "will promote longer trials and more pretrial discovery, threatening increased expense and delay in title VII litigation for both plaintiffs and defendants, and increased burdens on the judiciary." The Clinton EEOC agreed: "Hicks will most likely drive the cost of litigating employment discrimination claims—for the [EEOC], private plaintiffs, and employes—even higher."

Third, the Hicks decision actually places the defendant who fabricates a nondiscriminatory explanation for its action in a better position than the defendant who remains silent. In its 1988 Supreme Court brief in Harbison-Walker Refractories versus Brieck, the Reagan administration—in the context of an ADEA suit—explained the absurdity of this approach:

> Evidence establishing a prima facie case, if unrebutted by the defendant, entitles the plaintiff to summary judgment; if the plaintiff can show that the defendant's proffered explanation is unbelievable, he should be left, at the very least, in the same position that he would have been in had his prima facie case not been rebutted in the first place. Indeed, a showing of pretext should, if anything, strengthen the plaintiff's case.

Conversely, a defendant whose false explanation is rejected by a factfinder should not be in a better position than one who remains silent. By encouraging defendants to offer false explanations, Hicks undermines the very principles of our civil justice system.

Fourth, as Justice Souter recognized, the need to allow plaintiffs to prove their cases based on circumstantial evidence is "crucial to the success of most Title VII claims, for the simple reason that employers who discriminate are not likely to announce their discriminatory motive." Normally, as the Reagan administration argued in Harbison-Walker, direct evidence is unnecessary "because such a link is already forged by the establishment of a prima facie case." But as the Clinton EEOC rightly concluded, in the wake of Hicks "it may be impossible to prove discrimination in the absence of direct evidence."

The lower Federal courts are, in fact, already imposing this most onerous requirement on victims of intentional discrimination. For example, last month a Federal court in Massachusetts, relying on Hicks, dismissed a claim for intentional race discrimination. *Woods* v. *Friction Materials, Inc.*, No. 90-11389-WF (D. Ma. 10/1/93). The court held that even if the plaintiff proved a prima facie case, and disproved the employer's explanation for its conduct, he would not be entitled to judgment unless he proved something more—specifically, that his employer acted with an illegal motive. Similarly, a Federal court in Louisiana recently overturned, on the same basis, a jury verdict finding intentional age discrimination, *EEOC* v. *Louisiana Department of Social Services*, No. 91-4369 (D. La. 10/4/93). The message in these and other cases is clear: if the plaintiff offers no "smoking gun," the case is dismissed.

Two days after the Hicks decision, a New York Times editorial noted that the Supreme court "is back in the business of loading up job discrimination cases with extra burdens for those claiming bias." by making intentional discrimination substantially more difficult to prove, Hicks will discourage discrimination victims from suing to enforce their rights, thus frustrating title VII's purposes. After reviewing the decision, the Clinton EEOC concluded that Hicks "will have a negative effect on enforcement efforts and therefore should be overridden, by appropriate legislation."

The Civil Rights Standards Restoration Act will overturn Hicks and restore the legal framework Federal courts have used in thousands of cases to resolve claims of intentional discrimination. Notably, the text of the bill is drawn directly from the language of the Supreme Court's *McDonnell Douglas* and *Burdine* decisions.

The bill reestablishes the principle that a victim of intentional discrimination is entitled to prevail when he or she proves a prima facie case and disproves the defendant's explanation. The bill makes clear that plaintiffs need not present "smoking gun" evidence, or disprove all possible explanations for the defendant's conduct, in order to prevail. Thus, the bill codifies the position taken by the Reagan, Bush, and Clinton administrations, as well as a majority of the Federal courts of appeals.

Finally, the bill makes clear that the restored standards should apply in any court case or administrative proceeding in which the McDonnell Douglas framework is used. These include claims brought under employment statutes such as title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, and the Americans with Disabilities Act, as well as broader civil rights statutes such as section 1981—banning discrimination in the making of contracts—the Fair Housing Act, and the Employee Credit Opportunity Act. Notably, the bill recognizes the McDonnell Douglas framework is not the exclusive method by which a plaintiff may prove intentional discrimination, and it does not disturb those other existing methods.

Today, I urge my colleagues to cosponsor this restorative legislation. A companion bill will be introduced today by Congressman MAJOR OWENS. Clearly, on the issue of civil rights, the Supreme Court remains out of touch with the American people, the executive and legislative branches of our Federal Government, and most of the Federal judiciary. We must make our intent clear on this issue, and once again remind the court of its mandate, inscribed on the facade of the Supreme Court building: "Equal Justice Under Law." Mr. President, I ask unanimous consent that the New York Times editorial and the text of the bill be printed in the RECORD.

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

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 "Civil Rights Standards Restoration Act".

SEC. 2. FINDINGS.

Congress finds that—

(1) the Supreme Court enunciated a method of proving intentional discrimination under Federal law in McDonnell Douglas Corp. v. Green, 411 U.S. 792 (1973), and Texas Department of Community Affairs v. Burdine, 450 U.S. 248 (1981);

(2) such method has been applied to establish intentional discrimination in cases and proceedings under title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e et seq.), title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.), the Age Discrimination in Employment Act of 1967 (29 U.S.C. 621 et seq.), and other Federal laws; and

(3) the standards established in St. Mary's Honor Center v. Hicks, No. 92-602 (1993), regarding the effect of a finding of pretext on proof of unlawful intentional discrimination, are contrary to—

(A) such method established by the Supreme Court in McDonnell Douglas Corp. v. Green and Texas Department of Community Affairs v. Burdine; and

(B) congressional intent regarding such Federal laws.

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to restore the standards (regarding the effect of a finding of pretext on proof of unlawful intentional discrimination) enunciated by the Supreme Court in McDonnell Douglas Corp. v. Green and Texas Department of Community Affairs v. Burdine as part of a method of proving intentional discrimination; and

(2) to ensure the application of such restored standards in all cases and proceedings under Federal law (including title VII of the Civil Rights Act of 1964, title VIII of the Civil Rights Act of 1968, the Age Discrimination in Employment Act of 1967, and other Federal laws) to which such method applies.

SEC. 4. STANDARDS FOR PROVING INTENTIONAL DISCRIMINATION IN CERTAIN CIRCUMSTANCES.

The Revised Statutes are amended by inserting after section 1979 (42 U.S.C. 1983) the following new section:

"SEC. 1979A. STANDARDS FOR PROVING INTENTIONAL DISCRIMINATION IN CERTAIN CIRCUMSTANCES.

"(a) STANDARDS.—In a case or proceeding brought under Federal law in which a complaining party meets its burden of proving a prima facie case of unlawful intentional discrimination and the respondent meets its burden of clearly and specifically articulating a legitimate, nondiscriminatory explanation for the conduct at issue through the introduction of admissible evidence, unlawful intentional discrimination shall be established where the complaining party persuades a trier of fact, by a preponderance of the evidence, that—

"(1) a discriminatory reason more likely motivated the respondent; or

"(2) the respondent's proffered explanation is unworthy of credence.

"(b) RULE OF CONSTRUCTION.—This section shall apply only to those cases and proceedings in which the method of proof articulated in McDonnell Douglas Corp. v. Green, 411 U.S. 792 (1973), and Texas Department of Community Affairs v. Burdine, 450 U.S. 248 (1981), applies and shall not be construed "to specify the exclusive means by which the complaining party may establish unlawful intentional discrimination under Federal law.".

MORE BURDENS FROM THE REHNQUIST COURT

Unchastened by Congress's rebukes for misinterpreting civil rights laws, the Supreme Court is back in the business of loading up job discrimination cases with extra burdens for those claiming bias. On Friday the Court ruled that an employer could give the false explanations for firing a black employee—yet still prevail in a lawsuit.

Over the years the courts have worked out procedures and burdens of proof that were fair to both employees and employers. A plaintiff's plausible claim of discriminatory firing put the onus on the employer to provide a nonracial reason or lose the case. One would think that a phony or incredible explanation would be worse than none at all. Not according to the 5-to-4 majority.

Lawyers for Melvin Hicks, a black prison supervisor in St. Louise, demolished his employer's excuse for firing him, purportedly a series of rules infractions and a threat against his white superior. They showed that white corrections workers were not disciplined for similar or more serious infractions and that Mr. Hick's boss manufactured the verbal confrontation.

Still, a Federal judge ruled that Mr. Hicks failed to prove racial motive. He said Mr. Hicks hadn't disproved the possibility of personal rather than racial animosity—although prison officials never raised such a defense. Justice Antonin Scalia's majority said the trial judge was right.

Does this reward lying in court, as Justice David Souter argued in a biting dissent? No, said Justice Scalia. "The books are full of procedural rules that place the perjurer (initially, at least) in a better position than the truthful litigant who makes no response at all.

Perhaps, but in civil rights cases Congress and the courts have understood the special needs of plaintiffs. Biased employers no longer telegraph their motives; victims are entitled to rely on the inferences that flow from unbelievable excuses.

Four years ago the Court led by Chief Justice William Rehnquist, handed down a string of similarly grudging, burdensome misreadings of the 1964 Civil Rights Act. These rulings provoked a wholesale correction in the form of the Civil Rights Restoration Act of 1991.

This latest decision, in which the Court is again forcing victims of discrimination to refight and rewin old battles, invites another lesson from Congress in legal interpretation and fairness.•

By Mr. MOYNIHAN:

S. 1778. A bill to amend the Internal Revenue Code of 1986 with respect to the tax treatment of cooperative housing corporations; to the Committee on Finance.

TAX TREATMENT OF COOPERATIVE HOUSING CORPORATIONS

• Mr. MOYNIHAN. Mr. President, I rise today to reintroduce legislation designed to resolve, once and for all, the confusion surrounding the proper tax treatment of cooperative housing corporations. The bill I introduced today is identical to a bill I introduced last year. Companion bills have been introduced in the House of Representatives.

Mr. President, I am taking this action today in light of the IRS' persistence in applying section 277 of the Internal Revenue Code to housing cooperatives. As my statement introducing an identical bill last year makes clear, section 277 was enacted in 1969 to tax the nonmembership income of membership organizations like country clubs. Contrary to clear congressional intent, the IRS has been applying the law to residential cooperatives, assessing back taxes and interest, and in some cases penalties. This position has resulted in unwarranted tax problems for thousands of mostly low- and moderate-income families living in New York and elsewhere, many of whom are on fixed incomes.

Earlier this year I brought this matter to the attention of the Internal Revenue Service. In correspondence with the Commissioner of the IRS, I argued that the IRS' position applying section 277 was simply contrary to the legislative intent behind section 277. I noted that continuation of this position would only result in more taxpayer confusion, challenges and litigation. I was gratified when Commissioner Richardson responded to my letter by instructing the IRS field offices to suspend audits of cases applying section 277 of the Internal Revenue Code to housing cooperatives.

However, it has now come to my attention, on the eve of the congressional recess for this year, that the IRS is once again asserting its position on examinations of cooperatives' returns that section 277 applies to housing cooperatives. As a result, various revenues of housing cooperatives, including laundry and parking facilities—even when available only to residents of the building—are subject to taxation under section 277, regardless of the fact that such housing cooperatives have no net income when the expenses of operating the cooperatives are taken into account. I understand that the IRS' position includes an attempt to collect taxes retroactively as far back as 1981 even though the burden of these liabilities will often fall on tenant shareholders without ready means to pay.

This bill makes clear that section 277 was never intended to apply to housing cooperatives—as defined in section 216 of the Internal Revenue Code. Instead, the provisions of subchapter T of the Internal Revenue Code should control. This bill makes additional clarifying changes to Subchapter T for purposes of housing cooperatives. To prevent the IRS from retroactively punishing cooperatives which have been applying Subchapter T correctly all along, this bill allows those cooperatives to elect Subchapter T treatment of all open years.

Mr. President, I hope and expect that the IRS will not ignore congressional intent in this important area of the law and will desist from retroactively taxing tenant shareholders of housing cooperatives under section 277 of the Internal Revenue Code.

Mr. President, I ask unanimous consent that the text of the legislation appear in the RECORD.

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

S. 1778

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

SECTION 1. TAX TREATMENT OF COOPERATIVE HOUSING CORPORATIONS.

(a) SECTION 277 NOT TO APPLY TO COOPERATIVE HOUSING CORPORATIONS.—Section 277(b) of the Internal Revenue Code of 1986 (relating to exceptions) is amended by striking "or" at the end of paragraph (3), by striking the period at the end of paragraph (4) and inserting a comma and "or", and by adding at the end thereof the following new paragraph:

"(5) which for the taxable year is a cooperative housing corporation described in section 216(b)(1) (determined without regard to section 143(k)(9)(E)."

(b) APPLICATION OF RULES RELATING TO TAX TREATMENT OF CORPORATIVES.—

(1) PATRONAGE EARNING MAY BE OFFSET ONLY BY PATRONAGE LOSSES.—Section 1388(a) of such Code is amended by adding at the end the following new sentence: "In no event shall any patronage losses of an organization described in section 277(b)(5) be used to offset earnings which are not patronage earnings.

(2) PATRONAGE EARNINGS AND LOSSES OF COOPERATIVE HOUSING CORPORATIONS.—Section 1388 of such Code is amended by adding at the end the following new subsections:

"(k) PATRONAGE EARNINGS OR LOSSES DEFINED.—For purposes of this section—

"(1) IN GENERAL.—The terms 'patronage earnings' and patronage losses' mean earnings and losses, respectively, which are derived from business done with or for patrons of the organization.

"(2) SPECIAL RULES FOR COOPERATIVE HOUSING CORPORATION.—In the case of a cooperative housing corporation, the following earnings shall be treated as patronage earnings:

"(A) Interest on reasonable reserves established in connection with the corporation, including reserves required by a governmental agency or lender.

"(B) Income from laundry and parking facilities to the extent attributable to use of the facilities by tenant-stockholders and their guests.

"(C) In the case of a cooperative housing corporation with respect to which the requirements of clause (i) of section 143(k)(9)(D) are met at all times during the taxable year, rental income from other than tenant-stockholder to the extent attributable to any project operated by the corporation.

"(3) DEFINITIONS.—For purposes of paragraph (2)—

"(A) COOPERATIVE HOUSING CORPORATION.—The term 'cooperative housing corporation'

has the meaning given such term by section 216(b)(1) (without regard to section 143(k)(9)(E)).

"(B) TENANT-STOCKHOLDER.—The term 'tenant-stockholder' has the meaning given such term by section 216(b)(2)."

(3) CONFORMING AMENDMENTS.—Section 1388(j) of such Code is amended by striking paragraph (4).

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

(2) ELECTION TO HAVE AMENDMENTS APPLY RETROACTIVELY.—Any corporation which is a cooperative housing corporation as of the 1st day of the 1st taxable year beginning after the date of the enactment of this Act may elect to have the amendments made by this section apply to all taxable years whether beginning before, on, or after the date of the enactment of this Act.

(3) NO INFERENCE.—Nothing in the provisions of this section shall be construed as a change in the treatment of income derived by any cooperative housing corporation, and the treatment of such income for any year to which the amendments made by this section does not apply shall be made as if this section had not been enacted.•

By Mr. KENNEDY:

S. 1779. A bill to ensure individual and family security through health care coverage for all Americans in a manner that contains the rate of growth in health care costs and promotes responsible health insurance practices, to promote choice in health care, and to ensure and protect the health care of all Americans; read the first time.

HEALTH SECURITY ACT

• Mr. KENNEDY. Mr. President, the strong support for comprehensive health care reform that has been expressed on the floor today by Members on both sides of the aisle is heartening. For health care reform to succeed, support must be bipartisan—and I believe Democrats and Republicans alike now agree that action is essential.

Just as cooperation among the two parties is essential, cooperation among all the committees of the Congress with an interest in this issue is also necessary. The Health Security Act that President Clinton has submitted to Congress and that Majority Leader Mitchell introduced in the Senate on Saturday is one of the most sweeping proposals ever introduced in the Congress. It touches the expertise and responsibility of many committees. We must all work together if we are to produce the best possible health reform for the American people.

When President Clinton's Health Security Act was initially presented to Congress last month, the Senate Paliamentarian conducted a thorough review of the President's bill, based on Senate rules and precedents, to determine which committees would have jurisdiction over its various components. The Parliamentarian's conclusions form a workable procedure for moving this measure through the legislative process in an expeditious way. A similar procedure has been adopted by the House of Representatives for action on the bill by various House committees.

Today, I am introducing a bill containing all of the provisions of the President's bill that the Parliamentarian has determined to be within the jurisdiction of the Labor and Human Resources Committee.

Of course, other committees also have important roles to play. The Finance Committee has jurisdiction over major and essential portions of the legislation, including matters pertaining to Medicaid, Medicare, and taxes. I look forward to working closely with the distinguished chairman of the Finance Committee to coordinate consideration of the matters within the Finance Committee's jurisdiction and the matters within the Labor Committee's jurisdiction.

In addition, a number of other provisions in the bill are within the jurisdiction of other Senate committees, including the Agriculture, Armed Services, Commerce, Governmental Affairs, Indian Affairs, Judiciary, and Veterans' Affairs Committees.

Let me briefly outline the provisions of the President's bill that the Parliamentarian has determined should be considered by the Labor and Human Resources Committee and that are in the bill I am introducing.

The sections of the President's Health Security Act contained in this bill include the portions of the President's program guaranteeing health security for all Americans and controlling health care costs, as well as those providing long-term care for the Nation's senior citizens and improving health care quality.

The legislation includes Title I of the President's bill, which provides the guarantee of universal coverage, defines the benefits to which all citizens are entitled, regulates health plans and health alliances, establishes employer responsibilities and lays out the division of responsibility between the Federal Government and the States.

The legislation also includes major portions of Subtitle B of Title II, which provide for a new program of home care and community-based care for senior citizens and other disabled Americans, and which regulate the sale of private long-term care insurance.

Next, the bill contains the public health initiatives in Title III, including programs for an appropriate supply of health professionals, expanded health research, preventive health programs, comprehensive school health initiatives, and other steps that will help make the health security card a true ticket to essential and effective health care for millions of Americans.

Key provisions of Title V on quality of care and consumer protection are part of the bill, including the subtitles dealing with quality management and improvement, information systems, privacy, an administrative simplification. These provisions are designed to assure high quality care for all Americans and cut through the massive red tape that is adding to health care costs and burdening doctors and patients alike.

The bill also includes Title VI of the President's bill, which establishes the premium obligations for businesses and individuals and provides discounts to enable low-income citizens and vulnerable small businesses to afford the cost of coverage.

In addition, the bill includes the portion of Title IX which establishes the obligation of the Federal Government to contribute to the cost of the premium reductions in the President's bill and sets the limits on that obligation.

Finally, the bill includes transitional insurance reform and reform of workers' compensation.

The introduction of the legislation today is another milestone on the road to comprehensive reform. The Labor and Human Resources Committee has already held extensive hearings on the legislation, and I look forward to working with all members of the Senate to expedite our consideration of the President's proposal.

Few, if any, other issues will affect the lives of more Americans. The need for action is obvious and urgent. The President has done his job. Now it is up to the Congress to respond.•

By Mr. DODD (for himself, Mr. COATS and Mr. DURENBERGER):

S.J. Res. 159. A joint resolution to designate the period commencing on February 14, 1994, and ending on February 20, 1994, as "Children of Alcoholics Week"; to the Committee on the Judiciary.

CHILDREN OF ALCOHOLICS WEEK

• Mr. DODD. Mr. President, I introduce a joint resolution to commemorate the week of February 14 through 20 as "Children of Alcoholics Week." I am joined in this effort by my distinguished colleague from Indiana, Senator COATS.

In the Subcommittee on Children, Family, Drugs and Alcoholism, we have focused a great deal on policies to strengthen and preserve families. Of central concern are the stresses faced by today's families. Many of these stresses are external—poverty, tension between work and family, and teenage pregnancy.

Alcoholism, however, is a force that destroys families from within. Sometimes this force is explosive; often it is quite and insidious. It is perhaps a truism to say that alcoholism is a family disease. But there is no question that the entire family is caught in its web. It shapes their lives and, in many cases, the lives of future generations.

Like the addicted person, other family members may deny the problem.

They may become part of a conspiracy of silence that prevents them from seeking help. Yet, it is not a happy silence. The atmosphere within the family is often negative, full of stress and conflict. The rituals that help define a family—for example, birthdays and religious holidays—may not be observed, a fact that has been linked to the transmission of alcoholism.

As always, the most vulnerable family members are the children. It is estimated there are nearly 27 million children of alcoholics in this country, almost 7 million of whom are under age 18. Children of alcoholics are at risk for a host of psychological and physical harms, not least of which is the greater likelihood that they, too, will become substance abusers. Children of alcoholics are two to four times more likely than others to become alcoholics. Moreover, daughters of alcoholics are more likely than others to marry alcoholic men, increasing the likelihood of perpetuating the cycle.

Children of alcoholics also tend to have more health problems than others. A study by the Children of Alcoholics Foundation found that children of alcoholics are admitted to hospitals, use hospital days, and incur hospital charges at rates much greater than those experienced by other persons. This pattern results in additional costs for hospital care of $1 billion a year, a figure the foundation considers quite conservative.

Children of alcoholics may blame themselves for the parent's problem and feel unloved and rejected. They may not reach out for help because they do not realize they are not alone. They may be vulnerable to abuse and neglect. Yet, some children show remarkable resiliency. Certainly, to be the child of an alcoholic is not to be doomed to a life of failure, filled with insurmountable problems.

It is with the intent to draw attention to the needs of children of alcoholics that we introduce this resolution today. The subcommittee has heard witnesses at our hearing describe in very moving terms how to be the child of an alcoholic is to feel totally alone, since it seems inconceivable that others could be in the same situation. We hope that by designating a week to focus on this group, we will let children who may now feel isolated and afraid know that they are not alone.

There is one special group of children of alcoholics who face a more severe challenge. These are children who are exposed to alcohol prenatally, those with symptoms of Fetal Alcohol Syndrome or Fetal Alcohol Effect. These symptoms can include a range of physical problems evident at birth. As these children grow, they may find themselves falling farther and farther behind in school. The tragedy of Fetal Alcohol Syndrome is two-fold. First, it is entirely preventable. Second, it results in a huge loss of human potential. In his book, "The Broken Cord," Michael Dorris writes poignantly about the limitations of his adopted son Adam, an FAS victim:

My son will forever travel through a moonless night with only the roar of the wind for company. Don't talk to him of mountains, of tropical beaches. Don't ask him to swoon at sunrises or marvel at the filter of light through leaves. He's never had time for such things, and he does not believe in them. * * * He doesn't wonder where he came from, where he's going. He doesn't ask who he is, or why. Questions are a luxury.

Well, for us, questions are a necessity. We must ask ourselves whether we cannot do better for these children.

One of the gaps existing in this area is the need for more public awareness, on the part of professionals, community members, and affected children themselves, that children in alcoholic families are at risk. They need treatment themselves, but may not be able to bring themselves to ask for help. They may not even fully understand that the problem is not them, but their parents' drinking. They may need someone to reach out to them. A greater understanding of the dangers these children face is a first step toward seeing that outreach occurs and treatment becomes more widely available.

Mr. President, in listening to the stories of recovering alcoholics and children of alcoholics, I am struck by the difficulty of pinpointing the beginning of alcoholism in individual families. Often, you cannot say "Here is the parent with an alcohol problem, and here is the child of the alcoholic." The parent also may be the child of an alcoholic, caught in a cycle perpetuated for generations. But if we cannot find the beginning of the cycle, we surely can find a way to break it.

Before we can do that, however, we must have a broader awareness of how that cycle is continued from one generation to another. We must make sure that community members understand why we must reach out to the children who are caught up in their families' alcoholism. Children of Alcoholics Week will help spread that awareness and understanding. I urge my colleagues to join us in making that possible.

Mr. President, I ask unanimous consent that the text of the resolution be printed in the RECORD following my statement.

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

To designate the period commencing on February 14, 1994, and ending on February 20, 1994, as "Children of Alcoholics Week".

Whereas it is estimated that there are nearly 27,000,000 children of alcoholics in the United States, of whom 6,600,000 are under the age of 18;

Whereas there is strong scientific evidence that alcoholism runs in families with children of alcoholics being 2 to 4 times more likely to develop alcoholism than children of nonalcoholics;

Whereas parental alcoholism has a significant impact on the health of children and on the health care system, with children of alcoholics being admitted to hospitals at a 24 percent greater rate, using hospital days at a 62 percent greater rate, incurring hospital charges at a 36 percent greater rate, and incurring total health care charges at a 32 percent greater rate, than other children;

Whereas parental alcohol abuse is a significant factor in a large proportion of child abuse and neglect cases;

Whereas young children of alcoholics exhibit symptoms of depression and anxiety to a greater extent than children of nonalcoholics;

Whereas young children of alcoholics often have difficulty in school and are more likely to be truant, drop out of school, repeat grades, or be referred to a school counselor or psychologist;

Whereas children with Fetal Alcohol Syndrome suffer from a range of deficits that include dysmorphic facial features, growth retardation, intellectual impairment, and disruptive behavior patterns and children with Fetal Alcohol Effect suffer from significant, although less severe, deficits;

Whereas children of alcoholics, with the interest and help of family, friends, health professionals, teachers, clergy, and others, can avoid the negative effects of familial alcoholism;

Whereas this resolution seeks to raise the level of public and professional awareness on behalf of the families and children affected by alcohol addiction;

Whereas by bringing attention to the plight of the children of alcoholics, the Congress will be offering hope and encouragement for these innocent victims and will be taking a significant step forward toward ending the generational cycle of addiction;

Whereas a national week of recognition would give individuals and local, State, and national organizations the opportunity to break the silence often surrounding familial alcoholism; and

Whereas in recognition of the Tenth Anniversary of the establishment of the National Association for Children of Alcoholics: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the period commencing on February 14, 1994, and ending on February 20, 1994, is designated as "Children of Alcoholics Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such period with appropriate ceremonies, programs, and activities.●

By Mr. RIEGLE:

S.J. Res. 160. A joint resolution to designate the month of April 1994, as "National Sudden Infant Death Syndrome Awareness Month", and for other purposes; to the Committee on the Judiciary.

SIDS AWARENESS WEEK

● Mr. RIEGLE. Mr. President, I rise today to introduce legislation to designate the month of April 1994, as Sudden Infant Death Syndrome Awareness Month. Sudden Infant Death Syndrome [SIDS] is a fatal disorder which kills thousands of infants in the United States each year.

SIDS is one of the leading causes of death in the United States for infants 1-week to 1-year old, claiming the lives

of over 7,000 babies in America each year. That is one of every 500 live births, or nearly one baby every hour of every day. More children die of SIDS in one year then all infants who die of cancer, heart disease, pneumonia, child abuse, AIDS, cystic fibrosis, and muscular dystrophy combined. SIDS takes the lives of infants from all areas of America, all cultures and all socio-economic backgrounds. It is a major contributor to the high rate of infant mortality in the United States.

SIDS comes as a tragic surprise. An apparently healthy infant is put to bed without any indication that is anything is wrong. Later, the infant is found dead. Nothing in the infant's medical history, postmortem examination or examination of the scene of death provides any immediate answers to why the infant died.

The National Institute of Child Health and Human Development is currently conducting a 5 year research plan to understand the causes of SIDS and to develop a cure. Researchers at the National Institute of Child Health and Human Development have identified potential risk factors involved in SIDS including exposure to tobacco smoke, sleeping in the prone position, and kidney abnormalities. It is important that the National Institute of Child Health and Human Development continue to investigate these promising leads.

Mr. President, parents, relatives, and friends of victims have also been active in combating SIDS. In Michigan and all across America, people have united to bring attention to SIDS and to mobilize community and scientific resources to find answers to the pain, loss and suffering caused by this devastating syndrome. In April, communities across America will participate in Red Nose Day USA. This name comes from Bozo the Clown, who is spokesperson for Red Nose Day to fight SIDS. To show support for research and public awareness about SIDS, people across the Nation will wear the red clown nose. The goal is to make the problem of SIDS as plain as the nose on your face.

Mr. President, I encourage my colleagues in the Senate to join me in combating SIDS by supporting the joint resolution to designate April as Sudden Infant Death Syndrome Month.●

ADDITIONAL COSPONSORS

S. 154

At the request of Mr. GRAMM, the name of the Senator from North Carolina [Mr. FAIRCLOTH] was added as a cosponsor of S. 154, a bill to insure that any peace dividend is invested in America's families and deficit reduction.

S. 377

At the request of Mr. GRAMM, the name of the Senator from North Carolina [Mr. FAIRCLOTH] was added as a cosponsor of S. 377, a bill to require a balanced Federal budget by fiscal year 2000 and each year thereafter, to protect Social Security, to provide for zero-based budgeting and decennial sunsetting, to impose spending caps on the growth of entitlements during fiscal years 1994 through 2000, and to enforce those requirements through a budget process involving the President and Congress and sequestration.

At the request of Mr. HELMS, his name was added as a cosponsor of S. 377, supra.

S. 449

At the request of Mr. GRAMM, his name was added as a cosponsor of S. 449, a bill to amend the Internal Revenue Code of 1986 to allow individuals to designate that up to 10 percent of their income tax liability be used to reduce the national debt, and to require spending reductions equal to the amounts so designated.

S. 462

At the request of Mr. BUMPERS, the name of the Senator from North Dakota [Mr. DORGAN] was added as a cosponsor of S. 462, a bill to prohibit the expenditure of appropriated funds on the United States International Space Station Freedom program.

S. 477

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 477, a bill to eliminate the price support program for wool and mohair, and for other purposes.

S. 517

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 517, a bill to reduce the deficit in the Federal budget for fiscal year 1994 by limiting to $2,000,000,000 the amount that may be appropriated for the Strategic Defense Initiative.

S. 519

At the request of Mr. BUMPERS, the name of the Senator from North Dakota [Mr. DORGAN] was added as a cosponsor of S. 519, a bill to reduce Federal budget deficits by prohibiting further funding of the Trident II ballistic missile program.

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 519, supra.

S. 563

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 563, a bill to require CBO analysis of each bill or joint resolution reported in the Senate or House of Representatives to determine the impact of any Federal mandates in the bill or joint resolution.

S. 652

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 652, a bill to eliminate the price support and production adjustment programs for tobacco, and for other purposes.

S. 689

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 689, a bill to improve the interstate enforcement of child support and parentage court orders, and for other purposes.

S. 798

At the request of Mr. BRYAN, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of S. 798, a bill to amend the Federal Fire Prevention and Control Act of 1974 to establish a program of grants to States for arson research, prevention, and control, and for other purposes.

At the request of Mr. SARBANES, his name was added as a cosponsor of S. 798, supra.

S. 916

At the request of Mr. HELMS, his name was added as a cosponsor of S. 916, a bill to amend the Davis-Bacon Act and the Copeland Act to provide new job opportunities, effect significant cost savings by increasing efficiency and economy in Federal procurement, promote small and minority business participation in Federal contracting, increase competition for Federal construction contracts, reduce unnecessary paperwork and reporting requirements, clarify the definition of prevailing wage, and for other purposes.

S. 946

At the request of Mr. BROWN, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 946, a bill to reduce the legislative branch budget by 25 percent.

At the request of Mr. HELMS, his name was added as a cosponsor of S. 946, supra.

S. 1004

At the request of Mr. BROWN, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 1004, a bill to limit amounts expended by certain government entities for overhead expenses.

At the request of Mr. HELMS, his name was added as a cosponsor of S. 1004, supra.

S. 1015

At the request of Mr. DORGAN, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 1015, a bill to establish a 2-year moratorium on construction and leasing of space by the Federal Government, and for other purposes.

S. 1063

At the request of Mr. HATCH, the names of the Senator from Florida [Mr. GRAHAM], and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of S. 1063, a bill to amend the Employee Retirement Income Security Act of 1974 to clarify the treatment of a qualified football coaches plan.

S. 1087

At the request of Mr. KOHL, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 1087, a bill to amend title 18, United States Code, to prohibit the possession of a handgun or ammunition by, or the private transfer of a handgun or ammunition to, a juvenile.

S. 1180

At the request of Mr. GRASSLEY, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 1180, a bill to amend the Internal Revenue Code of 1986 to encourage the production and use of wind energy.

S. 1247

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 1247, a bill to terminate the Extremely Low Frequency Communication System of the Navy.

S. 1275

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 1275, a bill to facilitate the establishment of community development financial institutions.

S. 1351

At the request of Mr. REID, the names of the Senator from Nebraska [Mr. EXON] and the Senator from North Carolina [Mr. FAIRCLOTH] were added as cosponsors of S. 1351, a bill to curb criminal activity by aliens, to defend against acts of international terrorism, to protect American workers from unfair labor competition, and to relieve pressure on public services by strengthening border security and stabilizing immigration into the United States.

S. 1361

At the request of Mr. SIMON, the name of the Senator from West Virginia [Mr. ROCKFELLER was added as a cosponsor of S. 1361, a bill to establish a national framework for the development of School-to-Work Opportunities systems in all States, and for other purposes.

S. 1371

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 1371, a bill to terminate the Ground-Wave Emergency Network (GWEN) program.

S. 1372

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 1372, a bill to eliminate the price support and production adjustment programs for tobacco, and for other purposes.

S. 1376

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 1376, a bill to repeal the Helium Act, to require the Secretary of the Interior to sell Federal real and personal property held in connection with activities carried out under the Helium Act, and for other purposes.

S. 1406

At the request of Mr. KERREY, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 1406, a bill to amend the Plant Variety Protection Act to make such Act consistent with the International Convention for the Protection of New Varieties of Plants of March 19, 1991, to which the United States is a signatory, and for other purposes.

S. 1447

At the request of Mr. BRYAN, the name of the Senator from Louisiana [Mr. BREAUX] was added as a cosponsor of S. 1447, a bill to modify the disclosures required in radio advertisements for consumer leases, loans and savings accounts.

S. 1516

At the request of Mr. COVERDELL, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 1516, a bill to limit the use of funds for deployment of the Armed Forces of the United States outside the United States under United Nations command.

S. 1521

At the request of Mr. SHELBY, the name of the Senator from Colorado [Mr. BROWN] was added as a cosponsor of S. 1521, a bill to reauthorize and amend the Endangered Species Act of 1973 to improve and protect the integrity of the programs of such Act for the conservation of threatened and endangered species, to ensure balanced consideration of all impacts of decisions implementing such Act, to provide for equitable treatment of non-Federal persons and Federal agencies under such Act, to encourage non-Federal persons to contribute voluntarily to species conservation, and for other purposes.

S. 1548

At the request of Mr. SASSER, his name was added as a cosponsor of S. 1548, a bill to amend the National Wool Act of 1954 to reduce the subsidies that wool and mohair producers receive for the 1994 and 1995 marketing years and to eliminate the wool and mohair programs for the 1996 and subsequent marketing years, and for other purposes.

S. 1550

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 1550, a bill to make systematic and comprehensive reductions in Federal spending and eliminate wasteful spending while preserving the ability of the Federal Government to meet its responsibilities.

S. 1560

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 1560, a bill to establish the Social Security Administration as an independent agency, and for other purposes.

S. 1604

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 1604, a bill to provide for greater regulatory flexibility for small governments, lessen compliance burdens on small governments, test innovative regulatory methods, and for other purposes.

S. 1715

At the request of Mrs. HUTCHISON, the names of the Senator from Ohio [Mr. GLENN], the Senator from Washington [Mr. GORTON], and the Senator from Missouri [Mr. DANFORTH] were added as cosponsors of S. 1715, a bill to provide for the equitable disposition of distributions that are held by a bank or other intermediary as to which the beneficial owners are unknown or whose addresses are unknown, and for other purposes.

S. 1757

At the request of Mr. METZENBAUM, his name was added as a cosponsor of S. 1757, a bill to ensure individual and family security through health care coverage for all Americans in a manner that contains the rate of growth in health care costs and promotes responsible health insurance practices, to promote choice in health care, and to ensure and protect the health care of all Americans.

SENATE JOINT RESOLUTION 140

At the request of Mr. LAUTENBERG, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of Senate Joint Resolution 140, a joint resolution to designate December 7, 1993, as "National Pearl Harbor Remembrance Day".

SENATE CONCURRENT RESOLUTION 50

At the request of Mr. LAUTENBERG, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of Senate Concurrent Resolution 50, a concurrent resolution concerning the Arab boycott of Israel.

SENATE RESOLUTION 148

At the request of Mr. SIMON, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of Senate Resolution 148, a resolution expressing the sense of the Senate that the United Nations should be encouraged to permit representatives of Taiwan to participate fully in its activities, and for other purposes.

SENATE RESOLUTION 170

At the request of Mr. CHAFEE, the names of the Senator from Nebraska [Mr. KERREY], the Senator from New Mexico [Mr. DOMENICI], the Senator from Ohio [Mr. GLENN], the Senator from Delaware [Mr. ROTH], and the Senator from Oklahoma [Mr. BOREN] were added as cosponsors of Senate Resolution 170, a resolution to express the sense of the Senate that obstetrician-gynecologists should be included as primary care providers for women in Federal laws relating to the provision of health care.

AMENDMENT NO. 1168

At the request of Mr. HATCH, his name was added as a cosponsor of amendment No. 1168 proposed to S.

1607, a bill to control and prevent crime.

SENATE CONCURRENT RESOLUTION 56—RELATING TO CORRECTIONS IN THE ENROLLMENT OF S. 1766

Mr. LEAHY submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 56

Resolved by the Senate (the House of Representatives concurring), That in the enrollment of the text of the bill (S. 1766) to amend the Lime Research, Promotion, and Consumer Information Act of 1990 to cover seedless and not seeded limes, to increase the exemption level, to delay the initial referendum date, and to alter the composition of the Lime Board, and for other purposes, the Secretary of the Senate shall make the following corrections:

In section 4(b)(1)—

(1) strike "'The Secretary'" and insert "'Members'"; and

SENATE RESOLUTION 174—RELATIVE TO SALES OF RUSSIAN COMMERCIAL GRADE URANIUM

Mr. BROWN submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 174

SECTION 1. CONGRESSIONAL FINDINGS.

The Senate finds that—

(1) The United States has a stake in the effort of the people of Russia to build democracy and market economies;

(2) Post-Communist reform is a long-term proposition, requiring a long view and steadiness on the part of the United States;

(3) The building of democracy and a market economy in Russia is in the interest of the United States;

(4) The building of democracy and a market economy is one of the most important foreign policy challenges of our time;

(5) In helping Russia build a market economy, the United States and its allies must work to integrate Russia into the world trading system;

(6) This means removing barriers to trade and investment for their goods and services to be sold in Western markets and for Western goods and services to be sold in Russia; and

(7) A special effort to resolve this issue should be made during the upcoming high level visits between the United States and Russia.

SEC. 2. SENSE OF THE SENATE.

Therefore, it is the sense of the Senate that—

(1) It is imperative that the dispute concerning sales of commercial grade uranium by Russia be promptly resolved:

(2) As part of its ongoing management of U.S.-Russia policy, the Clinton Administration's Steering Group on policy toward the New Independent States should immediately conduct a nuclear policy review involving high-level officials from relevant U.S.G. Departments and Agencies concerning the U.S.-Russia agreement on sales of commercial grade uranium;

(3) The review should recommend administrative methods and procedures for achieving access to U.S. markets for Russian commercial grade uranium in a manner that is consistent with U.S. trade law;

(4) Based on this review, the Policy Steering Group should propose recommendations for expeditiously resolving the dispute through government-to-government agreements in the context of the U.S.-Russia summit in January 1994;

(5) To the extent that the dispute remains unresolved, the President should provide a report to the appropriate committees of Congress within 90 days of enactment of this Act, detailing findings of the policy Steering Group review and its recommendations for expedited administrative procedures to resolve the dispute.

SEC. 3. APPROPRIATE COMMITTEES OF CONGRESS.

For purpose of this section the "appropriate committees of Congress" shall include the Senate Foreign Relations Committee, the House Foreign Affairs Committee, the Senate Finance Committee, the House Ways and Means Committee, the Senate Committee on Energy and Natural Resources and the House Committee on Energy and Commerce.

• Mr. BROWN. Mr. President, I am submitting a resolution expressing the sense of the Senate that the ongoing dispute concerning sales of commercial grade uranium between the United States and Russia should be resolved expeditiously.

Russia inherited from the former Soviet Union an economy in shambles. It also inherited an antidumping action initiated under United States trade law against Soviet Union commercial grade uranium. The case itself is unprecedented. Never before has the subject country dissolved during the course of an antidumping investigation. These unique circumstances forced the emerging government of the Russian Federation to respond to a highly complex investigation under adverse circumstances.

When the dust settled, it became clear that the resulting agreement did not perform as originally intended. Initially, it was designed to limit Russian sales of uranium into the United States market through a price-tied quota. The agreement, however, has effectively prohibited virtually all sales of Russian commercial uranium in the United States market, while permitting other countries to dominate it. The result for Russia has been the loss of a tremendous amount of much-needed hard currency at a critical time. Even worse, the unreasonable agreement has proven to be a continuing irritant in United States relations with Russia. For a fledgling free market economy, being completely shut-out of the world's largest marketplace is disastrous.

Worse yet, this "suspension agreement" has not reinvigorated the domestic uranium industry where employment and production continue to decrease. Instead, the agreement only protects other foreign producers who have carved up the American market amongst themselves.

No wonder the Russians have put the resolution of this dispute at the top of their list of impediments to progress in the United States-Russia relationship. Reportedly, President Yeltsin raised this issue with President Clinton during the Vancouver summit, and Prime Minister Chermyrodin raised it again with Vice President Gore during their meetings in August.

From the United States perspective, this policy just does not make sense. An inequitable trade policy may be counterproductive to the development of a democratic, free Russia. The objective of United States policy should be to give each country selling into our market equitable treatment. At present, we have a double standard: one for Russia and one for the rest of the world.

The United States would be better served by a uranium trade agreement which allows reasonable participation by Russia in the United States market while simultaneously encouraging United States uranium production, in accordance with United States trade laws.

Because of the Senate Foreign Relations Committee's concerns that many nuclear policy issues between the United States and Russia were not being given the centralized, high-level consideration they warrant, the Committee passed a resolution urging the establishment of a nuclear policy review group chaired by the National Security Advisor and composed of high-level officials from relevant agencies. The purpose of this group was to accomplish an expeditious, focused review of these nuclear issues between our two countries, an important one of which was access to United States markets for Russian commercial grade uranium.

Many concerns were expressed by the administration about the resolution, Senate Resolution 169, but after discussions with the Vice President and his agreement to look at the issue, we began to make significant progress. Today, I am submitting a more limited resolution that focuses solely on the problem of providing market access for Russian commercial grade uranium. The resolution has been agreed to by the State Department and cleared by the White House.

It is my hope that the introduction of this resolution will serve as a catalyst for action on the issue. Although the Senate will adjourn before passage of this resolution is possible, it is my hope that this will act as a gameplan for the administration to address this as expeditiously as possible. In fact, the resolution expresses the sense of the Senate that the Clinton administration's Steering Group on policy toward the NIS should immediately conduct a review of the United States-Russia agreement on sales of commercial grade uranium. Based on this review, the Policy Steering Group is urged to propose recommendations for expeditions resolution of the dispute through government-to-government agreements

to conclude prior to the United States-Russia summit in January 1994.

In addition, I have received assurances that in the coming month, the State Department will be working closely with my office both as the weapons grade uranium agreement is resolved and as the dispute concerning commercial grade uranium is concluded.

I know that Senator BENNETT JOHNSTON is supportive of a resolution of the existing suspension agreement dispute. I look forward to working with him and his Energy Committee staff early in the coming year to ensure there is fast work on an effective solution.

In addition, to gain some momentum for a solution, Senator SIMPSON and I have agreed to send a joint letter to the administration urging that they hold a meeting before the first of January, 1994, for all American uranium producers. It is my hope that the meeting will occur quickly and contribute to a speedy implementation of a solution to the problem—one that provides American jobs and also permits Russia to gain access to our market. I look forward to working closely with my colleague from Wyoming on this issue.

Mr. President, an expeditious resolution of the existing restrictions on Russia's sale of commercial grade uranium to the United States is essential. I look forward to working closely with my colleagues on this issue.●

SENATE RESOLUTION 175—RELATIVE TO GUANTANAMO BAY

Mr. MOYNIHAN submitted the following resolution; which was referred to the Committee on Armed Services:

S. RES. 175

Whereas, the Cuban people have suffered more than three decades of dictatorial government under Fidel Castro;

Whereas, the end of the cold war has brought freedom and democracy to many formerly totalitarian states around the world;

Whereas, the United States has had a long and close association and friendship with the people of Cuba;

Now, therefore, be it hereby *Resolved*, That it is the sense of the Senate that—when freedom and democracy are achieved in Cuba, the United States of America should unilaterally terminate the 1903 lease on its facilities at Guantánamo Bay, Cuba as a gesture of goodwill toward the people of Cuba.

● Mr. MOYNIHAN. Mr. President, I submit Senate Resolution 175, concerning the future of Cuba.

In 1903, the United States signed a treaty with Cuba leasing Guantánamo Bay and giving the United States the authority to establish a permanent military base there. Originally the lease was for $2,000 per year, the current payment is $4,085. The United States still pays its rent, although I am told that Fidel Castro has not cashed the checks since 1962.

The relationship between the people of the United States and the people of Cuba has been interrupted now for almost 35 years. The situation in Cuba is not a happy one. The economy is in ruin. Cubans continue to flee the harsh oppression and human rights abuses, there.

But the world is a changed place. The Soviet Union has dissolved and democracy is replacing totalitarianism in Eastern Europe. I am convinced that it will not be long before the winds of democracy sweeping the globe will reach the shores of Cuba. The resolution states that when this occurs, it would be fitting for the United States to unilaterally terminate its lease on Guantánamo Bay, as a gesture of goodwill toward the people of Cuba.●

AMENDMENTS SUBMITTED

TECHNICAL CORRECTION ACT

WOFFORD (AND SPECTER) AMENDMENT NO. 1236

Mr. BIDEN (for Mr. WOFFORD for himself and Mr. SPECTER) proposed an amendment to the bill (S. 1769) to make a technical correction, and for other purposes; as folllows:

At the appropriate place insert the following:

INCREASE OF CDBG PUBLIC SERVICES CAP.

(A) IN GENERAL.—Section 105(a)(8) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)(8)) is amended—

(1) by striking "and" after the penultimate comma; and

(2) by inserting before the semicolon at the end the following ", and except that of any amount of assistance under this title (including program income) in fiscal year 1994 to the City of Pittsburgh, Pennsylvania, such city may use not more than 20 percent in each such fiscal year for activities under this paragraph".

RIEGLE AMENDMENT NO. 1237

Mr. BIDEN (for Mr. RIEGLE) proposed an amendment to the bill S. 1769, supra; as follows:

At the appropriate place insert the following:

SECTION 23 CONVERSION PROJECTS.

(a) SECTION 23 CONVERSION.—

(1) AUTHORIZATION.—Notwithstanding contracts entered into pursuant to section 14(b)(2) of the United States Housing Act of 1937, the Secretary is authorized to enter into obligations for conversion of Leonard Terrace Apartments in Grand Rapids, Michigan, from a leased housing contract under section 23 of such Act to a project-based rental assistance contract under section 8 of such Act.

(2) REPAYMENT REQUIRED.—The authorization made in paragraph (1) is conditioned on the repayment to the Secretary of all amounts received by the public housing agency under the comprehensive improvement assistance program under section 14 of the United States Housing Act of 1937 for the Leonard Terrace Apartment project and the amounts, as determined by the Secretary, received by the public housing agency under the formula in section 14(k) of such Act by reason of the project.

D'AMATO AMENDMENT NO. 1238

Mr. BIDEN (for Mr. D'AMATO) proposed an amendment to the bill S. 1769, supra; as follows:

SEC. 308. FIRE SAFETY IN FEDERALLY ASSISTED HOUSING.

Section 31(c)(2)(A)(i) of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2227(c)(2)(A)(i)) is amended by adding "(or equivalent level of safety)" after "system".

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION MANAGEMENT REORGANIZATION ACT OF 1993

GLENN AMENDMENT NO. 1239

Mr. BIDEN (for Mr. GLENN) proposed an amendment to the bill (H.R. 2876) to promote and support management reorganization of the National Aeronautics and Space Administration; as follows:

In section 2(b) of the bill, insert ", subject to the availability of appropriations provided in advance for this purpose," before "may be offered".

COAST GUARD AUTHORIZATION ACT OF 1993, PASSENGER VESSEL SAFETY ACT OF 1993

HOLLINGS (AND STEVENS) AMENDMENT NO. 1240

Mr. BIDEN (for Mr. HOLLINGS for himself and Mr. STEVENS) proposed an amendment to the bill (S. 1052) to authorize appropriations for fiscal years 1994 and 1995 for the Coast Guard, and for other purposes; as follows:

In lieu of the matter proposed to be inserted by the Committee amendment in the nature of a substitute, insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Coast Guard Authorization Act of 1993".

TITLE I—AUTHORIZATIONS

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Funds are authorized to be appropriated for necessary expenses of the Coast Guard for fiscal year 1994, as follows:

(1) For the operation and maintenance of the Coast Guard, $2,612,552,200, of which $25,000,000 shall be derived from the Oil Spill Liability Trust Fund, and of which $35,000,000 shall be expended from the Boat Safety Account.

(2) For the acquisition, construction, rebuilding, and improvement of aids to navigation, shore and offshore facilities, vessels, and aircraft, including equipment related thereto, $417,996,500, to remain available until expended, of which $23,030,000 shall be derived from the Oil Spill Liability Trust Fund to carry out the purposes of section 1012(a)(5) of the Oil Pollution Act of 1990.

(3) For research, development test, and evaluation of technologies, materials, and human factors directly relating to improving the performance of the Coast Guard's mission in support of search and rescue, aids to

navigation, marine safety, marine environmental protection, enforcement of laws and treaties, ice operations, and defense readiness, $25,000,000, to remain available until expended, of which $4,457,000 shall be derived from the Oil Spill Liability Trust Fund.

(4) For retired pay (including the payment of obligations otherwise chargeable to lapsed appropriations for this purpose), payments under the Retired Serviceman's Family Protection and Survivor Benefit Plans, and payments for medical care of retired personnel and their dependents under chapter 55 of title 10, United States Code, $548,774,000.

(5) For alteration or removal of bridges over navigable waters of the United States constituting obstructions to navigation associated with the Bridge Alteration Program, $12,940,000 to remain available until expended.

(6) For environmental compliance and restoration at Coast Guard facilities, $23,057,000, to remain available until expended.

SEC. 102. AUTHORIZED LEVELS OF MILITARY STRENGTH AND MILITARY TRAINING.

(a) AUTHORIZED MILITARY STRENGTH LEVEL.—The Coast Guard is authorized an end-of-year strength for active duty personnel of 39,138 as of September 30, 1994. The authorized strength does not include members of the Ready Reserve called to active duty for special or emergency augmentation of regular Coast Guard forces for periods of 180 days or less.

(b) AUTHORIZED LEVEL OF MILITARY TRAINING.—For fiscal year 1994, the Coast Guard is authorized average military training student loads as follows:

(1) For recruit and special training, 1,986 student years.

(2) For flight training, 114 student years.

(3) For professional training in military and civilian institutions, 338 student years.

(4) For officer acquisition, 955 student years.

TITLE II—PERSONNEL MANAGEMENT IMPROVEMENT

SEC. 201. CEILING ON OFFICER CORPS.

Subsection (a) of section 42 of title 14, United States Code, is amended by striking "6,000" and inserting "6,200".

SEC. 202. VOLUNTEER SERVICES.

Section 93 of title 14, United States Code, is amended by—

(1) striking "and" at the end of paragraph (r);

(2) striking the period at the end of paragraph (s) and inserting a comma; and

(3) adding at the end of the following new subsection:

"(t) notwithstanding any other law, enter into cooperative agreements with States, local governments, nongovernmental organizations, and individuals, to accept and utilize voluntary services for the maintenance and improvement of natural and historic resources on, or to benefit natural and historic research on, Coast Guard facilities, subject to the requirement that—

"(1) the cooperative agreements shall each provide for the parties to contribute funds or services on a matching basis to defray the costs of such programs, projects, and activities under the agreement; and

"(2) a person providing voluntary services under this subsection shall not be considered a Federal employee except for purposes of chapter 81 of title 5, United States Code, with respect to compensation for work-related injuries, and chapter 171 of title 28, United States Code, with respect to tort claims; and".

SEC. 203. RESERVE RETENTION BOARDS.

Section 741 of title 14, United States Code, is amended—

(1) in subsection (a) in the first sentence by striking "and are not on active duty and not on an approved list of selectees for promotion to the next higher grade" and inserting the following' ", except those officers who—

"(1) are on extended active duty;

"(2) are on a list of selectees for promotion;

"(3) will complete 30 years total commissioned service by June 30th following the date that the retention board is convened; or

"(4) have reached age 59 by the date on which the retention board is convened';

(2) in subsection (a) by moving the second sentence so as to begin—

(A) immediately below paragraph (4) (as added by paragraph (1) of this section); and

(B) flush with the left margin of the material preceding paragraph (1);

(3) by designating the third sentence of subsection (a) as subsection (b) by—

(A) inserting "(b)" before "This board shall—"; and

(B) moving the third sentence so as to begin immediately below the second sentence of subsection (a); and

(4) by redesignating the last 2 subsections as subsections (c) and (d), respectively.

SEC. 204. CONTINUITY OF GRADE OF ADMIRALS AND VICE ADMIRALS.

(a) Section 46(a) of title 14, United States Code, is amended to read as follows:

"(a) A Commandant who is not reappointed shall be retired with the grade of admiral at the expiration of the appointed term, except as provided in subsection 51(d) of this title.".

(b)(1) Section 47 of title 14, United States Code, is amended—

(A) in the heading by striking "; retirement";

(B) in subsection (a) by—

(i) striking "(A)" at the beginning thereof, and

(ii) striking the last sentence and inserting the following: "The appointment and grade of a Vice Commandant shall be effective on the date the officer assumes that duty, and shall terminate on the date the officer is detached from that duty, except as provided in subsection 51(d) of this title."; and

(C) by striking subsections (b), (c), and (d).

(2) The table of sections at the beginning of chapter 3 of title 14, United States Code, is amended by striking the item relating to section 47 and inserting the following:

"47. Vice Commandant: assignment.".

(c) Section 50(b) of title 14, United States Code, is amended by striking the last sentence and inserting "The appointment and grade of an area commander shall be effective on the date the officer assumes that duty, and shall terminate on the date the officer is detached from that duty, except as provided in subsection 51(d) of this title.".

(d) Section 51 of title 14, United States Code, is amended by adding at the end the following new subsection:

"(d) An officer serving in the grade of admiral or vice admiral shall continue to hold that grade—

"(1) while being processed for physical disability retirement, beginning on the day of the processing and ending on the day that officer is retired, but not for more than 180 days; and

"(2) while awaiting retirement, beginning on the day that officer is relieved from the position of Commandant, Vice Commandant, Area Commander, or Chief of Staff and ending on the day before the officer's retirement, but not for more than 60 days.".

SEC. 205. CHIEF OF STAFF.

(a) Section 41a(b) of title 14, United States Code, is amended by striking ", except that the rear admiral serving as Chief of Staff shall be the senior rear admiral for all purposes other than pay" at the end of the second sentence.

(b)(1) Title 14, United States Code, is amended by inserting after section 50 the following new section:

"§ 50a. Chief of Staff.

"(a) The President may appoint, by and with the advice and consent of the Senate, a Chief of Staff of the Coast Guard who shall rank next after the area commanders and who shall perform duties as prescribed by the Commandant. The Chief of Staff shall be appointed from the officers on the active duty promotion list serving above the grade of captain. The Commandant shall make recommendations for the appointment.

"(b) The Chief of Staff shall have the grade of vice admiral with the pay and allowances of that grade. The appointment and grade of the Chief of Staff shall be effective on the date the officer assumes that duty, and shall terminate on the date the officer is detached from that duty, except as provided in section 51(d) of this title.".

(2) The table of sections at the beginning of chapter 3 of title 14, United States Code, is amended by inserting after the item relating to section 50 the following:

"50a. Chief of Staff.".

(c) Section 51 of title 14, United States Code, is amended—

(1) in subsection (a) by striking "as Commander, Atlantic Area, or Commander, Pacific Area" and inserting "in the grade of vice admiral"; and

(2) in subsection (b) by striking "as Commander, Atlantic Area, or Commander, Pacific Area" and inserting "in the grade of vice admiral".

(d) Section 290 of title 14, United States Code, is amended—

(1) in subsection (a) by striking "or in the position of Chief of Staff" in the second sentence;

(2) in subsection (f)(1) by striking "Chief of Staff or"; and

(3) in subsection (f)(2) by striking "Chief of Staff or".

TITLE III—MISCELLANEOUS COAST GUARD PROVISIONS

SEC. 301. NORTH ATLANTIC ROUTES.

Sections 3 and 5 of the Act of June 25, 1936 (49 Stat. 1922, 46 App. U.S.C. 738b and 738d), are repealed.

SEC. 302. COAST GUARD FAMILY HOUSING.

(a) IN GENERAL.—Chapter 17 of title 14, United States Code, is amended by adding at the end the following new section:

"§ 670. Procurement authority for family housing

"(a) The Secretary is authorized—

"(1) to acquire, subject to the availability of appropriations sufficient to cover its full obligations, real property or interests therein by purchase, lease for a term not to exceed 5 years, or otherwise, for use as Coast Guard family housing units, including the acquisition of condominium units, which may include the obligation to pay maintenance, repair, and other condominium-related fees; and

"(2) to dispose of by sale, lease, or otherwise, any real property or interest therein used for Coast Guard family housing units for adequate consideration.

"(b)(1) For the purposes of this section, a multiyear contract is a contract to lease Coast Guard family housing units for at least one, but not more than 5, fiscal years.

"(2) The Secretary may enter into multiyear contracts under subsection (a) of

this section whenever the Coast Guard finds that—

"(A) the use of a contract will promote the efficiency of the Coast Guard family housing program and will result in reduced total costs under the contract; and

"(B) there are realistic estimates of both the cost of the contract and the anticipated cost avoidance through the use of a multiyear contract.

"(3) A multiyear contract authorized under subsection (a) of this section shall contain cancellation and termination provisions to the extent necessary to protect the best interests of the United States, and may include consideration of both recurring and nonrecurring costs. The contract may provide for a cancellation payment to be made. Amounts that were originally obligated for the cost of the contract may be used for cancellation or termination costs.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 17, United States Code, is amended by adding at the end the following:

"670. Procurement authority for family housing.".

SEC. 303. AIR STATION CAPE COD IMPROVEMENTS.

(a) IN GENERAL.—Chapter 17 of title 14, United States Code, is amended by adding after section 670 (as added by section 302 of this Act) the following new section:

"§ 671. Air Station Cape Cod improvements

"The Secretary may expend funds for the repair, improvement, restoration, or replacement of those federally or nonfederally owned support buildings, including appurtenances, which are on leased or permitted real property constituting Coast Guard Air Station Cape Cod, located on Massachusetts Military Reservation, Cape Cod, Massachusetts.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 17, United States Code, is amended by adding after the item relating to section 670 (as added by section 302 of this Act) the following:

"671. Air Station Cape Cod improvements.".

SEC. 304. LONG-TERM LEASE AUTHORITY FOR AIDS TO NAVIGATION.

(a) Chapter 17 of title 14, United States Code, is amended by adding after section 671 (as added by section 303 of this Act) the following new section:

"§ 672. Long-term lease authority for navigation and communications systems sites

"(a) The Secretary is authorized, subject to the availability of appropriations, to enter into lease agreements to acquire real property or interests therein for a term not to exceed 20 years, inclusive of any automatic renewal clauses, for aids to navigation (hereafter in this section referred to as 'ATON') sites, vessel traffic service (hereafter in this section referred to as 'VTS') sensor sites, or National Distress System (hereafter in this section referred to as 'NDS') high level antenna sites. These lease agreements shall include cancellation and termination provisions to the extent necessary to protect the best interests of the United States. Cancellation payment provisions may include consideration of both recurring and nonrecurring costs associated with the real property interests under the contract. These lease agreements may provide for a cancellation payment to be made. Amounts that were originally obligated for the cost of the contract may be used for cancellation or termination costs.

"(b) The Secretary may enter into multiyear lease agreements under subsection (a) of this section whenever the Secretary finds that—

"(1) the use of such a lease agreement will promote the efficiency of the ATON, VTS, or NDS programs and will result in reduced total costs under the agreement;

"(2) the minimum need for the real property or interest therein to be leased is expected to remain substantially unchanged during the contemplated lease period; and

"(3) the estimates of both the cost of the lease and the anticipated cost avoidance through the use of a multiyear lease are realistic.".

(b) The table of sections at the beginning of chapter 17 of title 14, United States Code, is amended by adding after the item relating to section 671 (as added by section 303 of this Act) the following:

"672. Long-term lease authority for navigation and communications systems sites.".

SEC. 305. AUTHORITY FOR EDUCATIONAL RESEARCH GRANTS.

(a) IN GENERAL.—Chapter 9 of title 14, United States Code, is amended by adding at the end the following new section.

"§ 196. Participation in Federal, State, or other educational research grants

"Notwithstanding any other provision of law, the United States Coast Guard Academy may compete for and accept Federal, State, or other educational research grants, subject to the following limitations:

"(1) No award may be accepted for the acquisition or construction of facilities.

"(2) No award may be accepted for the routine functions of the Academy.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 9 of title 14, United States Code, is amended by adding at the end the following:

"196. Participation in Federal, State, or other educational research grants.".

SEC. 306. PREPOSITIONED OIL SPILL CLEANUP EQUIPMENT.

The Secretary of Transportation is authorized to expend out of amounts appropriated for acquisition, construction, and improvement for fiscal year 1994—

(1) $890,000 to acquire and preposition oil spill response equipment at Port Arthur, Texas, and

(2) $890,000 to acquire and preposition oil spill response equipment at Helena, Arkansas, subject to the Secretary determining that adequate storage and maintenance facilities are available.

SEC. 307. SHORE FACILITIES IMPROVEMENTS AT COAST GUARD STATION LITTLE CREEK, VIRGINIA.

(a) The Secretary of Transportation, subject to the availability of appropriations, may at Coast Guard Station Little Creek, Virginia—

(1) construct a 2-story station building with operational, administrative, and living spaces;

(2) construct a 180-foot-long pier for Coast Guard patrol boats;

(3) construct a boat ramp; and

(4) strengthen a waterfront bulkhead.

(b) Funds necessary to carry out this section are authorized to be appropriated for fiscal year 1994.

SEC. 308. OIL SPILL TRAINING SIMULATOR.

The Secretary of Transportation is authorized to expend out of the amounts appropriated for acquisition, construction, and improvement not more than $1,250,000 to the Maritime College of the State of New York to purchase a marine oil spill management simulator.

SEC. 309. TECHNICAL CLARIFICATION.

Section 4283B of the Revised Statutes (46 App. U.S.C. 183c) is amended by striking "any court" in clause (2) and inserting in lieu thereof "court".

SEC. 310. OIL SPILL PREVENTION AND RESPONSE TECHNOLOGY TEST AND EVALUATION PROGRAM.

(a) Not later than 6 months after the date of enactment of this Act, the Secretary of Transportation shall establish a program to evaluate the technological feasibility and environmental benefits of having tank vessels carry oil spill prevention and response technology. To implement the program the Secretary shall—

(1) publish in the Federal Register an invitation for submission of proposals including plans and procedures for testing; and

(2) review and evaluate technology using, to the maximum extent possible, existing evaluation and performance standards.

(b) The Secretary shall, to the maximum extent possible, incorporate in the program established in subsection (a), the results of existing studies and evaluations of oil spill prevention and response technology carried on tank vessels.

(c) Not later than 2 years after the date of the enactment of this Act, the Secretary shall evaluate the results of the program established in subsection (a) and submit a report to Congress with recommendations on the feasibility and environmental benefits of, and appropriate equipment and utilization standards for, requiring tank vessels to carry oil spill prevention and response equipment.

(d) Not later than 6 months after the date of the enactment of this Act, the Secretary shall evaluate and report to the Congress on the feasibility of using segregated ballast tanks for emergency transfer of cargo and storage of recovered oil.

SEC. 311. UNMANNED SEAGOING BARGES.

Section 3302 of title 46, United States Code, is amended by adding at the end the following:

"(m) A seagoing barge is not subject to inspection under section 3301(6) of this title if the vessel is unmanned and does not carry—

"(1) a hazardous material as cargo; or

"(2) a flammable or combustible liquid, including oil, in bulk.".

SEC. 312. PROHIBITION ON DECOMMISSIONING ICEBREAKER MACKINAW.

(a) The Secretary of Transportation may not decommission the Coast Guard cutter MACKINAW before December 31, 1994.

(b) There is authorized to be appropriated to the Secretary of Transportation $1,600,000 for fiscal year 1994, to remain available until expended, for operations and maintenance of the Coast Guard cutter MACKINAW.

SEC. 313. LOWER COLUMBIA RIVER MARINE FIRE AND SAFETY ACTIVITIES.

The Secretary of Transportation is authorized to expend out of the amounts appropriated for the Coast Guard for fiscal year 1994 not more than $421,700, and for fiscal year 1995 not more than $358,300, for the lower Columbia River marine, fire, oil, and toxic spill response communications, training, equipment, and program administration activities conducted by the Marine Fire and Safety Association.

SEC. 314. CASS RIVER.

Subtitle II of title 46, United States Code, relating only to vessel inspection and manning, shall not apply to a vessel operating on the date of enactment of this Act on the Cass River above the dam at Frankenmuth, Michigan (locally known as the Hubinger Dam) which is inspected and licensed by the State of Michigan to carry passengers.

SEC. 315. SENSE OF THE CONGRESS REGARDING FUNDING FOR COAST GUARD.

It is the sense of the Congress that in appropriating amounts for the Coast Guard, the Congress should appropriate amounts adequate to enable the Coast Guard to carry out all extraordinary functions and duties the Coast Guard is required to undertake in addition to its normal functions established by law.

SEC. 316. COOPERATIVE AGREEMENT AUTHORITY.

Section 93 of title 14, United States Code, as amended by section 202 of this Act, is further amended by adding at the end the following new subsection:

"(u) enter into cooperative agreements with other Government agencies and the National Academy of Sciences.".

SEC. 317. REGIONAL FISHERIES LAW ENFORCEMENT TRAINING CENTERS.

(a) GULF OF MEXICO.—The Coast Guard shall establish a Gulf of Mexico Regional Fisheries Law Enforcement Training Center in the Eighth Coast Guard District in Southeastern Louisiana.

(b) SOUTHEAST ATLANTIC.—The Coast Guard shall establish a Southeast Regional Fisheries Law Enforcement Training Center in the Seventh Coast Guard District in Charleston, South Carolina.

(c) PURPOSE.—The purpose of the regional fisheries law enforcement training centers shall be to increase the skills and training of Coast Guard fisheries law enforcement personnel and to ensure that such training considers and meets the unique and complex needs and demands of the fisheries of the Gulf of Mexico and the Southeast United States.

SEC. 318. NATIONAL SAFE BOATING WEEK.

(a) The Act of June 4, 1958 (36 U.S.C. 161) is amended by striking "week commencing on the first Sunday in June" and inserting "the seven day period ending on the last Friday before Memorial Day".

(b) This section is effective January 1, 1995.

SEC. 319. LOS ANGELES-LONG BEACH VESSEL TRAFFIC SERVICE.

The Coast Guard is authorized to provide personnel support for the interim vessel traffic information service in the Ports of Los Angeles and Long Beach operated on behalf of the State of California by the Marine Exchange of Los Angeles-Long Beach Harbors, Inc., a California nonprofit corporation (hereinafter referred to as "Marine Exchange"). The Coast Guard shall be reimbursed for all costs associated with providing such personnel in accordance with a reimbursable agreement between the Coast Guard and the State of California. Amounts received by the Coast Guard as reimbursements for its costs shall be credited to the appropriation for operating expenses of the Coast Guard. The United States Government assumes no liability for any act or omission of any officer, director, employee, or representative of the Marine Exchange or of the State of California, arising out of the operation of the vessel traffic information service by the Marine Exchange, and the Coast Guard shall have the same protections and limitations on such liability as are afforded to the Marine Exchange under California law.

SEC. 320. FINANCIAL RESPONSIBILITY FOR NONPERFORMANCE.

Section 3(b) of Public Law 89–777 (46 App. U.S.C. 817e(b)) is amended by striking "and such bond or other security shall be in an amount paid equal to the estimated total revenue for the particular transportation." and inserting a period.

SEC. 321. FISHING AND FISH TENDER VESSELS.

(a) In this section, "fish tender vessel", "fishing vessel", and "tank vessel" have the meanings given those terms under section 2101 of title 46, Under States Code.

(b) A fishing vessel or fish tender vessel of not more than 750 gross tons, when engaged only in the fishing industry, shall not be deemed to be a tank vessel for the purposes of any law.

(c)(1) This section does not affect the authority of the Secretary of Transportation under chapter 33 of title 46, United States Code, to regulate the operation of the vessels listed in subsection (b) to ensure the safe carriage of oil and hazardous substances.

(2) This section does not affect the requirement for fish tender vessels engaged in the Aleutian trade to comply with chapters 33, 45, 51, 81, and 87 of title 45, United States Code, as provided in the Aleutian Trade Act of 1990 (Pub. L. 101–595).

SEC. 322. OIL SPILL RECOVERY OPERATIONS.

(a) Section 8104 of title 46, United States Code, is amended—

(1) in subsection (g), by striking "a vessel used only to respond to a discharge of oil or a hazardous substance,"; and

(2) by adding a new subsection to read as follows:

"(p) On a vessel used only to respond to a discharge of oil or a hazardous substance, the licensed individuals and crewmembers may be divided into at least two watches when the vessel is engaged in an operation less than 12 hours in duration.".

(b) Section 8301 of title 46, United States Code, is amended by adding a new subsection to read as follows:

"(e) A vessel used only to respond to a discharge of oil or a hazardous substance shall have—

"(1) two licensed mates when the vessel is engaged in an operation over 12 hours in duration;

"(2) one licensed mate when the vessel is engaged in an operation less than 12 hours in duration; and

"(3) if the vessel is more than 200 gross tons, a licensed engineer when the vessel is operating.".

SEC. 323. LIMITATIONS ON PERFORMANCE OF LONGSHORE WORK BY ALIEN CREWMEMBERS—ALASKA EXCEPTION.

(a) ALASKA EXCEPTION.—Section 258 of the Immigration and Nationality Act (8 U.S.C. 1288) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection:

"(d) STATE OF ALASKA EXCEPTION.—(1) Subsection (a) shall not apply to a particular activity of longshore work at a particular location in the State of Alaska if an employer of alien crewmen has filed an attestation with the Secretary of Labor at least 30 days before the date of the first performance of the activity (or anytime up to 24 hours before the first performance of the activity, upon a showing that the employer could not have reasonably anticipated the need to file an attestation for that location at that time) setting forth facts and evidence to show that—

"(A) the employer will make a bona fide request for United States longshore workers who are qualified and available in sufficient numbers to perform the activity at the particular time and location from the parties to whom notice has been provided under clauses (ii) and (iii) of subparagraph (D), except that—

"(i) wherever two or more contract stevedoring companies have signed a joint collective bargaining agreement with a single labor organization described in subparagraph (d)(i), the employer may request longshore workers from only one of such contract stevedoring companies, and

"(ii) a request for longshore workers to an operator of a private dock may be made only for longshore work to be performed at that dock and only if the operator meets the requirements of section 32 of the Longshoremen's and Harbor Workers' Compensation Act (33 U.S.C. 932);

"(B) the employer will employ all those United States longshore workers made available in response to the request made pursuant to subparagraph (A) who are qualified and available in sufficient numbers and who are needed to perform the longshore activity at the particular time and location;

"(C) the use of alien crewmembers for such activity is not intended or designed to influence an election of a bargaining representative for workers in the State of Alaska; and

"(D) notice of the attestation has been provided by the employer to—

"(i) labor organizations which have been recognized as exclusive bargaining representatives of United States longshore workers within the meaning of the National Labor Relations Act and which make available or intend to make available workers to the particular location where the longshore work is to be performed,

"(ii) contract stevedoring companies which employ or intend to employ United States longshore workers at that location, and

"(iii) operators of private docks at which the employer will use longshore workers.

"(2)(A) An employer filing an attestation under paragraph (1) who seeks to use alien crewmen to perform longshore work shall be responsible while the attestation is valid to make bona fide requests for United States longshore workers under paragraph (1)(A) and to employ United States longshore workers, as provided in paragraph (1)(B), before using alien crewmen to perform the activity or activities specified in the attestation, except that an employer shall not be required to request longshore workers from a party if that party has notified the employer in writing that it does not intend to make available United States longshore workers to the location at which the longshore work is to be performed.

"(B) If a party that has provided such notice subsequently notifies the employer in writing that it is prepared to make available United States longshore workers who are qualified and available in sufficient numbers to perform the longshore activity to the location at which the longshore work is to be performed, then the employer's obligations to that party under subparagraphs (A) and (B) of paragraph (1) shall begin 60 days following the issuance of such notice.

"(3)(A) In no case shall an employer filing an attestation be required—

"(i) to hire less than a full work unit of United States longshore workers needed to perform the longshore activity;

"(ii) to provide overnight accommodations for the longshore workers while employed; or

"(iii) to provide transportation to the place of work, except where—

"(I) surface transportation is available;

"(II) such transportation may be safely accomplished;

"(III) travel time to the vessel does not exceed one-half hour each way; and

"(IV) travel distance to the vessel from the point of embarkation does not exceed 5 miles.

"(B) In the cases of Wide Bay, Alaska, and Klawock/Craig, Alaska, the travel times and

travel distances specified in subclauses (III) and (IV) of subparagraph (A) shall be extended to 45 minutes and 7½ miles, respectively, unless the party responding to the request for longshore workers agrees to the lesser time and distance limitations specified in those subclauses.

"(4) Subject to subparagraphs (A) through (D) of subsection (c)(4), attestations filed under paragraph (1) of this subsection shall—

"(A) expire at the end of the 1-year period beginning on the date the employer anticipates the longshore work to begin, as specified in the attestation filed with the Secretary of Labor, and

"(B) apply to aliens arriving in the United States during such 1-year period if the owner, agent, consignee, master, or commanding officer states in each list under section 251 that it continues to comply with the conditions in the attestation.

"(5)(A) Except as otherwise provided by subparagraph (B), subsection (c)(3) and subparagraphs (A) through (E) of subsection (c)(4) shall apply to attestations filed under this subsection.

"(B) The use of alien crewmen to perform longshore work in Alaska consisting of the use of an automated self-unloading conveyor belt or vacuum-actuated system on a vessel shall be governed by the provisions of subsection (c).

"(6) For purposes of this subsection—

"(A) the term 'contract stevedoring companies' means those stevedoring companies licensed to do business in the State of Alaska that meet the requirements of section 32 of the Longshoremen's and Harbor Workers' Compensation Act (33 U.S.C. 932); and

"(B) the term 'employer' includes any agent or representative designated by the employer; and

"(C) the terms 'qualified' and 'available in sufficient numbers' shall be defined by reference to industry standards in the State of Alaska, including safety considerations.".

(b) CONFORMING AMENDMENTS.—

(1) Section 258(a) (8 U.S.C. 1288(a)) is amended by striking "subsection (c) or subsection (d)" and inserting "subsection (c), (d), or (e)".

(2) Section 258(c)(4)(A) (8 U.S.C. 1288(c)(4)(A)) is amended by inserting "or subsection (d)(1)" after "paragraph (1)" each of the two places it appears.

(3) Section 258(c) (8 U.S.C. 1288(c)) is amended by adding at the end the following new paragraph:

"(5) Except as provided in paragraph (5) of subsection (d), this subsection shall not apply to longshore work performed in the State of Alaska.".

(c) IMPLEMENTATION.—(1) The Secretary of Labor shall prescribe such regulations as may be necessary to carry out this section.

(2) Attestations filed pursuant to section 258(c) (8 U.S.C. 1288(c)) with the Secretary of Labor before the date of enactment of this Act shall remain valid until 60 days after the date of issuance of final regulations by the Secretary under this section.

SEC. 324. CAPE COD LIGHTHOUSE PLANNING AND DESIGN STUDIES.

(a) COMPLETION OF STUDIES.—

(1) PLANNING.—Not later than 6 months after the date of enactment of this Act, the Secretary of Transportation and the Secretary of the Interior shall complete the necessary planning studies, including selection of a relocation site, identified in the Coast Guard's strategy document for relocation of the Cape Cod Lighthouse (popularly known as the "Highland Light Station"), located in North Truro, Massachusetts.

(2) DESIGN.—Not later than 18 months after the date of enactment of this Act, the Secretary of Transportation shall complete the design studies identified in the Coast Guard's strategy document for relocation of the Cape Cod Lighthouse.

(b) USE OF AMOUNTS FOR STUDIES.—Of amounts appropriated under the authority of this Act for acquisition, construction, rebuilding, and improvement, the Secretary of transportation may use up to $600,000 for conducting the studies required under subsection (a).

SEC. 325. WASHINGTON STATE LIGHTHOUSES.

(a) AUTHORITY TO TRANSFER.—

(1) IN GENERAL.—The Secretary may convey by any appropriate means to the Washington State Parks and Recreation Commission all right, title, and interest of the United States in and to property comprising 1 or more of the Cape Disappointment Lighthouse, North Head Lighthouse, and Point Wilson Lighthouse.

(2) IDENTIFICATION OF PROPERTY.—The Secretary may identify, describe, and determine property conveyed pursuant to this section.

(b) TERMS AND CONDITIONS.—

(1) IN GENERAL.—The conveyance of property pursuant to subsection (a) shall be made—

(A) without the payment of consideration; and

(B) subject to such terms and conditions as the Secretary may consider appropriate.

(2) REVERSIONARY INTEREST.—In addition to any term or condition established pursuant to paragraph (1), any conveyance of property comprising Cape Disappointment Lighthouse, North Head Lighthouse, or Point Wilson Lighthouse pursuant to this section shall be subject to the condition that all right, title, and interest in and to the property so conveyed shall immediately revert to the United States if the property, or any part thereof—

(A) ceases to be used as a center for public benefit for the interpretation and preservation of maritime history;

(B) ceases to be maintained in a manner that ensures its present or future use as a Coast Guard aid to navigation; or

(C) ceases to be maintained in a manner consistent with the provisions of the National Historic Preservation Act of 1966 (16 U.S.C. 470 et seq.).

(3) REQUIRED CONDITIONS.—Any conveyance of property pursuant to this section shall be made subject to such conditions as the Secretary considers to be necessary to assure that—

(A) the lights, antennas, and associated equipment located on the property conveyed, which are active aids to navigation, shall continue to be operated and maintained by the United States;

(B) the Washington State Parks and Recreation Commission may not interfere or allow interference in any manner with such aids to navigation without express written permission from the Secretary of Transportation;

(C) there is reserved to the United States the right to relocate, replace, or add any aids to navigation or make any changes on any portion of such property as may be necessary for navigation purposes;

(D) the United States shall have the right, at any time, to enter such property without notice for the purpose of maintaining aids to navigation;

(E) the United States shall have an easement of access to such property for the purpose of maintaining the aids to navigation in use on the property; and

(F) the property shall be rehabilitated and maintained by the owner in accordance with the provisions of the National Historic Preservation Act of 1966 (16 U.S.C. 470 et seq.).

(4) MAINTENANCE OF CERTAIN EQUIPMENT NOT REQUIRED.—The Washington State Parks and Recreation Commission shall not have any obligation to maintain any active aid to navigation equipment on property conveyed pursuant to this section.

(c) DEFINITIONS.—For purposes of this section, the term—

(1) "Cape Disappointment Lighthouse" means the Coast Guard lighthouse located at Fort Canby State Park, Washington, including—

(A) the lighthouse, excluding any lantern or lens that is the personal property of the Coast Guard; and

(B) such land as may be necessary to enable the Washington State Parks and Recreation Commission to operate at that lighthouse a center for public benefit for the interpretation and preservation of the maritime history;

(2) "North Head Lighthouse" means the Coast Guard lighthouse located at Fort Canby State Park, Washington, including—

(A) the lighthouse, excluding any lantern or lens that is the personal property of the Coast Guard;

(B) ancillary buildings; and

(C) such land as may be necessary to enable the Washington State Parks and Recreation Commission to operate at that lighthouse a center for public benefit for the interpretation and preservation of maritime history;

(3) "Point Wilson Lighthouse" means the Coast Guard lighthouse located at Fort Worden State Park, Washington, including—

(A) the lighthouse, excluding any lantern or lens that is the personal property of the Coast Guard;

(B) 2 ancillary buildings; and

(C) such land as may be necessary to enable the Washington State Parks and Recreation Commission to operate at that lighthouse a center for public benefit for the interpretation and preservation of maritime history; and

(4) "Secretary" means the Secretary of Transportation.

SEC. 326. HERON NECK LIGHTHOUSE.

(a) AUTHORITY TO TRANSFER.—

(1) IN GENERAL.—The Secretary of Transportation shall convey by any appropriate means to the Island Institute, Rockland, Maine, all right, title, and interest of the United States in and to property comprising the Heron Neck Lighthouse.

(2) IDENTIFICATION OF PROPERTY.—The Secretary may identify, describe, and determine property conveyed pursuant to this subsection.

(b) TERMS AND CONDITIONS.—

(1) IN GENERAL.—The conveyance of property pursuant to subsection (a) shall be made—

(A) without payment of consideration; and

(B) subject to such terms and conditions as the Secretary may consider appropriate.

(2) USE OF PROPERTY.—The property conveyed pursuant to subsection (a) may be used for educational, historic, recreational, and cultural programs open to and for the benefit of the general public. Theme displays, museums, gift shops, open exhibits, meeting rooms, and an office and quarters for personnel in connection with security and administration of the property are expressly authorized. Other uses not inconsistent with the foregoing uses are permitted unless the Secretary shall reasonably determine that such uses are incompatible with the historic nature of the property or with other provisions of this section.

(3) REVISIONARY INTEREST.—In addition to any term or condition established pursuant to paragraph (1), any conveyance of property comprising the Heron Neck Lighthouse pursuant to subsection (a) shall be subject to the condition that all right, title, and interest in and to the property so conveyed shall immediately revert to the United States if the property, or any part thereof—

(A) ceases to be used as a nonprofit center for educational, historic, recreational, and cultural programs open to and for the benefit of the general public;

(B) ceases to be maintained in a manner that ensures its present or future use as a Coast Guard aid to navigation; or

(C) ceases to be maintained in a manner consistent with the provisions of the National Historic Preservation Act of 1966 (U.S.C. 470 et seq.).

(3) REQUIRED CONDITIONS.—Any conveyance of property pursuant to this section shall be made subject to such conditions as the Secretary considers to be necessary to assure that—

(A) the light, antennas, sound signal, and associated lighthouse equipment located on the property conveyed, which are active aids to navigation, shall continue to be operated and maintained by the United States Government for as long as they are needed for this purpose;

(B) the Island Institute may not interfere or allow interference in any manner with such aids to navigation without express written permission from the Secretary;

(C) there is reserved to the United States the right to relocate, replace, or add any aids to navigation or made any changes on any property as may be necessary for navigation purposes;

(D) the United States shall have the right, at any time, to enter such property without notice for the purpose of maintaining aids to navigation; and

(E) the United States shall have an easement of access to such property for the purpose of maintaining the aids to navigation in use on the property.

(4) MAINTENANCE OBLIGATION.—The Island Institute shall not have any obligation to maintain any active aid to navigation equipment on property conveyed pursuant to subsection (a).

(c) PROPERTY TO BE MAINTAINED IN ACCORDANCE WITH CERTAIN LAWS.—The Island Institute shall maintain the Heron Neck Lighthouse in accordance with the Provisions of the National Historic Preservation Act of 1966 (16 U.S.C. et seq.) and other applicable laws.

(d) DEFINITIONS.—For purposes of this section, the term "Heron Neck Lighthouse" means the Coast Guard lighthouse located on Green Island, Vinalhaven, Maine, including—

(1) the attached keeper's dwelling, ancillary buildings, and associated fog signal, and boat ramp; and

(2) such land as may be necessary to enable the Island Institute to operate at that lighthouse a nonprofit center for public benefit.

SEC. 327. BURNT COAT HARBOR LIGHTHOUSE.

(a) AUTHORITY TO TRANSFER.—

(1) IN GENERAL.—The Secretary of Transportation shall convey by any appropriate means to the Town of Swan's Island, Swans Island, Maine, all right, title, and interest of the United States in and to property comprising the Burnt Coat Harbor Lighthouse.

(2) IDENTIFICATION OF PROPERTY.—The Secretary may identify, describe, and determine property conveyed pursuant to this subsection.

(b) TERMS AND CONDITIONS.—

(1) IN GENERAL.—The conveyance of property pursuant to subsection (a) shall be made—

(A) without payment of consideration; and

(B) subject to such terms and conditions as the Secretary may consider appropriate.

(2) USE OF PROPERTY.—The property conveyed pursuant to subsection (a) may be used for educational, historic, recreational, and cultural programs open to and for the benefit of the general public. Theme displays, museums, gift shops, open exhibits, meeting rooms, and an office and quarters for personnel in connection with security and administration of the property are expressly authorized. Other uses not inconsistent with the foregoing uses are permitted unless the Secretary shall reasonably determine that such uses are incompatible with the historic nature of the property or with other provisions of this section.

(3) REVERSIONARY INTEREST.—In addition to any term or condition established pursuant to paragraph (1), any conveyance of property comprising the Heron Neck Lighthouse pursuant to subsection (a) shall be subject to the condition that all right, title, and interest in and to the property so conveyed shall immediately revert to the United States if the property, or any part thereof—

(A) ceases to be used as a nonprofit center for public benefit for the interpretation and preservation of the material culture of the United States Coast Guard and the maritime history of the State of Maine;

(B) ceases to be maintained in a manner that ensures its present or future use as a Coast Guard aid to navigation; or

(C) ceases to be maintained in a manner consistent with the provisions of the National Historic Preservation Act of 1966 (U.S.C. 470 et seq.).

(4) REQUIRED CONDITIONS.—Any conveyance of property pursuant to this section shall be made subject to such conditions as the Secretary considers to be necessary to assure that—

(A) the light, antennas, sound signal, and associated lighthouse equipment located on the property conveyed, which are active aids to navigation, shall continue to be operated and maintained by the United States Government for as long as they are needed for this purpose;

(B) the Town of Swan's Island may not interfere or allow interference in any manner with such aids to navigation without express written permission from the Secretary;

(C) there is reserved to the United States the right to relocate, replace, or add any aids to navigation or make changes on any property as may be necessary for navigation purposes;

(D) the United States shall have the right, at any time, to enter such property without notice for the purpose of maintaining aids to navigation; and

(E) the United States shall have an easement of access to such property for the purpose of maintaining the aids to navigation in use on the property.

(4) MAINTENANCE OBLIGATION.—The town of Swan's Island shall not have any obligation to maintain any active aid to navigation equipment on property conveyed pursuant to subsection (a).

(c) PROPERTY TO BE MAINTAINED IN ACCORDANCE WITH CERTAIN LAWS.—The Town of Swan's Island shall maintain the Burnt Coat Harbor Lighthouse in accordance with the Provisions of the National Historic Preservation Act of 1966 (16 U.S.C. et seq.) and other applicable laws.

(d) DEFINITIONS.—For purposes of this section, the term "Burnt Coat Harbor Lighthouse" means the Coast Guard lighthouse located on Swans Island, Maine, including the keeper's dwelling, oil house, bell tower and such lands as may be necessary to enable the Swan's Island Educational Society to operate at the lighthouse a nonprofit center for public benefit.

TITLE IV—EMPLOYMENT AND DISCHARGE

SEC. 401. SHIPPING ARTICLES AGREEMENTS.

Section 10302 of title 46, United States Code, is amended—

(1) by amending subsection (a) to read as follows:

"(a) The owner, charterer, managing operator, master, or individual in charge shall make a shipping agreement in writing with each seaman before the seaman commences employment."; and

(2) by adding at the end the following new subsections:

"(c) Each shipping agreement must be signed by the master or individual in charge or a representative of the owner, charterer, or managing operator, and by each seaman employed.

"(d) The owner, charterer, managing operator, master, or individual in charge shall maintain the shipping agreement and make the shipping agreement available to the seaman.".

SEC. 402. FORM OF AGREEMENTS.

Section 10304 of title 46, United States Code, is amended by striking "Shipping commissioner's signature or initials" from the form.

SEC. 403. MANNER OF SIGNING AGREEMENTS.

Section 10305 of title 46, United States Code, is amended—

(1) in subsection (a)(2), by striking "a shipping commissioner" and inserting in lieu thereof "the master or individual in charge";

(2) by striking "(a)"; and

(2) by striking subsections (b) and (c).

SEC. 404. EXHIBITING MERCHANT MARINERS' DOCUMENTS.

Section 10306 of title 46, United States Code, is amended by striking "shipping commissioner" and inserting in lieu thereof "master or individual in charge".

SEC. 405. REPEAL OF PENALTY FOR FAILURE TO POST AGREEMENT.

Section 10307 of title 46, United States Code, is amended by striking the last sentence.

SEC. 406. REPEAL OF PENALTY RELATING TO ENGAGING SEAMEN OUTSIDE UNITED STATES.

Section 10308 of title 46, United States Code, is amended by striking "(a)" and by striking subsection (b).

SEC. 407. REPEAL OF PENALTY RELATING TO ENGAGING REPLACEMENT SEAMEN; APPLICATION OF REQUIREMENTS.

Section 10309 of title 46, United States Code, is amended by striking subsection (b) and redesignating subsection (c) as subsection (b).

SEC. 408. ACCOUNTING OF WAGES AND DEDUCTIONS AT PAYOFF OR DISCHARGE.

Section 10310 of title 46, United States Code, is amended by striking "or a shipping commissioner" in the first sentence and by striking the last sentence.

SEC. 409. CERTIFICATES OF DISCHARGE.

Section 10311 of title 46, United States Code, is amended—

(1) in subsection (a), by striking "shipping commissioner" and inserting in lieu thereof "master or individual in charge";

(2) in subsection (b), by striking the last sentence and inserting in lieu thereof "The certificate shall be signed by the master and the seaman.";

(3) in subsection (d)(1), by striking "Secretary" and inserting in lieu thereof "owner, charterer, managing operator, master, or individual in charge"; and

(4) in subsection (d)(2), by striking "at a cost prescribed by regulation" and inserting in lieu thereof "at the request of the seaman".

SEC. 410. SETTLEMENTS ON DISCHARGE.

Section 10312 of title 46, United States Code, is amended to read as follows:

"§ 10312. Settlements on discharge

"When discharge and settlement are completed, the master, individual in charge, or owner and each seaman shall sign the agreement required by section 10302 of this title.".

SEC. 411. RECORDS OF SEAMEN.

Section 10320 of title 46, United States Code, is amended to read as follows:

"§ 10320. Records of seamen

"The Secretary shall prescribe regulations requiring vessel owners to maintain records of seamen on matters of engagement, discharge, and service. A vessel owner shall make these records available to the seamen and the Coast Guard on request.".

SEC. 412. GENERAL PENALTY.

Section 10321 of title 46, United States Code, is amended to read as follows:

"10321. General penalty

"(a) A person violating any provision of this chapter or a regulation prescribed under this chapter is liable to the United States Government for a civil penalty of not more than $5,000.

"(b) The vessel is liable in rem for any penalty assessed under this section.".

SEC. 413. SHIPPING ARTICLES AGREEMENTS.

Section 10502 of title 46, United States Code, is amended—

(1) by amending subsection (a) to read as follows:

"(a) The owner, charterer, managing operator, master, or individual in charge shall make a shipping agreement in writing with each seaman before the seaman commences employment.".

(2) by adding at the end the following new subsections:

"(d) Each shipping agreement must be signed by the master or individual in charge or a representative of the owner, charterer, or managing operator, and by each seaman employed.

"(e) The owner, charterer, managing operator, master, or individual in charge shall maintain the shipping agreement and make the shipping agreement available to the seaman.

"(f) The Secretary shall prescribe regulations requiring shipping companies to maintain records of seamen on matters of engagement, discharge, and service. The shipping companies shall make these records available to the seaman and the Coast Guard on request.".

SEC. 414. ADVANCES.

Section 10505 of title 46, United States Code, is amended—

(1) in subsection (a)(2), by striking "$100" and inserting in lieu thereof "$5,000"; and

(2) in subsection (b), by striking "$500" and inserting in lieu thereof "$5,000".

SEC. 415. DUTIES OF SHIPPING COMMISSIONERS.

(a) REPEAL.—Section 10507 of title 46, United States Code, is repealed.

(b) CONFORMING AMENDMENT.—The analysis at the beginning of chapter 105 of title 46, United States Code, is amended by striking the item relating to section 10507.

SEC. 416. GENERAL PENALTIES.

Section 10508(b) is amended by striking "$20" and inserting in lieu thereof "not more than $5,000".

SEC. 417. GENERAL REPORT REQUIREMENT.

Section 10103(a) of title 46, United States Code, is amended—

(1) by striking "without a shipping commissioner being present"; and

(2) by inserting "to the vessel owner" immediately after "shall submit reports".

SEC. 418. PROCEDURES OF MASTERS REGARDING SEAMAN'S EFFECTS.

Section 10703 of title 46, United States Code, is amended—

(1) in subsection (a), by striking "by regulations prescribed by the Secretary" and inserting in lieu thereof "in section 10706 of this title";

(2) in subsection (b), by striking "as prescribed by regulations" and inserting in lieu thereof "to a district court of the United States"; and

(3) in subsection (c), by striking "subsection (a) of this section" and inserting in lieu thereof "section 10706 of this title".

SEC. 419. SEAMEN DYING IN THE UNITED STATES.

Section 10706 of title 46, United States Code, is amended by striking at the end "as provided by regulations prescribed by the Secretary." and inserting in lieu thereof "to a district court of the United States within one week of the seaman's death. If the seaman's death occurs at sea, such money, property, or wages shall be delivered to a district court or a consular officer within one week of the vessel's arrival at the first port call after the seaman's death.".

SEC. 420. DELIVERY TO DISTRICT COURT.

(a) REPEAL.—Section 10707 of title 46, United States Code, is repealed.

(b) AMENDMENT TO CHAPTER ANALYSIS.—The analysis at the beginning of chapter 107 of title 46, United States Code, is amended by striking the item relating to section 10707.

SEC. 421. DISPOSAL OF FORFEITURES.

Section 11505 of title 46, United States Code, is amended—

(1) in subsection (a), by striking the last sentence and inserting in lieu thereof "The balance shall be transferred to the appropriate district court of the United States when the voyage is completed."; and

(2) in subsection (b), by striking the first sentence.

SEC. 422. CONFORMING AMENDMENTS.

(a) DUTIES OF MASTERS.—Section 10702(b) of title 46, United States Code, is amended by striking "a shipping commissioner" and inserting in lieu thereof "the consular officer or court clerk".

(b) COMPLAINTS OF UNFITNESS.—Section 10902(b) of title 46, United States Code, is amended—

(1) in paragraph (1)—

(A) by inserting "Secretary," immediately after "The complaint may be made to the";

(B) by striking "Coast Guard shipping commissioner,"; and

(2) in paragraphs (2) and (3), by striking "The officer, commissioner," each place it appears and inserting in lieu thereof "The Secretary, officer,".

(c) SHIPPING COMMISSIONER DESIGNATIONS AND DUTIES.—(1) Section 10102 of title 46, United States Code, is repealed.

(2) The analysis at the beginning of chapter 101 is amended by striking the item relating to section 10102.

TITLE V—PASSENGER VESSEL SAFETY

SEC. 501. SHORT TITLE.

This title may be cited as the "Passenger Vessel Safety Act of 1993".

SEC. 501. PASSENGER.

Section 2101(21) of title 46, United States Code, is amended to read as follows:

"(21) 'passenger'—

"(A) means an individual carried on the vessel except—

"(i) the owner or an individual representative of the owner or, in the case of a vessel under charter, an individual charterer or individual representative of the charterer;

"(ii) the master; or

"(iii) a member of the crew engaged in the business of the vessel who has not contributed consideration for carriage and who is paid for on board services.

"(B) on an offshore supply vessel, means an individual carried on vessel except—

"(i) an individual included in clause (i), (ii), or (iii) of subparagraph (A) of this paragraph;

"(ii) an employee of the owner, or of a subcontractor to the owner, engaged in the business of the owner;

"(iii) an employee of the charterer, or of a subcontractor to the charterer, engaged in the business of the charterer; or

"(iv) an individual employed in a phase of exploration, exploitation, or production of offshore mineral or energy resources served by the vessel.

"(C) on a fishing vessel, fish processing vessel, or fish tender vessel, means an individual carried on the vessel except—

"(i) an individual included in clause (i), (ii), or (iii) of subparagraph (A) of this paragraph;

"(ii) a managing operator;

"(iii) an employee of the owner, or of a subcontractor to the owner, engaged in the business of the owner;

"(iv) an employee of the charterer, or of a subcontractor to the charterer, engaged in the business of the charterer; or

"(v) an observer or sea sampler on board the vessel pursuant to a requirement of State or Federal law.

"(D) on a sailing school vessel, means an individual carried on the vessel except—

"(i) an individual included in clause (i), (ii), or (iii) of subparagraph (A) of this paragraph;

"(ii) an employee of the owner of the vessel engaged in the business of the owner, except when the vessel is operating under a demise charter;

"(iii) an employee of the demise charterer of the vessel engaged in the business of the demise charterer; or

"(iv) a sailing school instructor or sailing school student.".

SEC. 503. PASSENGER VESSEL.

Section 2101(22) of title 46, United States Code, is amended to read as follows:

"(22) 'passenger vessel' means a vessel of at least 100 gross tons—

"(A) carrying more than 12 passengers, including at least one passenger for hire;

"(B) that is chartered and carrying more than 12 passengers; or

"(C) that is a submersible vessel carrying at least one passenger for hire.".

SEC. 504. SMALL PASSENGER VESSEL.

Section 2101(35) of title 46, United States Code, is amended to read as follows:

"(35) 'small passenger vessel' means a vessel of less than 100 gross tons—

"(A) carrying more than 6 passengers, including at least one passenger for hire;

"(B) that is chartered with the crew provided or specified by the owner or the owner's representative and carrying more than 6 passengers;

"(C) that is chartered with no crew provided or specified by the owner or the owner's representative and carrying more than 12 passengers; or

"(D) that is a submersible vessel carrying at least one passenger for hire.".

SEC. 505. UNINSPECTED PASSENGER VESSEL.

Section 2101(42) of title 46, United States Code, is amended to read as follows:

"(42) 'uninspected passenger vessel' means an uninspected vessel—

"(A) of at least 100 gross tons—

"(i) carrying not more than 12 passengers, including at least one passenger for hire; or

"(ii) that is chartered with the crew provided or specified by the owner or the owner's representative and carrying not more than 12 passengers; and

"(B) of less than 100 gross tons—

"(i) carrying not more than 6 passengers, including at least one passenger for hire; or

"(ii) that is chartered with the crew provided or specified by the owner or the owner's representative and carrying not more than 6 passengers.".

SEC. 506. PASSENGER FOR HIRE.

Section 2101 of title 46, United States Code, is amended by inserting between paragraphs (21) and (22) a new paragraph (21a) to read as follows:

"(21a) 'passenger for hire' means a passenger for whom consideration is contributed as a condition of carriage on the vessel, whether directly or indirectly flowing to the owner, charterer, operator, agent, or any other person having an interest in the vessel.".

SEC. 507. CONSIDERATION.

Section 2101 of title 46, United States Code, is amended by inserting between paragraph (5) and (6) a new paragraph (5a) to read as follows:

"(5a) 'consideration' means an economic benefit, inducement, right, or profit including pecuniary payment accruing to an individual, person, or entity, but not including a voluntary sharing of the actual expenses of the voyage, by monetary contribution or donation of fuel, food, beverage, or other supplies.'.

SEC. 508. OFFSHORE SUPPLY VESSEL.

Section 2101(19) of title 46, United States Code, is amended by inserting "individuals in addition to the crew," immediately after "supplies," and by striking everything after "resources" to the period at the end.

SEC. 509. SAILING SCHOOL VESSEL.

Section 2101(30) of title 46, United States Code, is amended in subparagraph (B) by striking "at least 6" and substituting "more than 6".

SEC. 510. SUBMERSIBLE VESSEL.

Section 2101 of title 46, United States Code, is amended by inserting between paragraph (37) and (38) a new paragraph (37a) to read as follows:

"37a) 'submersible vessel' means a vessel that is capable of operating below the surface of the water.".

SEC. 511. GENERAL PROVISION.

(a) Section 2113 of title 46, United States Code, is amended to read as follows:

§ 2113. Authority to exempt certain vessels

"If the Secretary decides that the applicant of a provision of part B, C, F, or G of this subtitle is not necessary in performing the mission of the vessel engaged in excursions or an oceanographic research vessel, or not necessary for the safe operation of certain vessels carrying passengers, the Secretary by regulation may—

"(1) for a vessel, issue a special permit specifying the conditions of operation and equipment;

"(2) exempt an oceanographic research vessel from that provision under conditions the Secretary may specify;

"(3) establish different operating and equipment requirements for vessels defined in section 2101(42)(A) of this title;

"(4) establish different structural fire protection, manning, operating, and equipment requirements for vessels of at least 100 gross tons but less than 300 gross tons carrying not more than 150 passengers on domestic voyages if the owner of the vessel—

"(A) makes application for inspection to the Coast Guard within 6 months of the date of enactment of the Passenger Vessel Safety Act of 1993; and

"(B) provides satisfactory documentation that the vessel was chartered at least once within the previous 12 months prior to the date of enactment of that Act; and

"(5) establish different structural fire protection, manning, operating, and equipment requirements for former public vessels of the United States of at least 100 gross tons but less than 500 gross tons, carrying not more than 150 passengers on domestic voyages, if the owner of the vessel—

"(A) makes application for inspection to the Coast Guard within 6 months of the date of enactment of the Passenger Vessel Safety Act of 1993; and

"(B) provides satisfactory documentation that the vessel was chartered at least once within the previous 12 months prior to the date of enactment of that Act.".

(b) Section 4105 of title 46, United States Code, is amended—

(1) by inserting "(a)" before the text; and

(2) by adding a new subsection (b) to read as follows:

"(b) Within twenty-four months of the date of enactment of this subsection, the Secretary shall, by regulation, require certain additional equipment which may include liferafts or other lifesaving equipment, construction, standards, or specify additional operating standards for those uninspected passenger vessels defined in section 2101(42)(A) of this title.".

SEC. 512. EQUIPMENT AND STANDARDS FOR CERTAIN PASSENGER VESSELS.

(a) Section 3306 of title 46, United States Code, is amended by adding at the end of the following new subsections:

"(h) The Secretary shall establish appropriate structural fire protection, manning, operating, and equipment requirements for vessels of at least 100 gross tons but less that 300 gross tons carrying not more than 150 passengers on domestic voyages, which meet the eligibility criteria of section 2113(4) of this title.

"(i) The Secretary shall establish appropriate structural fire protection, manning, operating, and equipment requirements for former public vessels of the United States of at least 100 gross tons but less than 500 gross tons carrying not more than 150 passengers on domestic voyages, which meet the eligibility criteria of section 2113(5) of this title."

(b) The Secretary of Transportation shall, within twenty-four months of the date of enactment of this Act, prescribe regulations establishing the structural fire protection, manning, operating, and equipment requirements for vessals which meet the requirements of subsections (h) and (i) of section 3306 of title 46, United States Code, as amended by this Act.

(c) Before the Secretary of Transportation prescribes regulations under subsections (h) and (i) of section 3306 of title 46, United States Code, as amended by this Act, the Secretary may prescribe the route, service, manning, and equipment for those vessels based on existing passenger vessel and small passenger vessel regulations.

SEC. 513. APPLICABILITY DATE FOR REVISED REGULATIONS.

(a) APPLICABILITY DATE FOR CERTAIN CHARTERED VESSELS.—Revised regulations governing small passenger vessels and passenger vessels (as the definitions of those terms in section 2101 of title 46, United States Code, are amended by this Act) shall not, before the date that is 6 months after the date of enactment of this Act, apply to such vessels when chartered with no crew provided.

(b) EXTENSION OF PERIOD.—The Secretary of the department in which the Coast Guard is operating shall extend for up to 30 additional months or until issuance of a certificate of inspection, whichever occurs first, the period of inapplicability specified in subsection (a) if the owner of the vessel concerned carries out the provisions of subsection (c) to the satisfaction of the Secretary.

(c) CONDITIONS FOR EXTENSION.—To receive an extension authorized by subsection (b), the owner of the vessel shall—

(1) make application for inspection with the Coast Guard within 6 months after the date of enactment of this Act;

(2) make the vessel available for examination by the Coast Guard prior to the carriage of passengers;

(3)(A) correct especially any hazardous conditions involving the vessel's structure, electrical system, and machinery installation, such as (i) grossly inadequate, missing, unsound, or severely deteriorated frames or major structural members; (ii) wiring systems or electrical appliances without proper grounding or overcurrent protection; and (iii) significant fuel or exhaust system leaks;

(B) equip the vessel with lifesaving and fire fighting equipment, or the portable equivalent, required for the route and number of persons carried; and

(C) verify through stability tests, calculations, or other practical means (which may include a history of safe operations) that the vessel's stability is satisfactory for the size, route, and number of passengers; and

(4) develop a work plan approved by the Coast Guard to complete in a good faith effort all requirements necessary for issuance of a certificate of inspection as soon as practicable.

(d) OPERATION OF VESSEL DURING EXTENSION PERIOD.—The owner of a vessel receiving an extension under this section shall operate the vessel under the conditions of route, service, number of passengers, manning, and equipment as may be prescribed by the Coast Guard for the extension period.

TITLE VI—DOCUMENTATION OF VESSELS

SEC. 601. DOCUMENTATION OF VESSELS

(a) Notwithstanding section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), the Act of June 19, 1886 (46 App. U.S.C. 289), and section 12106 of title 46, United States Code, the Secretary of Transportation may issue certificates of documentation with a coastwise endorsement for the following vessels:

(1) ABORIGINAL (United States official number 942118).

(2) AFTERSAIL (United States official number 689427).

(3) ALEXANDRIA (United States official number 586490).

(4) AMANDA (Michigan registration number MC–1125–FR).

(5) ARBITRAGE II (United States official number 962861).

(6) ARIEL (United States official number 954762).

(7) BRANDARIS (former United States official number 263174).

(8) COMPASS ROSE (United States official number 695865).

(9) DIXIE (United States official number 513159).

(10) ELISSA (United States official number 697285).
(11) EMERALD PRINCESS (former United States official number 530095).
(12) ENTERPRISE (United States official number 692956).
(13) EUROPA STAR (former United States official number 588270).
(14) EUROPA SUN (former United States official number 596656).
(15) GAZELA OF PHILADELPHIA (Pennsylvania registration number PA–4339–AF).
(16) GUSTO (United States official number 624951).
(17) GRAY (Connecticut registration number CT–5944–AJ).
(18) GRIZZLY PROCESSOR (Canadian official number 369183).
(19) GYPSY COWBOY (United States official number 550771).
(20) IMPATIENT LADY (United States official number 553952).
(21) INTREPID DRAGON II (United States official number 548109).
(22) ISLAND GIRL (United States official number 674840).
(23) JULIET (Michigan registration number MC–1669–LM).
(24) KALENA (Hawaii registration number HA–1923–E).
(25) LAURISA (United States official number 924052).
(26) LIBBY ROSE (United States official number 236976).
(27) LISERON (United States official number 971339).
(28) MARINE STAR (United States official number 248329).
(29) MARINER (United States official number 285452).
(30) MARY B (Kentucky registration number KY–0098–HX).
(31) MOONSHINE (United States official number 974226).
(32) MYSTIQUE (United States official number 921194).
(33) NORTHERN LIGHT (United States official number 237510).
(34) PAI NUI (Hawaii registration number HA–6949–D).
(35) PANDACEA (United States official number 665892).
(36) PELICAN (United States official number 234959).
(37) PLAY PRETTY (United States official number 975346).
(38) PRINCE OF TIDES II (United States official number 903858).
(39) RANGOON RUBY (Hawaii registration number HA–5635–B).
(40) RBOAT (United States official number 563955).
(41) SABLE (Massachusetts registration number MS–1841–AM).
(42) SERENA (United States official number 965317).
(43) SHILOH (United States official number 902675).
(44) SIDEWINDER (United States official number 991719).
(45) SWELL DANCER (United States official number 622046).
(46) TESSA (United States official number 675130).
(47) TOP DUCK (United States official number 990973).
(48) VIKING (United States official number 286080).
(49) WHIT CON TIKI (United States official number 663823).

(b) Notwithstanding section 27 of the Merchant Marine Act, 1920 (466 App. U.S.C. 883) or any other law restricting a foreign-flag vessel from operating in the coastwise trade, the foreign-flag vessel H851 may engage in the coastwise trade to transport an offshore drilling platform jacket from a place near Aransas Pass, Texas, to a site on the Outer Continental Shelf known as Viosca Knoll 989.

(c) Notwithstanding section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), the Act of June 19, 1886 (46 App. U.S.C. 289), and sections 12106 and 12107 of title 46, United States Code, the Secretary of Transportation may issue certificates of documentation with a coastwise and Great Lakes endorsement for the vessels LADY CHARL II (United States official number 541399) and LINETTE (United States official number 654318).

(d) Notwithstanding section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), the Act of June 19, 1886 (46 App. U.S.C. 289), and section 12106 of title 46, United States Code, the Secretary of Transportation may issue a certificate of documentation with a coastwise endorsement for the vessel M/V TWIN DRILL (Panama official number 8536–PEXT–2) if—

(1) the vessel undergoes a major conversion (as defined in section 2101 of title 46, United States Code) in a United States shipyard;

(2) the cost of the major conversion is more than three times the purchase value of the vessel before the major conversion;

(3) the major conversion is completed and the vessel is documented under chapter 121 of title 46, United States Code, with a coastwise endorsement before June 30, 1995;

(4) the person documenting the vessel contracts with a United States shipyard to construct an additional vessel of equal or greater capacity within 12 months of the date of enactment of this Act, for delivery within 36 months of the date of such contract; and

(5) the additional vessel is documented under chapter 121 of title 46, United States Code immediately after it is constructed.

(e) Notwithstanding sections 12106 and 12108 of title 46, United States Code, the Act of June 19, 1886 (46 App. U.S.C. 289), and section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), the Secretary of Transportation may issue a certificate of documentation with a coastwise and fishery endorsement for the vessel REEL CLASS (Hawaii registration number HA–6566–E).

(f) Notwithstanding section 12108 of title 46, United States Code, the Secretary of Transportation may issue a certificate of documentation with a fishery endorsement for the vessel DA WARRIOR (United States official number 962231).

(g) Notwithstanding any other law or any agreement with the United States Government, the vessels UST ATLANTIC (United States official number 601437) and UST PACIFIC (United States official number 613131) may be sold to a person that is not a citizen of the United States and transferred to or placed under a foreign registry.

(h) Notwithstanding any other law, the vessel AMY CHOUEST (United States official number 995631) is deemed to be less than 500 gross tons, as measured under chapter 145 of title 46, United States Code, for purposes of the maritime laws of the United States.

(i) Notwithstanding section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), the Act of June 19, 1886 (46 App. U.S.C. 289), and section 12106 of title 46, United States Code, the Secretary of Transportation may issue a certificate of documentation for the following vessels:

(1) PRINCESS XANADU OF MONACO (United States official number 660847).

(2) INSPIRATION (United States official number 277099).

(3) VENUS (United States official number 547419).

(4) LATER (United States official number 615732).

(5) MATCH MAKER (United States official number 908725).

TITLE VII—MISCELLANEOUS FISHERY PROVISIONS

SEC. 701. GOVERNING INTERNATIONAL FISHERIES AGREEMENT.

The Agreement between the Government of the United States of America and the Government of the Russian Federation on Mutual Fisheries Relations which was entered into on May 31, 1988, and which expired by its terms on October 28, 1993, may be brought into force again for the United States through an exchange of notes between the United States of America and the Russian Federation and may remain in force and effect on the part of the United States until May 1, 1994, and may be amended or extended by a subsequent agreement to which section 203 of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1823) applies.

SEC. 702. SHRIMP TRAWL FISHERY.

Section 304(g)(6)(B) of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1854(g)(6)(B)) is amended by striking "January 1, 1994" and inserting "April 1, 1994".

SEC. 703. INTERNATIONAL FISHERY CONSERVATION IN THE CENTRAL BERING SEA.

It is the sense of the Congress that—

(1) the United States should take appropriate measures to conserve the resources of the Doughnut Hole, a small enclave of international waters in the central Bering Sea, encircled by the Exclusive Economic Zones of the United States and the Russian Federation;

(2) the United States should continue its pursuit of an international agreement, consistent with its rights as a coastal state, to ensure proper management for future commercial viability of these natural resources;

(3) the United States, working closely with the Russian Federation should, in accordance with international law and through multilateral consultations or through other means, promote effective international programs for the implementation and enforcement of regulations of the fisheries by those nations that fish in the Doughnut Hole;

(4) the United States nonetheless should be mindful of its management responsibility in this regard and of its rights in accordance with international law to fully utilize the stock within its own exclusive economic zone;

(5) the United States should accept as an urgent duty the need to conserve for future generations the Aleutian Basin pollock stock and should carry out that duty by taking all necessary measures, in accordance with international law; and

(6) the United States should foster further multilateral cooperation leading to international consensus on management of the Doughnut Hole resources through the fullest use of diplomatic channels and appropriate domestic and international law and should explore all other available options and means for conservation and management of these living marine resources.

SEC. 704. NOAA FACILITIES IN KODIAK.

(a) Notwithstanding any other provision of law, the Secretary of Commerce may enter into an agreement with the University of Alaska under which the University may contract the engineering and design specifications of a facility on * * * Island in Kodiak, Alaska, that meets the long-term space

needed by National Oceanic and Atmospheric Administration personnel currently in Alaska.

(b) The Secretary may transfer available funds to the University of Alaska to pay for such engineering and design if additional funds in an equal or greater amount are made available from non-federal sources for such work.

TITLE VIII—ATLANTIC COASTAL FISHERIES

SEC. 801. SHORT TITLE.

This title may be cited at the "Atlantic Coastal Fisheries Cooperative Management Act".

SEC. 802. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds the following:

(1) Coastal fishery resources that migrate, or are widely distributed, across the jurisdictional boundaries of two or more of the Atlantic States and of the Federal Government are of substantial commercial and recreational importance and economic benefit to the Atlantic coastal region and the Nation.

(2) Increased fishing pressure, environmental pollution, and the loss and alteration of habitat have reduced severely certain Atlantic coastal fishery resources.

(3) Because no single governmental entity has exclusive management authority for Atlantic coastal fishery resources, harvesting of such resources is frequently subject to disparate, inconsistent, and intermittent State and Federal regulation that has been detrimental to the conservation and sustainable use of such resources and to the interests of fishermen and the Nation as a whole.

(4) The responsibility for managing Atlantic coastal fisheries rests with the States, which carry out a cooperative program of fishery oversight and management through the Atlantic States Marine Fisheries Commission. It is the responsibility of the Federal Government to support such cooperative interstate management of coastal fishery resources.

(5) The failure by one or more Atlantic States to fully implement a coastal fishery management plan can affect the status of Atlantic coastal fisheries, and can discourage other States from fully implementing coastal fishery management plans.

(6) It is in the national interest to provide for more effective Atlantic State fishery resource conservation and management.

(b) PURPOSE.—The purpose of this title is to support and encourage the development, implementation, and enforcement of effective interstate conservation and management of Atlantic coastal fishery resources.

SEC. 803. DEFINITIONS.

In this title, the following definitions apply:

(1) The term "coastal fishery management plan" means a plan for managing a coastal fishery resource, or an amendment to such plan, prepared and adopted by the Commission, that—

(A) contains information regarding the status of the resource and related fisheries;

(B) specifies conservation and management actions to be taken by the States; and

(C) recommends actions to be taken by the Secretary in the exclusive economic zone to conserve and manage the fishery.

(2) The term "coastal fishery resource" means any fishery, any species of fish, or any stock of fish that moves among, or is broadly distributed across, waters under the jurisdiction of two or more States or waters under the jurisdiction of one or more States and the exclusive economic zone.

(3) The term "Commission" means the Atlantic States Marine Fisheries Commission established under the interstate compact consented to and approved by the Congress in Public Laws 77-539 and 81-721.

(4) The term "conservation" means the restoring, rebuilding, and maintaining of any coastal fishery resource and the marine environment, in order to assure the availability of coastal fishery resources on a long-term basis.

(5) The term "Councils" means Regional Fishery Management Councils established under section 302 of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1852).

(6) The term "exclusive economic zone" means the exclusive economic zone of the United States established by Proclamation Number 5030, dated March 10, 1983. For the purposes of this title, the inner boundary of that zone is a line coterminus with the seaward boundary of each of the coastal States, and the outer boundary of that zone is a line drawn in such a manner that each point on it is 200 nautical miles from the baseline from which the territorial sea is measured.

(7) The term "fish" means finfish, mollusks, crustaceans, and all other forms of marine animal life other than marine mammals and birds.

(8) The term "fishery" means—

(A) one or more stocks of fish that can be treated as a unit for purposes of conservation and management and that are identified on the basis of geographical, scientific, technical, commercial, recreational, or economic characteristics; or

(B) any fishing for such stocks.

(9) The term "fishing" means—

(A) the catching, taking, or harvesting of fish;

(B) the attempted catching, taking, or harvesting of fish;

(C) any other activity that can be reasonably expected to result in the catching, taking, or harvesting of fish; or

(D) any operations at sea in support of, or in preparation for, any activity described in subparagraphs (A) through (C).

Such term does not include any scientific research activity or the catching, taking, or harvesting of fish in an aquaculture operation.

(10) The term "implement and enforce" means to enact and implement laws or regulations as required to conform with the provisions of a coastal fishery management plan and to assure compliance with such laws or regulations by persons participating in a fishery that is subject to such plan.

(11) The term "person" means any individual (whether or not a citizen or national of the United States), any corporation, partnership, association, or other entity (whether or not organized or existing under the laws of any State), and any Federal, State, local, or foreign government or any entity of any such government.

(12) The term "Secretary" means the Secretary of Commerce.

(13) The term "State" means Maine, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, North Carolina, South Carolina, Georgia, Florida, the District of Columbia, or the Potomac River Fisheries Commission.

SEC. 804. STATE-FEDERAL COOPERATION IN ATLANTIC COASTAL FISHERY MANAGEMENT.

(a) FEDERAL SUPPORT FOR STATE COASTAL FISHERIES PROGRAMS.—The Secretary in cooperation with the Secretary of the Interior shall develop and implement a program to support the interstate fishery management efforts of the Commission. The program shall include activities to support and enhance State cooperation in collection, management, and analysis of fishery data; law enforcement; habitat conservation; fishery research, including biological and socioeconomic research; and fishery management planning.

(b) FEDERAL REGULATION IN EXCLUSIVE ECONOMIC ZONE.—In the absence of an approved and implemented fishery management plan under the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.), and after consultation with the appropriate Councils, the Secretary may implement regulations to govern fishing in the exclusive economic zone that are—

(A) necessary to support the effective implementation of a coastal fishery management plan; and

(B) consistent with the national standards set forth in section 301 of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1851).

The regulations may include measures recommended by the Commission to the Secretary that are necessary to support the provisions of the coastal fishery management plan. Regulations issued by the Secretary to implement an approved fishery management plan prepared by the appropriate Councils or the Secretary under the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.) shall supersede any conflicting regulations issued by the Secretary under this subsection.

(2) The provisions of sections 307, 308, 309, 310, and 311 of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1857, 1858, 1859, 1860, and 1861) regarding prohibited acts, civil penalties, criminal offenses, civil forfeitures, and enforcement shall apply with respect to regulations issued under this subsection as if such regulations were issued under the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.).

SEC. 805. STATE IMPLEMENTATION OF COASTAL FISHERY MANAGEMENT PLANS.

(a) COASTAL FISHERY MANAGEMENT PLANS.—(1) The Commission shall prepare and adopt coastal fishery management plans to provide for the conservation of coastal fishery resources. In preparing a coastal fishery management plan for a fishery that is located in both State waters and the exclusive economic zone, the Commission shall consult with appropriate Councils to determine areas where such coastal fishery management plan may complement Council fishery management plans. The coastal fishery management plan shall specify the requirements necessary for States to be in compliance with the plan. Upon adoption of a coastal fishery management plan, the Commission shall identify each State that is required to implement and enforce that plan.

(2) Within 1 year after the date of enactment of this Act, the Commission shall establish standards and procedures to govern the preparation of coastal fishery management plans under this title, including standards and procedures to ensure that—

(A) such plans promote the conservation of fish stocks throughout their ranges and are based on the best scientific information available; and

(B) the Commission provides adequate opportunity for public participation in the plan preparation process, including at least four public hearings and procedures for the submission of written comments to the Commission.

(b) STATE IMPLEMENTATION AND ENFORCEMENT.—(1) Each State identified under subsection (a) with respect to a coastal fishery management plan shall implement and enforce the measures of such plan within the time frame established in the plan.

(2) Within 90 days after the date of enactment of this Act, the Commission shall establish a schedule of time frames within which States shall implement and enforce the measures of coastal fishery management plans in existence before such date of enactment. No such time frame shall exceed 12 months after the date on which the schedule is adopted.

(c) COMMISSION MONITORING OF STATE IMPLEMENTATION AND ENFORCEMENT.—The Commission shall, at least annually, review each State's implementation and enforcement of coastal fishery management plans for the purpose of determining whether such State is effectively implementing and enforcing each such plan. Upon completion of such reviews, the Commission shall report the results of the reviews to the Secretaries.

SEC. 806. STATE NONCOMPLIANCE WITH COASTAL FISHERY MANAGEMENT PLANS.

(a) NONCOMPLIANCE DETERMINATION.—The Commission shall determine that a State is not in compliance with the provisions of a coastal fishery management plan if it finds that the State has not implemented and enforced such plan within the time frames established under the plan or under section 805.

(b) NOTIFICATION.—Upon making any determination under subsection (a), the Commission shall within 10 working days notify the Secretaries of such determination. Such notification shall include the reasons for making the determination and an explicit list of actions that the affected State must take to comply with the coastal fishery management plan. The Commission shall provide a copy of the notification to the affected State.

(c) WITHDRAWAL OF NONCOMPLIANCE DETERMINATION.—After making a determination under subsection (a), the Commission shall continue to monitor State implementation and enforcement. Upon finding that a State has complied with the actions required under subsection (b), the Commission shall immediately withdraw its determination of noncompliance. The Commission shall promptly notify the Secretaries of such withdrawal.

SEC. 807. SECRETARIAL ACTION.

(a) SECRETARIAL REVIEW OF COMMISSION DETERMINATION OF NONCOMPLIANCE.—Within 30 days after receiving a notification from the Commission under section 806(b) and after review of the Commission's determination of noncompliance, the Secretary shall make a finding on—

(1) whether the State in question has failed to carry out its responsibility under section 805; and

(2) if so, whether the measures that the State has failed to implement and enforce are necessary for the conservation of the fishery in question.

(b) CONSIDERATION OF COMMENTS.—In making a finding under subsection (a), the Secretary shall—

(A) give careful consideration to the comments of the State that the Commission has determined under section 806(a) is not in compliance with a coastal fishery management plan, and provide such State, upon request, with the opportunity to meet with and present its comments directly to the Secretary; and

(B) solicit and consider the comments of the Commission and the appropriate Councils.

(c) MORATORIUM.—(1) Upon making a finding under subsection (a) that a State has failed to carry out its responsibility under section 805 and that the measures it failed to implement and enforce are necessary for conservation, the Secretary shall declare a moratorium on fishing in the fishery in question within the waters of the noncomplying State. The Secretary shall specify the moratorium's effective date, which shall be any date within 6 months after declaration of the moratorium.

(2) If after a moratorium is declared under paragraph (1) the Secretary is notified by the Commission that the Commission is withdrawing under section 806(c) the determination of noncompliance, the Secretary shall immediately determine whether the State is in compliance with the applicable plan. If so, the moratorium shall be terminated.

(d) IMPLEMENTING REGULATIONS.—The Secretary may issue regulations necessary to implement this section. Such regulations—

(1) may provide for the possession and use of fish which have been produced in an aquaculture operation, subject to applicable State regulations; and

(2) shall allow for retention of fish that are subject to a moratorium declared under this section and unavoidably taken as incidental catch in fisheries directed toward menhaden if—

(A) discarding the retained fish is impracticable;

(B) the retained fish do not constitute a significant portion of the catch of the vessel; and

(C) retention of the fish will not, in the judgment of the Secretary, adversely affect the conservation of the species of fish retained.

(e) PROHIBITED ACTS DURING MORATORIUM.—During the time in which a moratorium under this section is in effect, it is unlawful for any person to—

(1) violate the terms of the moratorium or of any implementing regulation issued under subsection (d);

(2) engage in fishing for any species of fish to which the moratorium applies within the waters of the State subject to the moratorium;

(3) land, attempt to land, or possess fish that are caught, taken, or harvested in violation of the moratorium or of any implementing regulation issued under subsection (d);

(4) fail to return to the water immediately, with a minimum of injury, any fish to which the moratorium applies that are taken incidental to fishing for species other than those to which the moratorium applies, except as provided by regulations issued under subsection (d);

(5) refuse to permit any officer authorized to enforce the provisions of this title to board a fishing vessel subject to such person's control for purposes of conducting any search or inspection in connection with the enforcement of this title;

(6) forcibly assault, resist, oppose, impede, intimidate, or interfere with any such authorized officer in the conduct of any search or inspection under this title;

(7) resist a lawful arrest for any act prohibited by this section;

(8) ship, transport, offer for sale, sell, purchase, import, or have custody, control, or possession of, any fish taken or retained in violation of this title; or

(9) interfere with, delay, or prevent, by any means, the apprehension or arrest of another person, knowing that such other person has committed any act prohibited by this section.

(f) CIVIL AND CRIMINAL PENALTIES.—(1) Any person who commits any act that is unlawful under subsection (e) shall be liable to the United States for a civil penalty as provided by section 308 of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1858).

(2) Any person who commits an act prohibited by paragraph (5), (6), (7), or (9) of subsection (e) is guilty of an offense punishable as provided by section 309(a)(1) and (b) of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1859(a)(1) and (b)).

(g) CIVIL FORFEITURES.—(1) Any vessel (including its gear, equipment, appurtenances, stores, and cargo) used, and any fish (or the fair market value thereof) taken or retained, in any manner, in connection with, or as the result of, the commission of any act that is unlawful under subsection (e), shall be subject to forfeiture to the United States as provided in section 310 of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1860).

(2) Any fish seized pursuant to this title may be disposed of pursuant to the order of a court of competent jurisdiction or, if perishable, in a manner prescribed in regulation.

(h) ENFORCEMENT.—A person authorized by the Secretary or the Secretary of the department in which the Coast Guard is operating may take any action to enforce a moratorium declared under subsection (c) of this section that an officer authorized by the Secretary under section 311(b) of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1861(b)) may take to enforce that Act. The Secretary may, by agreement, on a reimbursable basis or otherwise, utilize the personnel, services, equipment (including aircraft and vessels), and facilities of any other Federal department or agency and of any agency of a State in carrying out that enforcement.

SEC 808. FINANCIAL ASSISTANCE.

The Secretary and the Secretary of the Interior may provide financial assistance to the Commission and to the States to carry out their respective responsibilities under this title, including—

(1) the preparation, implementation, and enforcement of coastal fishery management plans; and

(2) State activities that are specifically required within such plans.

SEC. 809. AUTHORIZATION OF APPROPRIATIONS.

To carry out the provisions of this title, there are authorized to be appropriated $3,000,000 for fiscal year 1994, $5,000,000 for fiscal year 1995, and $7,000,000 for fiscal year 1996.

SEC. 810. ATLANTIC STRIPED BASS CONSERVATION ACT.

Section 9 of the Atlantic Striped Bass Conservation Act (16 U.S.C. 1851 note) is repealed.

SEC. 811. INTERJURISDICTIONAL FISHERIES ACT OF 1986.

Section 308(c) of the Interjurisdictional Fisheries Act of 1986 (16 U.S.C. 4107(c)) is amended by inserting ", and $600,000 for each of the fiscal years 1994 and 1995," immediately after "and 1993".

TITLE IX—LIBERTY MEMORIAL

SEC. 901. SHORT TITLE.

This title may be cited as the "Liberty Memorial Act of 1993".

SEC. 902. CONVEYANCE VESSELS.

(a) AUTHORITY TO CONVEY.—The Secretary of Transportation may convey without consideration all right, title, and interest of the United States in two vessels described in subsection (b) to any nonprofit organization that operates and maintains a Liberty ship

or Victory ship as a memorial to merchant mariners.

(b) VESSELS DESCRIBED.—Vessels that may be conveyed under subsection (a) are vessels that—

(1) are in the National Defense Reserve Fleet on the date of the enactment of this Act;

(2) are not less than 4,000 displacement tons;

(3) have no usefulness to the Government; and

(4) are scheduled to be scrapped.

(c) CONDITIONS OF CONVEYANCE.—As a condition of conveying any vessel to any organization under subsection (a), the Secretary of Transportation shall require that before the date of the conveyance, the organization shall enter into an agreement under which the organization shall—

(1) sell the vessel for scrap purposes;

(2) use the proceeds of that scrapping for the purpose of refurbishing and making seaworthy a Liberty ship or Victory ship that the organization maintains as a memorial to merchant mariners, to enable the vessel to participate in 1994 in commemorative activities in conjunction with the 50th anniversary of the Normandy invasion; and

(3) return to the United States any proceeds of scrapping carried out pursuant to paragraph (1) that are not used in accordance with paragraph (2).

(d) DEPOSIT OF AMOUNTS RETURNED.—Amounts returned to the United States pursuant to subsection (c)(3) shall be deposited in the Vessel Operations Revolving Fund established under the Act of June 2, 1951 (46 U.S.C. 1241a).

(e) DELIVERY OF VESSELS.—The Secretary of Transportation shall deliver each vessel conveyed under this section—

(1) at the place where the vessel is located on the date of the approval of the conveyance by the Secretary of Transportation;

(2) in its condition on that date; and

(3) without cost to the Government.

(f) EXPIRATION OF AUTHORITY TO CONVEY.—The authority of the Secretary of Transportation under this section to convey vessels shall expire on the date that is 2 years after the date of enactment of this Act.

GOVERNMENT SECURITIES ACT AMENDMENTS OF 1993

DODD (AND GRAMM) AMENDMENT NO. 1241

Mr. BIDEN (for Mr. DODD, for himself, and Mr. GRAMM) proposed an amendment to the bill (S. 422), a bill to amend the Securities Exchange Act of 1934 to ensure the efficient and fair operation of the government securities market, in order to protect investors and facilitate government borrowing at the lowest possible cost to taxpayers, and to prevent false and misleading statements in connection with offerings of government securities; as follows:

In lieu of the amendment of the House, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Government Securities Act Amendments of 1993".

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

Sec. 1. Short title; table of contents.

TITLE I—AMENDMENTS TO THE SECURITIES EXCHANGE ACT OF 1934

Sec. 101. Findings.
Sec. 102. Extension of government securities rulemaking authority.
Sec. 103. Transaction records.
Sec. 104. Large position reporting.
Sec. 105. Authority of the Commission to regulate transactions in exempted securities.
Sec. 106. Sales practice rulemaking authority.
Sec. 107. Market information.
Sec. 108. Disclosure by government securities brokers and government securities dealers whose accounts are not insured by the Securities Investor Protection Corporation.
Sec. 109. Technical amendments.
Sec. 110. Offerings of certain government securities.
Sec. 111. Rule of construction.
Sec. 112. Study of regulatory system for government securities.

TITLE II—REPORTS ON PUBLIC DEBT

Sec. 201. Annual report on public debt.
Sec. 202. Treasury auction reforms.
Sec. 203. Notice on Treasury modifications to auction process.

TITLE III—LIMITED PARTNERSHIP ROLLUPS

Sec. 301. Short title.
Sec. 302. Revision of proxy solicitation rules with respect to limited partnership rollup transactions.
Sec. 303. Rules of fair practice in rollup transactions.
Sec. 304. Effective date; effect on existing authority.

TITLE I—AMENDMENTS TO THE SECURITIES EXCHANGE ACT OF 1934

SEC. 101. FINDINGS.

The Congress finds that—

(1) the liquid and efficient operation of the government securities market is essential to facilitate government borrowing at the lowest possible cost to taxpayers;

(2) the fair and honest treatment of investors will strengthen the integrity and liquidity of the government securities market;

(3) rules promulgated by the Secretary of the Treasury pursuant to the Government Securities Act of 1986 have worked well to protect investors from unregulated dealers and maintain the efficiency of the government securities market; and

(4) extending the authority of the Secretary and providing new authority will ensure the continued strength of the government securities market.

SEC. 102. EXTENSION OF GOVERNMENT SECURITIES RULEMAKING AUTHORITY.

Section 15C of the Securities Exchange Act of 1934 (15 U.S.C. 78o-5) is amended by striking subsection (g).

SEC. 103. TRANSACTION RECORDS.

(a) AMENDMENT.—Section 15C(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-5(d)) is amended by adding at the end the following new paragraph:

"(3) GOVERNMENT SECURITIES TRADE RECONSTRUCTION.—

"(A) FURNISHING RECORDS.—Every government securities broker and government securities dealer shall furnish to the Commission on request such records of government securities transactions, including records of the date and time of execution of trades, as the Commission may require to reconstruct trading in the course of a particular inquiry or investigation being conducted by the Commission for enforcement or surveillance purposes. In requiring information pursuant to this paragraph, the Commission shall specify the information required, the period for which it is required, the time and date on which the information must be furnished, and whether the information is to be furnished directly to the Commission, to the Federal Reserve Bank of New York, or to an appropriate regulatory agency or self-regulatory organization with responsibility for examining the government securities broker or government securities dealer. The Commission may require that such information be furnished in machine readable form notwithstanding any limitation in subparagraph (B). In utilizing its authority to require information in machine readable form, the Commission shall minimize the burden such requirement may place on small government securities brokers and dealers.

"(B) LIMITATION; CONSTRUCTION.—The Commission shall not utilize its authority under this paragraph to develop regular reporting requirements, except that the Commission may require information to be furnished under this paragraph as frequently as necessary for particular inquiries or investigations for enforcement or surveillance purposes. This paragraph shall not be construed as requiring, or as authorizing the Commission to require, any government securities broker or government securities dealer to obtain or maintain any information for purposes of this paragraph which is not otherwise maintained by such broker or dealer in accordance with any other provision of law or usual and customary business practice. The Commission shall, where feasible, avoid requiring any information to be furnished under this paragraph that the Commission may obtain from the Federal Reserve Bank of New York.

"(C) PROCEDURES FOR REQUIRING INFORMATION.—At the time the Commission requests any information pursuant to subparagraph (A) with respect to any government securities broker or government securities dealer for which the Commission is not the appropriate regulatory agency, the Commission shall notify the appropriate regulatory agency for such government securities broker or government securities dealer and, upon request, furnish to the appropriate regulatory agency any information supplied to the Commission.

"(D) CONSULTATION.—Within 90 days after the date of enactment of this paragraph, and annually thereafter, or upon the request of any other appropriate regulatory agency, the Commission shall consult with the other appropriate regulatory agencies to determine the availability of records that may be required to be furnished under this paragraph and, for those records available directly from the other appropriate regulatory agencies, to develop a procedure for furnishing such records expeditiously upon the Commission's request.

"(E) EXCLUSION FOR EXAMINATION REPORTS.—Nothing in this paragraph shall be construed so as to permit the Commission to require any government securities broker or government securities dealer to obtain, maintain, or furnish any examination report of any appropriate regulatory agency other than the Commission or any supervisory recommendations or analysis contained in any such examination report.

"(F) AUTHORITY TO LIMIT DISCLOSURE OF INFORMATION.—Notwithstanding any other provision of law, the Commission and the appropriate regulatory agencies shall not be compelled to disclose any information required

or obtained under this paragraph. Nothing in this paragraph shall authorize the Commission or any appropriate regulatory agency to withhold information from Congress, or prevent the Commission or any appropriate regulatory agency from complying with a request for information from any other Federal department or agency requesting information for purposes within the scope of its jurisdiction, or from complying with an order of a court of the United States in an action brought by the United States, the Commission, or the appropriate regulatory agency. For purposes of section 552 of title 5, United States Code, this subparagraph shall be considered a statute described in subsection (b)(3)(B) of such section 552.".

(b) CONFORMING AMENDMENTS.—(1) Section 15C(a)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78o–5(a)(4)) is amended by inserting ", other than subsection (d)(3)," after "subsection (a), (b), or (d) of this section".

(2) Section 15C(f)(2) of such Act is amended—

(A) in the first sentence, by inserting ", other than subsection (d)(3)", after "threatened violation of the provisions of this section"; and

(B) in the second sentence, by inserting "(except subsection (d)(3))" after "other than this section".

SEC. 104. LARGE POSITION REPORTING.

Section 15C of the Securities Exchange Act of 1934 (15 U.S.C. 78o–5) is amended—

(1) by redesignating subsection (f) as subsection (g); and

(2) by inserting after subsection (e) the following new subsection:

"(f) LARGE POSITION REPORTING.—

"(1) REPORTING REQUIREMENTS.—The Secretary may adopt rules to require specified persons holding, maintaining, or controlling large positions in to-be-issued or recently issued Treasury securities to file such reports regarding such positions as the Secretary determines to be necessary and appropriate for the purpose of monitoring the impact in the Treasury securities market of concentrations of positions in Treasury securities and for the purpose of otherwise assisting the Commission in the enforcement of this title, taking into account any impact of such rules on the efficiency and liquidity of the Treasury securities market and the cost to taxpayers of funding the Federal debt. Unless otherwise specified by the Secretary, reports required under this subsection shall be filed with the Federal Reserve Bank of New York, acting as agent for the Secretary. Such reports shall, on a timely basis, be provided directly to the Commission by the person with whom they are filed.

"(2) RECORDKEEPING REQUIREMENTS.—Rules under this subsection may require persons holding, maintaining, or controlling large positions in Treasury securities to make and keep for prescribed periods such records as the Secretary determines are necessary or appropriate to ensure that such persons can comply with reporting requirements under this subsection.

"(3) AGGREGATION RULES.—Rules under this subsection—

"(A) may prescribe the manner in which positions and accounts shall be aggregated for the purpose of this subsection, including aggregation on the basis of common ownership or control; and

"(B) may define which persons (individually or as a group) hold, maintain, or control large positions.

"(4) DEFINITIONAL AUTHORITY; DETERMINATION OF REPORTING THRESHOLD.—

"(A) In prescribing rules under this subsection, the Secretary may, consistent with the purpose of this subsection, define terms used in this subsection that are not otherwise defined in section 3 of this title.

"(B) Rules under this subsection shall specify—

"(i) the minimum size of positions subject to reporting under this subsection, which shall be no less than the size that provides the potential for manipulation or control of the supply or price, or the cost of financing arrangements, of an issue or the portion thereof that is available for trading;

"(ii) the types of positions (which may include financing arrangements) to be reported;

"(iii) the securities to be covered; and

"(iv) the form and manner in which reports shall be transmitted, which may include transmission in machine readable form.

"(5) EXEMPTIONS.—Consistent with the public interest and the protection of investors, the Secretary by rule or order may exempt in whole or in part, conditionally or unconditionally, any person or class of persons, or any transaction or class of transactions, from the requirements of this subsection.

"(6) LIMITATION ON DISCLOSURE OF INFORMATION.—Notwithstanding any other provision of law, the Secretary and the Commission shall not be compelled to disclose any information required to be kept or reported under this subsection. Nothing in this subsection shall authorize the Secretary or the Commission to withhold information from Congress, or prevent the Secretary or the Commission from complying with a request for information from any other Federal department or agency requesting information for purposes within the scope of its jurisdiction, or from complying with an order of a court of the United States in an action brought by the United States, the Secretary, or the Commission. For purposes of section 552 of title 5, United States Code, this paragraph shall be considered a statute described in subsection (b)(3)(B) of such section 552.".

SEC. 105. AUTHORITY OF THE COMMISSION TO REGULATE TRANSACTIONS IN EXEMPTED SECURITIES.

(a) PREVENTION OF FRAUDULENT AND MANIPULATIVE ACTS AND PRACTICES.—Section 15(c)(2) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(c)(2)) is amended—

(1) by inserting "(A)" after "(2)";

(2) by striking "fictitious quotation, and no municipal securities dealer" and inserting the following:

"fictitious quotation.

"(B) No municipal securities dealer";

(3) by striking "fictitious quotation. The Commission shall" and inserting the following:

"fictitious quotation.

"(C) No government securities broker or government securities dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or induce or attempt to induce the purchase or sale of, any government security in connection with which such government securities broker or government securities dealer engages in any fraudulent, deceptive, or manipulative act or practice, or makes any fictitious quotation.

"(D) The Commission shall"; and

(4) by adding at the end the following:

"(E) The Commission shall, prior to adopting any rule or regulation under subparagraph (C), consult with and consider the views of the Secretary of the Treasury and each appropriate regulatory agency. If the Secretary of the Treasury or any appropriate regulatory agency comments in writing on a proposed rule or regulation of the Commission under such subparagraph (C) that has been published for comment, the Commission shall respond in writing to such written comment before adopting the proposed rule. If the Secretary of the Treasury determines, and notifies the Commission, that such rule or regulation, if implemented, would, or as applied does (i) adversely affect the liquidity or efficiency of the market for government securities; or (ii) impose any burden on competition not necessary or appropriate in furtherance of the purposes of this section, the Commission shall, prior to adopting the proposed rule or regulation, find that such rule or regulation is necessary and appropriate in furtherance of the purposes of this section notwithstanding the Secretary's determination.".

(b) FRAUDULENT AND MANIPULATIVE DEVICES AND CONTRIVANCES.—Section 15(c)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(c)(1)) is amended—

(1) by inserting "(A)" after "(c)(1)";

(2) by striking "contrivance, and no municipal securities dealer" and inserting the following:

"contrivance.

"(B) No municipal securities dealer";

(3) by striking "contrivance. The Commission shall" and inserting the following:

"contrivance.

"(C) No government securities broker or government securities dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any government security by means of any manipulative, deceptive, or other fraudulent device or contrivance.

"(D) The Commission shall"; and

(4) by adding at the end the following:

"(E) The Commission shall, prior to adopting any rule or regulation under subparagraph (C), consult with and consider the views of the Secretary of the Treasury and each appropriate regulatory agency. If the Secretary of the Treasury or any appropriate regulatory agency comments in writing on a proposed rule or regulation of the Commission under such subparagraph (C) that has been published for comment, the Commission shall respond in writing to such written comment before adopting the proposed rule. If the Secretary of the Treasury determines, and notifies the Commission, that such rule or regulation, if implemented, would, or as applied does (i) adversely affect the liquidity or efficiency of the market for government securities; or (ii) impose any burden on competition not necessary or appropriate in furtherance of the purposes of this section, the Commission shall, prior to adopting the proposed rule or regulation, find that such rule or regulation is necessary and appropriate in furtherance of the purposes of this section notwithstanding the Secretary's determination.".

SEC. 106. SALES PRACTICE RULEMAKING AUTHORITY.

(a) RULES FOR FINANCIAL INSTITUTIONS.—Section 15C(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o–5(b)) is amended—

(1) by redesignating paragraphs (3), (4), (5), and (6) as paragraphs (4), (5), (6), and (7), respectively; and

(2) by inserting after paragraph (2) the following new paragraph:

"(3)(A) With respect to any financial institution that has filed notice as a government securities broker or government securities dealer or that is required to file notice under subsection (a)(1)(B), the appropriate regulatory agency for such government securities

broker or government securities dealer may issue such rules and regulations with respect to transactions in government securities as may be necessary to prevent fraudulent and manipulative acts and practices and to promote just and equitable principles of trade. If the Secretary of the Treasury determines, and notifies the appropriate regulatory agency, that such rule or regulation, if implemented, would, or as applied does (i) adversely affect the liquidity or efficiency of the market for government securities; or (ii) impose any burden on competition not necessary or appropriate in furtherance of the purposes of this section, the appropriate regulatory agency shall, prior to adopting the proposed rule or regulation, find that such rule or regulation is necessary and appropriate in furtherance of the purposes of this section notwithstanding the Secretary's determination.

"(B) The appropriate regulatory agency shall consult with and consider the views of the Secretary prior to approving or amending a rule or regulation under this paragraph, except where the appropriate regulatory agency determines that an emergency exists requiring expeditious and summary action and publishes its reasons therefor. If the Secretary comments in writing to the appropriate regulatory agency on a proposed rule or regulation that has been published for comment, the appropriate regulatory agency shall respond in writing to such written comment before approving the proposed rule or regulation.

"(C) In promulgating rules under this section, the appropriate regulatory agency shall consider the sufficiency and appropriateness of then existing laws and rules applicable to government securities brokers, government securities dealers, and persons associated with government securities brokers and government securities dealers.".

(b) RULES BY REGISTERED SECURITIES ASSOCIATIONS.—

(1) REMOVAL OF LIMITATIONS ON AUTHORITY.—(A) Section 15A of the Securities Exchange Act of 1934 (15 U.S.C. 78o–3) is amended—

(i) by striking subsections (f)(1) and (f)(2); and

(ii) by redesignating subsection (f)(3) as subsection (f).

(B) Section 15A(g) of such Act is amended—

(i) by striking "exempted securities" in paragraph (3)(D) and inserting "municipal securities";

(ii) by striking paragraph (4); and

(iii) by redesignating paragraph (5) as paragraph (4).

(2) CONFORMING AMENDMENT.—

(A) Section 3(a)(12)(B)(ii) of such Act (15 U.S.C. 78c(a)(12)(B)(ii)) is amended by striking "15, 15A (other than subsection (g)(3)), and 17A" and inserting "15 and 17A".

(B) Section 15(b)(7) of such Act (15 U.S.C. 78o(b)(7)) is amended by inserting "or government securities broker or government securities dealer registered (or required to register) under section 15C(a)(1)(A)" after "No registered broker or dealer".

(c) OVERSIGHT OF REGISTERED SECURITIES ASSOCIATIONS.—Section 19 of the Securities Exchange Act of 1934 (15 U.S.C. 78s) is amended—

(1) in subsection (b), by adding at the end the following new paragraphs:

"(5) The Commission shall consult with and consider the views of the Secretary of the Treasury prior to approving a proposed rule filed by a registered securities association that primarily concerns conduct related to transactions in government securities, except where the Commission determines that an emergency exists requiring expeditious or summary action and publishes its reasons therefor. If the Secretary of the Treasury comments in writing to the Commission on a proposed rule that has been published for comment, the Commission shall respond in writing to such written comment before approving the proposed rule. If the Secretary of the Treasury determines, and notifies the Commission, that such rule, if implemented, would, or as applied does (i) adversely affect the liquidity or efficiency of the market for government securities; or (ii) impose any burden on competition not necessary or appropriate in furtherance of the purposes of this section, the Commission shall, prior to adopting the proposed rule, find that such rule is necessary and appropriate in furtherance of the purposes of this section notwithstanding the Secretary's determination.

"(6) In approving rules described in paragraph (5), the Commission shall consider the sufficiency and appropriateness of then existing laws and rules applicable to government securities brokers, government securities dealers, and persons associated with government securities brokers and government securities dealers."; and

(2) in subsection (c), by adding at the end the following new paragraph:

"(5) With respect to rules described in subsection (b)(5), the Commission shall consult with and consider the views of the Secretary of the Treasury before abrogating, adding to, and deleting from such rules, except where the Commission determines that an emergency exists requiring expeditious or summary action and publishes its reasons therefor.".

SEC. 107. MARKET INFORMATION.

Section 23(b)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78w) is amended—

(1) by striking subparagraphs (C), (D), and (H);

(2) by redesignating subparagraphs (E), (F), and (G) as subparagraphs (C), (D), and (E), respectively;

(3) by redesignating subparagraphs (I), (J), and (K) as subparagraphs (F), (G), and (H), respectively;

(4) by striking "and" at the end of such redesignated subparagraph (G);

(5) by striking the period at the end of such redesignated subparagraph (H) and inserting "; and"; and

(6) by inserting after such redesignated subparagraph (H) the following new subparagraph:

"(I) the steps that have been taken and the progress that has been made in promoting the timely public dissemination and availability for analytical purposes (on a fair, reasonable, and nondiscriminatory basis) of information concerning government securities transactions and quotations, and its recommendations, if any, for legislation to assure timely dissemination of (i) information on transactions in regularly traded government securities sufficient to permit the determination of the prevailing market price for such securities, and (ii) reports of the highest published bids and lowest published offers for government securities (including the size at which persons are willing to trade with respect to such bids and offers).".

SEC. 108. DISCLOSURE BY GOVERNMENT SECURITIES BROKERS AND GOVERNMENT SECURITIES DEALERS WHOSE ACCOUNTS ARE NOT INSURED BY THE SECURITIES INVESTOR PROTECTION CORPORATION.

Section 15C(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78o–5(a)) is amended—

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by inserting after paragraph (3) the following:

"(4) No government securities broker or government securities dealer that is required to register under paragraph (1)(A) and that is not a member of the Securities Investor Protection Corporation shall effect any transaction in any security in contravention of such rules as the Commission shall prescribe pursuant to this subsection to assure that its customers receive complete, accurate, and timely disclosure of the inapplicability of Securities Investor Protection Corporation coverage to their accounts.".

SEC. 109. TECHNICAL AMENDMENTS.

(a) AMENDMENTS TO DEFINITIONS.—Section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)) is amended—

(1) in paragraph (34)(G) (relating to the definition of appropriate regulatory agency), by amending clauses (ii), (iii), and (iv) to read as follows:

"(ii) the Board of Governors of the Federal Reserve System, in the case of a State member bank of the Federal Reserve System, a foreign bank, an uninsured State branch or State agency of a foreign bank, a commercial lending company owned or controlled by a foreign bank (as such terms are used in the International Banking Act of 1978), or a corporation organized or having an agreement with the Board of Governors of the Federal Reserve System pursuant to section 25 or section 25A of the Federal Reserve Act;

"(iii) the Federal Deposit Insurance Corporation, in the case of a bank insured by the Federal Deposit Insurance Corporation (other than a member of the Federal Reserve System or a Federal savings bank) or an insured State branch of a foreign bank (as such terms are used in the International Banking Act of 1978);

"(iv) the Director of the Office of Thrift Supervision, in the case of a savings association (as defined in section 3(b) of the Federal Deposit Insurance Act) the deposits of which are insured by the Federal Deposit Insurance Corporation;";

(2) by amending paragraph (46) (relating to the definition of financial institution) to read as follows:

"(46) The term 'financial institution' means—

"(A) a bank (as defined in paragraph (6) of this subsection);

"(B) a foreign bank (as such term is used in the International Banking Act of 1978); and

"(C) a savings association (as defined in section 3(b) of the Federal Deposit Insurance Act) the deposits of which are insured by the Federal Deposit Insurance Corporation."; and

(3) by redesignating paragraph (51) (as added by section 204 of the International Securities Enforcement Cooperation Act of 1990) as paragraph (52).

(b) EFFECTIVE DATE OF BROKER/DEALER REGISTRATION.—

(1) GOVERNMENT SECURITIES BROKERS AND DEALERS.—Section 15C(a)(2)(ii) of the Securities Exchange Act of 1934 (15 U.S.C. 78o–5(a)(2)(ii)) is amended by inserting before "The Commission may extend" the following: "The order granting registration shall not be effective until such government securities broker or government securities dealer has become a member of a national securities exchange registered under section 6 of this title, or a securities association registered under section 15A of this title, unless the Commission has exempted such government securities broker or government securities dealer, by rule or order, from such membership.".

(2) OTHER BROKERS AND DEALERS.—Section 15(b)(1)(B) of such Act (15 U.S.C. 78o(b)(1)(B)) is amended by inserting before "The Commission may extend" the following: "The order granting registration shall not be effective until such broker or dealer has become a member of a registered securities association, or until such broker or dealer has become a member of a national securities exchange if such broker or dealer effects transactions solely on that exchange, unless the Commission has exempted such broker or dealer, by rule or order, from such membership.".

(c) INFORMATION SHARING.—Section 15C(d)(2) of such Act is amended to read as follows:

"(2) Information received by an appropriate regulatory agency, the Secretary, or the Commission from or with respect to any government securities broker, government securities dealer, any person associated with a government securities broker or government securities dealer, or any other person subject to this section or rules promulgated thereunder, may be made available by the Secretary or the recipient agency to the Commission, the Secretary, the Department of Justice, the Commodity Futures Trading Commission, any appropriate regulatory agency, any self-regulatory organization, or any Federal Reserve Bank.".

SEC. 110. OFFERINGS OF CERTAIN GOVERNMENT SECURITIES.

Section 15(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(c)) is amended by adding at the end the following new paragraph:

"(7) In connection with any bid for or purchase of a government security related to an offering of government securities by or on behalf of an issuer, no government securities broker, government securities dealer, or bidder for or purchaser of securities in such offering shall knowingly or willfully make any false or misleading written statement or omit any fact necessary to make any written statement made not misleading.".

SEC. 111. RULE OF CONSTRUCTION.

(a) IN GENERAL.—No provision of, or amendment made by, this title may be construed—

(1) to govern the initial issuance of any public debt obligation, or

(2) to grant any authority to (or extend any authority of) the Securities and Exchange Commission, any appropriate regulatory agency, or a self-regulatory organization—

(A) to prescribe any procedure, term, or condition of such initial issuance,

(B) to promulgate any rule or regulation governing such initial issuance, or

(C) to otherwise regulate in any manner such initial issuance.

(b) EXCEPTION.—Subsection (a) of this section shall not apply to the amendment made by section 110 of this Act.

(c) PUBLIC DEBT OBLIGATION.—For purposes of this section, the term "public debt obligation" means an obligation subject to the public debt limit established in section 3101 of title 31, United States Code.

SEC. 112. STUDY OF REGULATORY SYSTEM FOR GOVERNMENT SECURITIES.

(a) JOINT STUDY.—The Secretary of the Treasury, the Securities and Exchange Commission, and the Board of Governors of the Federal Reserve System shall—

(1) with respect to any rules promulgated or amended after October 1, 1991, pursuant to section 15C of the Securities Exchange Act of 1934 or any amendment made by this title, and any national securities association rule changes applicable principally to government securities transactions approved after October 1, 1991—

(A) evaluate the effectiveness of such rules in carrying out the purposes of such Act; and

(B) evaluate the impact of any such rules on the efficiency and liquidity of the government securities market and the cost of funding the Federal debt;

(2) evaluate the effectiveness of surveillance and enforcement with respect to government securities, and the impact on such surveillance and enforcement of the availability of automated, time-sequenced records of essential information pertaining to trades in such securities; and

(3) submit to the Congress, not later than March 31, 1998, any recommendations they may consider appropriate concerning—

(A) the regulation of government securities brokers and government securities dealers;

(B) the dissemination of information concerning quotations for and transactions in government securities;

(C) the prevention of sales practice abuses in connection with transactions in government securities; and

(D) such other matters as they consider appropriate.

(b) TREASURY STUDY.—The Secretary of the Treasury, in consultation with the Securities and Exchange Commission, shall—

(1) conduct a study of—

(A) the identity and nature of the business of government securities brokers and government securities dealers that are registered with the Securities and Exchange Commission under section 15C of the Securities Exchange Act of 1934; and

(B) the continuing need for, and regulatory and financial consequences of, a separate regulatory system for such government securities brokers and government securities dealers; and

(2) submit to the Congress, not later than 18 months after the date of enactment of this Act, the Secretary's recommendations for change, if any, or such other recommendations as the Secretary considers appropriate.

TITLE II—REPORTS ON PUBLIC DEBT

SEC. 201. ANNUAL REPORT ON PUBLIC DEBT.

(a) GENERAL RULE.—Subchapter II of chapter 31 of title 31, United States Code, is amended by adding at the end the following new section:

"§ 3130. Annual public debt report

"(a) GENERAL RULE.—On or before June 1 of each calendar year after 1993, the Secretary of the Treasury shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on—

"(1) the Treasury's public debt activities, and

"(2) the operations of the Federal Financing Bank.

"(b) REQUIRED INFORMATION ON PUBLIC DEBT ACTIVITIES.—Each report submitted under subsection (a) shall include the following information:

"(1) A table showing the following information with respect to the total public debt:

"(A) The past levels of such debt and the projected levels of such debt as of the close of the current fiscal year and as of the close of the next 5 fiscal years under the most recent current services baseline projection of the executive branch.

"(B) The past debt to GDP ratios and the projected debt to GDP ratios as of the close of the current fiscal year and as of the close of the next 5 fiscal years under such most recent current services baseline projection.

"(2) A table showing the following information with respect to the net public debt:

"(A) The past levels of such debt and the projected levels of such debt as of the close of the current fiscal year and as of the close of the next 5 fiscal years under the most recent current services baseline projection of the executive branch.

"(B) The past debt to GDP ratios and the projected debt to GDP ratios as of the close of the current fiscal year and as of the close of the next 5 fiscal years under such most recent current services baseline projection.

"(C) The interest cost on such debt for prior fiscal years and the projected interest cost on such debt for the current fiscal year and for the next 5 fiscal years under such most recent current services baseline projection.

"(D) The interest cost to outlay ratios for prior fiscal years and the projected interest cost to outlay ratios for the current fiscal year and for the next 5 fiscal years under such most recent current services baseline projection.

"(3) A table showing the maturity distribution of the net public debt as of the time the report is submitted and for prior years, and an explanation of the overall financing strategy used in determining the distribution of maturities when issuing public debt obligations, including a discussion of the projections and assumptions with respect to the structure of interest rates for the current fiscal year and for the succeeding 5 fiscal years.

"(4) A table showing the following information as of the time the report is submitted and for prior years:

"(A) A description of the various categories of the holders of public debt obligations.

"(B) The portions of the total public debt held by each of such categories.

"(5) A table showing the relationship of federally assisted borrowing to total Federal borrowing as of the time the report is submitted and for prior years.

"(6) A table showing the annual principal and interest payments which would be required to amortize in equal annual payments the level (as of the time the report is submitted) of the net public debt over the longest remaining term to maturity of any obligation which is a part of such debt.

"(c) REQUIRED INFORMATION ON FEDERAL FINANCING BANK.—Each report submitted under subsection (a) shall include (but not be limited to) information on the financial operations of the Federal Financing Bank, including loan payments and prepayments, and on the levels and categories of the lending activities of the Federal Financing Bank, for the current fiscal year and for prior fiscal years.

"(d) RECOMMENDATIONS.—The Secretary of the Treasury may include in any report submitted under subsection (a) such recommendations to improve the issuance and sale of public debt obligations (and with respect to other matters) as he may deem advisable.

"(e) DEFINITIONS.—For purposes of this section—

"(1) CURRENT FISCAL YEAR.—The term 'current fiscal year' means the fiscal year ending in the calendar year in which the report is submitted.

"(2) TOTAL PUBLIC DEBT.—The term 'total public debt' means the total amount of the obligations subject to the public debt limit established in section 3101 of this title.

"(3) NET PUBLIC DEBT.—The term 'net public debt' means the portion of the total public debt which is held by the public.

"(4) DEBT TO GDP RATIO.—The term 'debt to GDP ratio' means the percentage obtained by dividing the level of the total public debt or net public debt, as the case may be, by the gross domestic product.

"(5) INTEREST COST TO OUTLAY RATIO.—The term 'interest cost to outlay ratio' means, with respect to any fiscal year, the percentage obtained by dividing the interest cost for such fiscal year on the net public debt by the total amount of Federal outlays for such fiscal year.".

(b) CLERICAL AMENDMENT.—The analysis for subchapter II of chapter 31 of title 31, United States Code, is amended by adding at the end the following new item:

"3130. Annual public debt report.".

SEC. 202. TREASURY AUCTION REFORMS.

(a) ABILITY TO SUBMIT COMPUTER TENDERS IN TREASURY AUCTIONS.—By the end of 1995, any bidder shall be permitted to submit a computer-generated tender to any automated auction system established by the Secretary of the Treasury for the sale upon issuance of securities issued by the Secretary if the bidder—

(1) meets the minimum creditworthiness standard established by the Secretary; and

(2) agrees to comply with regulations and procedures applicable to the automated system and the sale upon issuance of securities issued by the Secretary.

(b) PROHIBITION ON FAVORED PLAYERS.—

(1) IN GENERAL.—No government securities broker or government securities dealer may receive any advantage, favorable treatment, or other benefit, in connection with the purchase upon issuance of securities issued by the Secretary of the Treasury, which is not generally available to other government securities brokers or government securities dealers under the regulations governing the sale upon issuance of securities issued by the Secretary of the Treasury.

(2) EXCEPTION.—

(A) IN GENERAL.—The Secretary of the Treasury may grant an exception to the application of paragraph (1) if—

(i) the Secretary determines that any advantage, favorable treatment, or other benefit referred to in such paragraph is necessary and appropriate and in the public interest; and

(ii) the grant of the exception is designed to minimize any anticompetitive effect.

(B) ANNUAL REPORT.—The Secretary of the Treasury shall submit an annual report to the Congress describing any exception granted by the Secretary under subparagraph (A) during the year covered by the report and the basis upon which the exception was granted.

(c) MEETINGS OF TREASURY BORROWING ADVISORY COMMITTEE.—

(1) OPEN MEETINGS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), any meeting of the Treasury Borrowing Advisory Committee of the Public Securities Association (hereafter in this subsection referred to as the "advisory committee"), or any successor to the advisory committee, shall be open to the public.

(B) EXCEPTION.—Subparagraph (A) shall not apply with respect to any part of any meeting of the advisory committee in which the advisory committee—

(i) discusses and debates the issues presented to the advisory committee by the Secretary of the Treasury; or

(ii) makes recommendations to the Secretary.

(2) MINUTES OF EACH MEETING.—The detailed minutes required to be maintained under section 10(c) of the Federal Advisory Committee Act for any meeting by the advisory committee shall be made available to the public within 3 business days of the date of the meeting.

(3) PROHIBITION ON RECEIPT OF GRATUITIES OR EXPENSES BY ANY OFFICER OR EMPLOYEE OF THE BOARD OR DEPARTMENT.—In connection with any meeting of the advisory committee, no officer or employee of the Department of the Treasury, the Board of Governors of the Federal Reserve System, or any Federal reserve bank may accept any gratuity, consideration, expense of any sort, or any other thing of value from any advisory committee described in subsection (c), any member of such committee, or any other person.

(4) PROHIBITION ON OUTSIDE DISCUSSIONS.—

(A) IN GENERAL.—Subject to subparagraph (B), a member of the advisory committee may not discuss any part of any discussion, debate, or recommendation at a meeting of the advisory committee which occurs while such meeting is closed to the public (in accordance with paragraph (1)(B)) with, or disclose the contents of such discussion, debate, or recommendation to, anyone other than—

(i) another member of the advisory committee who is present at the meeting; or

(ii) an officer or employee of the Department of the Treasury.

(B) APPLICABLE PERIOD OF PROHIBITION.—The prohibition contained in subparagraph (A) on discussions and disclosures of any discussion, debate, or recommendation at a meeting of the advisory committee shall cease to apply—

(i) with respect to any discussion, debate, or recommendation which relates to the securities to be auctioned in a midquarter refunding by the Secretary of the Treasury, at the time the Secretary makes a public announcement of the refunding; and

(ii) with respect to any other discussion, debate, or recommendation at the meeting, at the time the Secretary releases the minutes of the meeting in accordance with paragraph (2).

(C) REMOVAL FROM ADVISORY COMMITTEE FOR VIOLATIONS OF THIS PARAGRAPH.—In addition to any penalty or enforcement action to which a person who violates a provision of this paragraph may be subject under any other provision of law, the Secretary of the Treasury shall—

(i) remove a member of the advisory committee who violates a provision of this paragraph from the advisory committee and permanently bar such person from serving as a member of the advisory committee; and

(ii) prohibit any director, officer, or employee of the firm of which the member referred to in clause (i) is a director, officer, or employee (at the time the member is removed from the advisory committee) from serving as a member of the advisory committee at any time during the 5-year period beginning on the date of such removal.

(d) REPORT TO CONGRESS.—

(1) REPORT REQUIRED.—The Secretary of the Treasury shall submit an annual report to the Congress containing the following information with respect to material violations or suspected material violations of regulations of the Secretary relating to auctions and other offerings of securities upon the issuance of such securities by the Secretary:

(A) The number of inquiries begun by the Secretary during the year covered by the report regarding such material violations or suspected material violations by any participant in the auction system or any director, officer, or employee of any such participant and the number of inquiries regarding any such violations or suspected violations which remained open at the end of such year.

(B) A brief description of the nature of the violations.

(C) A brief description of any action taken by the Secretary during such year with respect to any such violation, including any referrals made to the Attorney General, the Securities and Exchange Commission, any other law enforcement agency, and any Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act).

(2) DELAY IN DISCLOSURE OF INFORMATION IN CERTAIN CASES.—The Secretary of the Treasury shall not be required to include in a report under paragraph (1) any information the disclosure of which could jeopardize an investigation by an agency described in paragraph (1)(C) for so long as such disclosure could jeopardize the investigation.

SEC. 203. NOTICE ON TREASURY MODIFICATIONS TO AUCTION PROCESS.

The Secretary of the Treasury shall notify the Congress of any significant modifications to the auction process for issuing United States Treasury obligations at the time such modifications are implemented.

TITLE III—LIMITED PARTNERSHIP ROLLUPS

SEC. 301. SHORT TITLE.

This title may be cited as the "Limited Partnership Rollup Reform Act of 1993".

SEC. 302. REVISION OF PROXY SOLICITATION RULES WITH RESPECT TO LIMITED PARTNERSHIP ROLLUP TRANSACTIONS.

(a) AMENDMENT.—Section 14 of the Securities Exchange Act of 1934 (15 U.S.C. 78n) is amended by adding at the end the following new subsection:

"(h) PROXY SOLICITATIONS AND TENDER OFFERS IN CONNECTION WITH LIMITED PARTNERSHIP ROLLUP TRANSACTIONS.—

"(1) PROXY RULES TO CONTAIN SPECIAL PROVISIONS.—It shall be unlawful for any person to solicit any proxy, consent, or authorization concerning a limited partnership rollup transaction, or to make any tender offer in furtherance of a limited partnership rollup transaction, unless such transaction is conducted in accordance with rules prescribed by the Commission under subsections (a) and (d) as required by this subsection. Such rules shall—

"(A) permit any holder of a security that is the subject of the proposed limited partnership rollup transaction to engage in preliminary communications for the purpose of determining whether to solicit proxies, consents, or authorizations in opposition to the proposed limited partnership rollup transaction, without regard to whether any such communication would otherwise be considered a solicitation of proxies, and without being required to file soliciting material with the Commission prior to making that determination, except that—

"(i) nothing in this subparagraph shall be construed to limit the application of any provision of this title prohibiting, or reasonably designed to prevent, fraudulent, deceptive, or manipulative acts or practices under this title; and

"(ii) any holder of not less than 5 percent of the outstanding securities that are the subject of the proposed limited partnership rollup transaction who engages in the business of buying and selling limited partnership interests in the secondary market shall be required to disclose such ownership interests and any potential conflicts of interests in such preliminary communications;

"(B) require the issuer to provide to holders of the securities that are the subject of

the limited partnership rollup transaction such list of the holders of the issuer's securities as the Commission may determine in such form and subject to such terms and conditions as the Commission may specify;

"(C) prohibit compensating any person soliciting proxies, consents, or authorizations directly from security holders concerning such a limited partnership rollup transaction—

"(i) on the basis of whether the solicited proxy, consent, or authorization either approves or disapproves the proposed limited partnership rollup transaction; or

"(ii) contingent on the approval, disapproval, or completion of the limited partnership rollup transaction;

"(D) set forth disclosure requirements for soliciting material distributed in connection with a limited partnership rollup transaction, including requirements for clear, concise, and comprehensible disclosure with respect to—

"(i) any changes in the business plan, voting rights, form of ownership interest, or the compensation of the general partner in the proposed limited partnership rollup transaction from each of the original limited partnerships;

"(ii) the conflicts of interest, if any, of the general partner;

"(iii) whether it is expected that there will be a significant difference between the exchange values of the limited partnerships and the trading price of the securities to be issued in the limited partnership rollup transaction;

"(iv) the valuation of the limited partnerships and the method used to determine the value of the interests of the limited partners to be exchanged for the securities in the limited partnership rollup transaction;

"(v) the differing risks and effects of the limited partnership rollup transaction for investors in different limited partnerships proposed to be included, and the risks and effects of completing the limited partnership rollup transaction with less than all limited partnerships;

"(vi) the statement by the general partner required under subparagraph (E);

"(vii) such other matters deemed necessary or appropriate by the Commission;

"(E) require a statement by the general partner as to whether the proposed limited partnership rollup transaction is fair or unfair to investors in each limited partnership, a discussion of the basis for that conclusion, and an evaluation and a description by the general partner of alternatives to the limited partnership rollup transaction, such as liquidation;

"(F) provide that, if the general partner or sponsor has obtained any opinion (other than an opinion of counsel), appraisal, or report that is prepared by an outside party and that is materially related to the limited partnership rollup transaction, such soliciting materials shall contain or be accompanied by clear, concise, and comprehensible disclosure with respect to—

"(i) the analysis of the transaction, scope of review, preparation of the opinion, and basis for and methods of arriving at conclusions, and any representations and undertakings with respect thereto;

"(ii) the identity and qualifications of the person who prepared the opinion, the method of selection of such person, and any material past, existing, or contemplated relationships between the person or any of its affiliates and the general partner, sponsor, successor, or any other affiliate;

"(iii) any compensation of the preparer of such opinion, appraisal, or report that is contingent on the transaction's approval or completion; and

"(iv) any limitations imposed by the issuer on the access afforded to such preparer to the issuer's personnel, premises, and relevant books and records;

"(G) provide that, if the general partner or sponsor has obtained any opinion, appraisal, or report as described in subparagraph (F) from any person whose compensation is contingent on the transaction's approval or completion or who has not been given access by the issuer to its personnel and premises and relevant books and records, the general partner or sponsor shall state the reasons therefor;

"(H) provide that, if the general partner or sponsor has not obtained any opinion on the fairness of the proposed limited partnership rollup transaction to investors in each of the affected partnerships, such soliciting materials shall contain or be accompanied by a statement of such partner's or sponsor's reasons for concluding that such an opinion is not necessary in order to permit the limited partners to make an informed decision on the proposed transaction;

"(I) require that the soliciting material include a clear, concise, and comprehensible summary of the limited partnership rollup transaction (including a summary of the matters referred to in clauses (i) through (vii) of subparagraph (D) and a summary of the matter referred to in subparagraphs (F), (G), and (H)), with the risks of the limited partnership rollup transaction set forth prominently in the fore part thereof;

"(J) provide that any solicitation or offering period with respect to any proxy solicitation, tender offer, or information statement in a limited partnership rollup transaction shall be for not less than the lesser of 60 calendar days or the maximum number of days permitted under applicable State law; and

"(K) contain such other provisions as the Commission determines to be necessary or appropriate for the protection of investors in limited partnership rollup transactions.

"(2) EXEMPTIONS.—The Commission may, consistent with the public interest, the protection of investors, and the purposes of this title, exempt by rule or order any security or class of securities, any transaction or class of transactions, or any person or class of persons, in whole or in part, conditionally or unconditionally, from the requirements imposed pursuant to paragraph (1) or from the definition contained in paragraph (4).

"(3) EFFECT ON COMMISSION AUTHORITY.—Nothing in this subsection limits the authority of the Commission under subsection (a) or (d) or any other provision of this title or precludes the Commission from imposing, under subsection (a) or (d) or any other provision of this title, a remedy or procedure required to be imposed under this subsection.

"(4) DEFINITION OF LIMITED PARTNERSHIP ROLLUP TRANSACTION.—Except as provided in paragraph (5), as used in this subsection, the term 'limited partnership rollup transaction' means a transaction involving the combination or reorganization of one or more limited partnerships, directly or indirectly, in which—

"(A) some or all of the investors in any of such limited partnerships will receive new securities, or securities in another entity, that will be reported under a transaction reporting plan declared effective before the date of enactment of this subsection by the Commission under section 11A;

"(B) any of the investors' limited partnership securities are not, as of the date of filing, reported under a transaction reporting plan declared effective before the date of enactment of this subsection by the Commission under section 11A;

"(C) investors in any of the limited partnerships involved in the transaction are subject to a significant adverse change with respect to voting rights, the term of existence of the entity, management compensation, or investment objectives; and

"(D) any of such investors are not provided an option to receive or retain a security under substantially the same terms and conditions as the original issue.

"(5) EXCLUSIONS FROM DEFINITION.—Notwithstanding paragraph (4), the term 'limited partnership rollup transaction' does not include—

"(A) a transaction that involves only a limited partnership or partnerships having an operating policy or practice of retaining cash available for distribution and reinvesting proceeds from the sale, financing, or refinancing of assets in accordance with such criteria as the Commission determines appropriate;

"(B) a transaction involving only limited partnerships wherein the interests of the limited partners are repurchased, recalled, or exchanged in accordance with the terms of the preexisting limited partnership agreements for securities in an operating company specifically identified at the time of the formation of the original limited partnership;

"(C) a transaction in which the securities to be issued or exchanged are not required to be and are not registered under the Securities Act of 1933;

"(D) a transaction that involves only issuers that are not required to register or report under section 12, both before and after the transaction;

"(E) a transaction, except as the Commission may otherwise provide by rule for the protection of investors, involving the combination or reorganization of one or more limited partnerships in which a non-affiliated party succeeds to the interests of a general partner or sponsor, if—

"(i) such action is approved by not less than 66⅔ percent of the outstanding units of each of the participating limited partnerships; and

"(ii) as a result of the transaction, the existing general partners will receive only compensation to which they are entitled as expressly provided for in the preexisting limited partnership agreements; or

"(F) a transaction, except as the Commission may otherwise provide by rule for the protection of investors, in which the securities offered to investors are securities of another entity that are reported under a transaction reporting plan declared effective before the date of enactment of this subsection by the Commission under section 11A, if—

"(i) such other entity was formed, and such class of securities was reported and regularly traded, not less than 12 months before the date on which soliciting material is mailed to investors; and

"(ii) the securities of that entity issued to investors in the transaction do not exceed 20 percent of the total outstanding securities of the entity, exclusive of any securities of such class held by or for the account of the entity or a subsidiary of the entity.".

(b) SCHEDULE FOR REGULATIONS.—The Securities and Exchange Commission shall conduct rulemaking proceedings and prescribe final regulations under the Securities Act of 1933 and the Securities Exchange Act of 1934 to implement the requirements of section 14(h) of the Securities Exchange Act of 1934,

as amended by subsection (a), and such regulations shall become effective not later than 12 months after the date of enactment of this Act.

(c) EVALUATION OF FAIRNESS OPINION PREPARATION, DISCLOSURE, AND USE.—

(1) EVALUATION REQUIRED.—The Comptroller General of the United States shall, within 18 months after the date of enactment of this Act, conduct a study of—

(A) the use of fairness opinions in limited partnership rollup transactions;

(B) the standards which preparers use in making determinations of fairness;

(C) the scope of review, quality of analysis, qualifications and methods of selection of preparers, costs of preparation, and any limitations imposed by issuers on such preparers;

(D) the nature and quality of disclosures provided with respect to such opinions;

(E) any conflicts of interest with respect to the preparation of such opinions; and

(F) the usefulness of such opinions to limited partners.

(2) REPORT REQUIRED.—Not later than the end of the 18-month period referred to in paragraph (1), the Comptroller General of the United States shall submit to the Congress a report on the evaluation required by paragraph (1).

SEC. 303. RULES OF FAIR PRACTICE IN ROLLUP TRANSACTIONS.

(a) REGISTERED SECURITIES ASSOCIATION RULE.—Section 15A(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o–3(b)) is amended by adding at the end the following new paragraph:

"(12) The rules of the association to promote just and equitable principles of trade, as required by paragraph (6), include rules to prevent members of the association from participating in any limited partnership rollup transaction (as such term is defined in paragraphs (4) and (5) of section 14(h)) unless such transaction was conducted in accordance with procedures designed to protect the rights of limited partners, including—

"(A) the right of dissenting limited partners to one of the following:

"(i) an appraisal and compensation;

"(ii) retention of a security under substantially the same terms and conditions as the original issue;

"(iii) approval of the limited partnership rollup transaction by not less than 75 percent of the outstanding securities of each of the participating limited partnerships;

"(iv) the use of a committee that is independent, as determined in accordance with rules prescribed by the association, of the general partner or sponsor, that has been approved by a majority of the outstanding securities of each of the participating partnerships, and that has such authority as is necessary to protect the interest of limited partners, including the authority to hire independent advisors, to negotiate with the general partner or sponsor on behalf of the limited partners, and to make a recommendation to the limited partners with respect to the proposed transaction; or

"(v) other comparable rights that are prescribed by rule by the association and that are designed to protect dissenting limited partners;

"(B) the right not to have their voting power unfairly reduced or abridged;

"(C) the right not to bear an unfair portion of the costs of a proposed limited partnership rollup transaction that is rejected; and

"(D) restrictions on the conversion of contingent interests or fees into non-contingent interests or fees and restrictions on the receipt of a non-contingent equity interest in exchange for fees for services which have not yet been provided.

As used in this paragraph, the term 'dissenting limited partner' means a person who, on the date on which soliciting material is mailed to investors, is a holder of a beneficial interest in a limited partnership that is the subject of a limited partnership rollup transaction, and who casts a vote against the transaction and complies with procedures established by the association, except that for purposes of an exchange or tender offer, such person shall file an objection in writing under the rules of the association during the period in which the offer is outstanding.".

(b) LISTING STANDARDS OF NATIONAL SECURITIES EXCHANGES.—Section 6(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78f(b)) is amended by adding at the end the following:

"(9) The rules of the exchange prohibit the listing of any security issued in a limited partnership rollup transaction (as such term is defined in paragraphs (4) and (5) of section 14(h)), unless such transaction was conducted in accordance with procedures designed to protect the rights of limited partners, including—

"(A) the right of dissenting limited partners to one of the following:

"(i) an appraisal and compensation;

"(ii) retention of a security under substantially the same terms and conditions as the original issue;

"(iii) approval of the limited partnership rollup transaction by not less than 75 percent of the outstanding securities of each of the participating limited partnerships;

"(iv) the use of a committee of limited partners that is independent, as determined in accordance with rules prescribed by the exchange, of the general partner or sponsor, that has been approved by a majority of the outstanding units of each of the participating limited partnerships, and that has such authority as is necessary to protect the interest of limited partners, including the authority to hire independent advisors, to negotiate with the general partner or sponsor on behalf of the limited partners, and to make a recommendation to the limited partners with respect to the proposed transaction; or

"(v) other comparable rights that are prescribed by rule by the exchange and that are designed to protect dissenting limited partners;

"(B) the right not to have their voting power unfairly reduced or abridged;

"(C) the right not to bear an unfair portion of the costs of a proposed limited partnership rollup transaction that is rejected; and

"(D) restrictions on the conversion of contingent interests or fees into non-contingent interests or fees and restrictions on the receipt of a non-contingent equity interest in exchange for fees for services which have not yet been provided.

As used in this paragraph, the term 'dissenting limited partner' means a person who, on the date on which soliciting material is mailed to investors, is a holder of a beneficial interest in a limited partnership that is the subject of a limited partnership rollup transaction, and who casts a vote against the transaction and complies with procedures established by the exchange, except that for purposes of an exchange or tender offer, such person shall file an objection in writing under the rules of the exchange during the period during which the offer is outstanding.".

(c) STANDARDS FOR AUTOMATED QUOTATION SYSTEMS.—Section 15A(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-3(b)) is amended by adding at the end the following new paragraph:

"(13) The rules of the association prohibit the authorization for quotation on an automated interdealer quotation system sponsored by the association of any security designated by the Commission as a national market system security resulting from a limited partnership rollup transaction (as such term is defined in paragraphs (4) and (5) of section 14(h)), unless such transaction was conducted in accordance with procedures designed to protect the rights of limited partners, including—

"(A) the right of dissenting limited partners to one of the following:

"(i) an appraisal and compensation;

"(ii) retention of a security under substantially the same terms and conditions as the original issue;

"(iii) approval of the limited partnership rollup transaction by not less than 75 percent of the outstanding securities of each of the participating limited partnerships;

"(iv) the use of a committee that is independent, as determined in accordance with rules prescribed by the association, of the general partner or sponsor, that has been approved by a majority of the outstanding securities of each of the participating partnerships, and that has such authority as is necessary to protect the interest of limited partners, including the authority to hire independent advisors, to negotiate with the general partner or sponsor on behalf of the limited partners, and to make a recommendation to the limited partners with respect to the proposed transaction; or

"(v) other comparable rights that are prescribed by rule by the association and that are designed to protect dissenting limited partners;

"(B) the right not to have their voting power unfairly reduced or abridged;

"(C) the right not to bear an unfair portion of the costs of a proposed limited partnership rollup transaction that is rejected; and

"(D) restrictions on the conversion of contingent interests or fees into non-contingent interests or fees and restrictions on the receipt of a non-contingent equity interest in exchange for fees for services which have not yet been provided.

As used in this paragraph, the term 'dissenting limited partner' means a person who, on the date on which soliciting material is mailed to investors, is a holder of a beneficial interest in a limited partnership that is the subject of a limited partnership rollup transaction, and who casts a vote against the transaction and complies with procedures established by the association, except that for purposes of an exchange or tender offer, such person shall file an objection in writing under the rules of the association during the period during which the offer is outstanding.".

SEC. 304. EFFECTIVE DATE; EFFECT ON EXISTING AUTHORITY.

(a) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by section 303 shall become effective 12 months after the date of enactment of this Act.

(2) RULEMAKING AUTHORITY.—Notwithstanding paragraph (1), the authority of the Securities and Exchange Commission, a registered securities association, and a national securities exchange to commence rulemaking proceedings for the purpose of issuing rules pursuant to the amendments made by section 303 is effective on the date of enactment of this Act.

(3) REVIEW OF FILINGS PRIOR TO EFFECTIVE DATE.—Prior to the effective date of regulations promulgated pursuant to this title, the Securities and Exchange Commission shall continue to review and declare effective registration statements and amendments thereto relating to limited partnership rollup transactions in accordance with applicable regulations then in effect.

(b) EFFECT ON EXISTING AUTHORITY.—The amendments made by this title shall not limit the authority of the Securities and Exchange Commission, a registered securities association, or a national securities exchange under any provision of the Securities Exchange Act of 1934, or preclude the Commission or such association or exchange from imposing, under any other such provision, a remedy or procedure required to be imposed under such amendments.

ADDITIONAL STATEMENTS

CELEBRATING THE 75TH ANNIVERSARY OF LATVIAN INDEPENDENCE

• Mr. RIEGLE. Mr. President, this week the Latvian people marked the 75th anniversary of the birth of their nation. Three quarters of a century ago, the Republic of Latvia was born from the ashes of the First World War. Despite the unjust persecution and oppression which has marred Latvia's history, the triumph of the Latvian spirit has enabled the Latvian people to celebrate their diamond anniversary in a free and independent country. Although over 50 years of Soviet occupation weighed heavily on the hearts of the Latvian people, the Latvian consciousness survived and their cultural values have been preserved.

As World War I came to a close, Latvia and her fellow Baltic States, Lithuania and Estonia, gained independence for the first time. During the interwar period, Latvia was an active participant in international affairs and established productive relations with many nations around the globe. With the arrival of World War II, Latvia lost the freedom which it had cherished for a brief 22 years. In 1939, Nazi Germany and the U.S.S.R. conspired through a secret Molotov-Ribbentrop pact to relegate control of the three Baltic States, including Latvia, to the Soviet Union's sphere of influence.

Soviet forces marched into Latvia, illegally occupying it in June 1940, and pro-Soviet governments were quickly erected to puppet the rhetoric of Moscow's leaders.

What followed is considered to have been the bleakest era in Latvia's history. Stalin and his successors implemented repressive and colonial policies to achieve the Sovietization and Russification of Latvia. Tens of thousands of Latvian men, women, and children were executed, imprisoned, and exiled to the frozen wasteland of Siberia. Simultaneously, large numbers of ethnic Russians poured into Latvia, almost relegating the native Latvian population to minority status. Although these measures were insufficient to stamp out the Latvian spirit, the Soviet Union did manage to cause severe environmental damage with its anachronistic industrial policies, and establish Russian as the dominant language.

Through this difficult period many nations continued to recognize Latvia's legal status as a separate state even though it lost its sovereignty to an illegal Soviet occupation. The Latvian-American community, which has over 4,000 members in my home State of Michigan, also struggled hard, from across the Atlantic, to bring an end to the Soviet occupation. Latvian cultural values and traditions were promoted and preserved in this country to prepare a new generation for a free Latvia where they could achieve free expression.

Thus, Western pressure, the determination of the Latvian people, and the assistance of the Latvian-American community, enabled Latvians to capitalize on a window of opportunity in August 1991 and declare their independence.

In its new era of independence, Latvia is finally able to move forward. As Latvia moves once again down the path toward complete economic and political freedom, we must assure that it remains independent and stable. Guntis Ulmanis, the President of Latvia, speaking before the United Nations General Assembly, stressed that Latvia was adamant that no foreign troops remain on Latvian soil. Given the historic relations between Russia and the Baltic States it is clear why the Latvian people perceive the Russian troops as occupiers. We must ensure that the unilateral withdrawal of Russian forces from Latvia occur promptly and immediately.

As a leader of the decade long effort to support Baltic independence I once again salute the Latvian people on the 75th anniversary of the birth of their nation. I look forward to continuing to work closely with the Latvian-American community in the United States in promoting greater economic and political cooperation between our nation and the Republic of Latvia.•

NORTH AMERICAN FREE-TRADE AGREEMENT

• Mr. D'AMATO. Mr. President, a few days ago the House of Representatives voted to pass the North American Free-Trade Agreement. There was passion and conviction in the arguments both for and against the agreement as there has been here in the Senate. At the heart of the debate is whether NAFTA will mean job creation or job loss.

In my mind there is no question that NAFTA will result in short-term job losses. This job loss is especially serious in the Northeast and other areas where thousands of people have already lost jobs and businesses are treading water as they wait for the economy's heartbeat to pick up. People who actually are employed lack job security because the threat of layoffs is still commonplace. Employers are facing increased taxes under the Clinton economic plan, ever increasing regulation from the administration and the threat of increased mandates under the Clinton health care plan.

The downsizing of corporations, the reduction in defense workers and the lingering stagnant economy continue to erode our industrial base. Given this scenario, it is the wrong time to ask hard working middle-class workers to jeopardize their jobs today so that someone else may get a job 10 years from now. That is why I cannot support this NAFTA.

There is no question that additional jobs will move to Mexico due to NAFTA, and the lower wages and poorer working conditions in that country. Importantly, I note that U.S. workers have also lost jobs as a result of poor enforcement of our own U.S. fair trade laws. I am gravely concerned that foreign countries outside the NAFTA will find it very inviting to use Mexico as a platform in order to circumvent United States trade laws and export freely into the United States. By producing parts in home countries and setting up low-wage assembly plants in Mexico, foreign companies will be able to send products into the United States either with low or no duty.

Over the past few years I have become all too familiar with the problem of circumvention in our dumping laws. I have also become all too familiar with the politics of status quo when it comes to trying to enforce and strengthen these laws so that U.S. companies and U.S. workers can compete on a level playing field with foreign companies. As a consequence, this status quo has meant people who had jobs in my State last year, do not have jobs this year.

There are 875 unemployed Smith Corona workers in Cortland, NY, who are testimony to that point. Smith Corona fought for 12 years to get the U.S. to enforce our trade laws and stop circumvention. They were unable to get relief from either the executive branch or the legislative branch even though the evidence was clear that a Japanese company had been dumping in the United States and undercutting their ability to compete in a truly competitive market. Eventually, Smith Corona was forced to leave the United States and set up operations in Mexico in order to survive.

So, I ask: Does NAFTA do anything to strengthen or close loopholes in our fair trade laws? No. NAFTA will operate under the currently flawed antidumping [AD] and countervailing duty

[CVD] laws which allow foreign companies to circumvent our fair trade laws. NAFTA further weakens our enforcement efforts by vesting the power to interpret U.S. trade law in a 5-member binational dispute resolution panel which makes U.S. agency administrative decisions subject to a single binding decision by this panel. American business forfeits its access to the Court of International Trade [CIT], the U.S. Court of Appeals for the Federal Circuit, and the Supreme Court. Instead of pursuing judicial review in domestic courts, parties must submit challenges to the 5-member ad-hoc committee.

Cheap labor and foreign companies outside the NAFTA that use Mexico to cheat in trade leaves jobs vulnerable nationwide, especially our manufacturing jobs which in large part rely on labor intensive production. At least 6 percent of New York's manufacturing job base—403,000 jobs, according to the Economic Policy Institute—is estimated to be vulnerable under NAFTA. Nationwide, manufacturing jobs continue to decline from a high of 21 million workers in 1979 to 18 million workers in 1992. In New York, manufacturing employment has gone from 1.5 million in 1978 to 1 million in 1991.

Since 1970, New York has lost approximately 1,107,000 jobs in the following fields: 813,000 manufacturing; 145,000 apparel and textile; 60,000 industrial machinery; 53,000 primary metals; 25,000 steel; and 11,000 electric lighting and wiring. Between 1990 and 1992, approximately 300,000 were lost including 115,000 in manufacturing. NAFTA will only further erode New York's manufacturing base.

The importance of manufacturing employment to the economy is vitally clear when you consider the multiplier effect of secondary employment associated with each manufacturing job, both in supplier industries and in sectors where workers spend their paychecks. The average manufacturing job generates four and a half times as many secondary jobs as does the average retail job and almost three times as many secondary jobs as a job in the personal and business service sector. This fact speaks for itself as to the importance of manufacturing jobs to our economy.

For U.S. workers who do not lose their jobs NAFTA offers something different—higher taxes. NAFTA offers a spending program that will cost taxpayers billions of dollars. Spending costs of NAFTA will include: budget offsets that must be found in order to replace lost tariff revenues; training and income support for dislocated workers; environmental and infrastructure costs; and, the proposed U.S. contribution to the new North American Development Bank [NADBank].

The Joint Economic Committee warns that NAFTA could cost $20 billion over the next 10 years. The direct costs of implementing NAFTA over the next 5 years could be 30 percent higher than the $2.7 billion administration estimate for the first 5 years due to understated lost revenue and uncounted payments to fund the NADBank. The JEC cites that their estimates are conservative and do not reflect additional State or local spending, the total social and economic costs or the ripple effects on workers and communities indirectly affected by NAFTA and the potential downward pressure on U.S. wages.

The choice between no job or a job with higher taxes is not what American workers want. Today, our economy is still in the dumps and jobs are the No. 1 concern. This NAFTA continues the threat against our workers that their jobs are not secure. This NAFTA does not provide assurances for strengthened fair trade, it simply applies currently flawed fair trade laws to a new situation. Cheating by foreign companies goes on right here in our own back yard. Under NAFTA our back yard is even bigger. Offering more opportunity to undercut American companies and put Americans out of work is not something that I can support.

I believe NAFTA will hurt the working men and women of New York. I sincerely hope that I am wrong, but I remain convinced that in the foreseeable future, NAFTA is not good for the people I represent, and I will vote against it.●

DR. HAROLD ELIOT VARMUS, DIRECTOR, NATIONAL INSTITUTES OF HEALTH

● Mr. DURENBERGER. Mr. President, I rise in support of Dr. Harold Eliot Varmus as the Director of the National Institutes of Health. Dr. Varmus is an accomplished scientist and modern day "renaissance man." His knowledge will be put to good use at the NIH.

As the Director of the NIH, Dr. Varmus will be taking the helm of an organization with a nearly $11 billion budget. The NIH is the centerpiece for biomedical research in this country. NIH's grants to researchers in academia and industry, and its own cadre of top-flight scientists, have greatly contributed to American leadership in basic research.

But it is also because of this leadership that I do not believe the NIH should stand on the sidelines of the health care reform debate. I would go as far as to say it cannot. The quality of medical care patients receive is irreversibly linked to the successes of our basic medical research.

The purpose of scientific research conducted at the NIH is to benefit patient care and human health. Biomedical research should never lose sight of that goal. But health care reform is also teaching us that human health demands much more than basic biomedical or biochemical science.

As the NIH Director, Dr. Varmus will face the challenge of the current health care policy environment to determine innovative, effective, and appropriate patient treatments. The challenge requires a visionary strategic plan—a recommendation that his predecessor, Dr. Healy, took up, but a recommendation that has never been followed through at the NIH.

That strategic planning should include nurturing of the highly innovative and rapidly growing field of biomedical engineering research. Biomedical engineering has contributed to the development of new medical devices that have revolutionized patient care. I requested that a study on the status of biomedical engineering be conducted by the NIH because of the fundamental importance of this field in our basic science arsenal.

The NIH seems to shy away from research on treatment outcomes. Maybe part of a strategic plan should include development of these research capabilities? I believe that with impending health care reform, the NIH cannot afford to ignore this critical area. At the least, the NIH should try to coordinate its basic research with outcomes measurements conducted by other agencies in the Department of Health and Human Services.

In the complex organization of the NIH, Dr. Varmus also will be faced with continuing problems of morale of senior Government scientists, potential and real conflicts of interest between publicly funded research and private industry, appropriate participation in clinical trials, and issues of fair allocation of NIH resources among many competing constituencies. And in recent years, there have been allegations of scientific and sexual misconduct and racial prejudice. These problems demand sensitivity and deft managerial skills. The NIH cannot risk the appearance of a damaged institution if it is to continue to be a leader in basic research.

The NIH directorship—as I am sure Dr. Varmus is aware—carries an enormous responsibility. That role is even greater because of the times. I encourage Dr. Varmus in his new role to define the NIH's role in health care reform and not to lose sight of creativity in research. NIH has made the United States a leader in basic research. Let NIH be the building block for the higher quality health care we all seek.●

A SALUTE TO SESAME STREET

● Mr. SIMON. Mr. President: Today is indeed a special day: the beginning of the 25th birthday season featuring the longest street in the world. I am talking about "Sesame Street", the well-loved and most widely viewed children's program in the world. This week, Sesame Street and the Children's Television Workshop [CTW] begin

marking a quarter century of entertaining and educating young children all over the world.

Sesame Street began as an experiment in educational programming. Part of the reason why the show has been so successful has been its ability to change. CTW has added new characters and expanded the series' curriculum goals to meet the changing needs of children growing up in our fast-moving society. One of the series' really creative and exciting components is its race-relations curriculum, now in its fourth year: this year the emphasis is on Asian-American culture.

One thing that hasn't changed over the years is the basic mission of CTW. Like Sesame Street itself, CTW has only expanded. The Workshop began by experimenting with the use of television to help educate children, particularly those children who were from more disadvantaged backgrounds. Now the workshop uses other media, including print, software, and outreach programs, to add to the effectiveness of Sesame Street and its other educational theories, and to reach children wherever they are found, in and outside the classroom.

In fact, in my own State of Illinois, the Sesame Street Preschool Education Program, or Sesame Street PEP, is reaching thousands of preschoolers, introducing them to a lifelong love of learning.

As parents, grandparents, aunts, uncles, and legislators, we owe a round of applause and our deepest gratitude to Sesame Street and the Children's Television Workshop for showing our kids, and ourselves, that learning can be fun and relevant to kids all over the world and that television is a wonderfully powerful medium for doing good.

Mr. President, in addition to my own statement, I would like to have printed in full in the RECORD the following articles from today's New York Times and USA Today.

The articles follow:

[From the USA Today, Nov. 22, 1993]

MAKING KIDS AND LEARNING FEEL AT HOME

(By Donna Gable)

The safest street in the world stretches from the inner cities of the USA across the ocean on the Middle East and beyond.

It's not on any map, but you can get there from here. And no matter the name—Sasamstrasse in Germany; Plaza Sesamo in Latin America; Rechov Sumsum in Israel; of Iftah Ya Simsim in Kuwait—Sesame Street has always been a protected place for kids to play and learn. From the early days when it taught tots their ABCs and 1-2-3s, to today's life lesson in race relations, Sesame Street is a reflection of our times for the eyes of children.

Today, the Emmy-winning PBS children's series turns a corner, metophorically and physically, as it begins its 25th season. But the Street is not just growing up, it's growing out. For the first time, we get to see what's "Around the Corner" from the familar brownstone and Mr. Hooper's Store.

Executive producer Michael Lorman says the set was designed as a cuddly S-shaped cul-de-sac "so there are no streets to cross." There's a dance studio, a thrift shop, a playground, a home care center, and The Furry Arms, a Muppet hotel "where everyone stays when they're in town."

And while there are newcomers—including Zoe, "a bright orange 3-year-old monster girl that smiles from ear to ear"—they're all old friends on the Street.

Dr. Valerie Lovelace, assistant vice president/director of research, says the new set is "a way through which we can show the contributions that families make to children's success in school and life."

Three fresh faces—Angela (Angel Jemmott) and Jamal (Jou Jou Papailler), a black couple, and their 6-month-old, Kayla—are related to series regulars Susan and Gordon.

"We want to show the family as a socializing agent, the most important part of a child's life." Lovelace says. The knowledge gained from the show's race relations curriculum "will guide our thinking on families, in terms of looking at their diversity."

Through Celina (*Miss Salgon's* Annette Calud), an Asian-American dance instructor, the show will explore issues like exclusion and name-calling.

Today's season opener is a backdrop for the myriad Muppets and others who parade down the lane. First lady Hillary Rodham Clinton stops by to christen the new season and inspire Cookie Monster to rap about the importance of eating more than cookies to stay healthy.

Upcoming celebrity guests who will stay at The Furry Arms include poet Maya Angelou, singer Garth Brooks and actress/comedian Lily Tomlin.

"These celebrities have helped draw the parent to the child's side . . . and they sit and watch Sesame Street together," says Peggy Charren, founder of Action for Children's Television. "Research shows when children and parents watch together they learn more."

Ruth Buzzi—who joins the cast as Ruthie, the offbeat owner of Finders Keepers, which offers such collectibles as Cinderella's glass slippers and Jack and Jill's legendary pail—credits the show's stable of "creative, ingenious and nutty writers" for the show's longevity.

"Writing comedy every day, day in day out, is not all laughs," says Buzzi, who compares the cadre of scriptmeisters with those of her *Rowan & Martin's Laugh-In* days. "After a while your brain dies out. The only way to keep the momentum going and keep it fresh is to have a LOT of writers."

Charren says the program "could've been a wonderful model for the people in the commercial broadcast world. We'd hoped it would send a message to them: that you can do it right and still win. But what was their response? 'Let PBS do it.'"

The *Street* has always been safe but it hasn't been a blind alley or a dead end. Since 1969, it's evolved from an experimental educational program for preschoolers to a multimedia educational institution seen in 90 countries.

And even though the conventional wisdom is that *Barney* has taken the spotlight, the word on the *Street*—from the top down—is "there's room for everybody."

It doesn't matter whether kids tune in to a big yellow bird or a purple dino, says Loman, "as long as they're learning and having fun."

We don't look at Barney as being in competition with us because we're both on PBS," he says. Besides, "We'd rather have them watch Barney than a violent or nonsensical cartoon on another channel."

Sonia Manzano, who has played Maria on the show since its third season, agrees. "Kids have the right to have more than one show to choose from. Adults have lots of choices . . . and still complain there's nothing on."

Besides, the show has more important things than Barney's bite to focus on, such as continuing its 25-year legacy.

And everyone agrees, the days have been a little less sunny without Jim Henson, the mastermind behind the Muppet menagerie, who died suddenly in 1990.

And in strolling down the Street, you cannot overlook his touch. Puppeteer Kevin Clash, who won an Emmy for breathing life into a fuzzy, red Muppet named Elmo, says Henson's death "was a difficult loss."

"Jim loved coming to Sesame Street and putting on Ernie and Kermit. I miss that immensely," says Clash, who grew up watching Sesame Street and "dreamt of working" with the brilliant Muppet-making man-boy.

"The love that's behind the scenes and comes across on camera—that's Jim. And some days when something goes really right. Jim's there. You can feel it."

Clash—who also portrays Baby Sinclair, the tiny dino on ABC's sitcom Dinosaurs—hope his 11-month-old daughter, Shannon, will someday don a fuzzy alter-ago.

"I'm envious of Elmo. I'd love to keep that positive. But when you become an adult, sometimes things can get you down," he says. "It's great to be able to cover yourself with these characters and become young again."

The most important lesson, he says, may be "how to find your way back" to the Sesame Street inside us all.

Manzano says she's looking forward to the next 25 years.

"If this show is the only thing I ever do in my career, that's not a bad credit," she says. "When I looked back at my life I could say, 'I lived a good a life. I lived on a nice street.'"

[From the New York Times, Nov. 22, 1993]

IT'S 25 AND STILL THINKING LIKE A CHILD

(By John J. O'Connor)

Known as the longest street in the world, stretching in one form or another around the globe, "Sesame Street" celebrates its 25th birthday today with a characteristic eye on the future and a meandering stroll to a new playground that it calls "just around the corner." The Children's Television Workshop's pioneering blend of carefully researched education and quality entertainment has lost none of its imaginative freshness. Hillary Rodham Clinton, flanked by Big Bird and Rosita, drops by today in a gesture of richly deserved tribute.

The survival of "Sesame Street" has involved struggle and occasional controversy. In the 1970's, the BBC rejected the program, ostensibly because of its ultra-American, hard-sell teaching techniques: Britons were later allowed to watch the series, seemingly without ill effect. When the project was conceived in the 1960's by Joan Ganz Cooney and Lloyd Morrisset, children's television was a generally sorry affair, with cartoons at one end and dull instructional classes at the other. The Children's Television Workshop created something entirely new: an education program that was great fun to watch.

The program is aimed at all preschoolers, but is especially eager to reach disadvantaged children whose early exposure to school-related skills might be limited. The underlying theory is that more than half of a child's lifetime intellectual abilities are

formed by the age of 5. Lessons are delivered, for the most part, by showing, not by lecturing. In the show's multicultural society, children of all sorts mix easily with one another and, of course, with furry creatures representing all colors of the rainbow. The memorable duet of Ray Charles and Kermit the Frog on "Bein' Green" was anything but an accident.

So today, as Big Bird leads a parade of youngsters and Muppets to the new playground, it's hardly surprising to discover that the new faces in the crowd look like an illustration for a United Nations brochure. Tarah (Tarah Lynne Schaeffer) is a 9-year-old whose physical disability keeps her in a wheelchair. All of the newcomers are being introduced this week, and will be developed more fully in future episodes.

Meanwhile, the scene on Sesame Street is punctuated with brief taped segments that might offer a lesson on a letter or number, an illustration of concepts (Zero Mostel's take on "Big" and "Little" is a series classic), or a vignette with an understated point. Today, for instance, two girls are found waking up in a bedroom that is obviously middle-class comfortable. One girl is black, the other is white. The white girl is the visitor. This season, Asian-American cultures are being highlighted. Among the scheduled guests: the tennis star Michael Chang.

When Children's Television Workshop researchers went to day-care centers and asked children what they would like to see on the show, the most frequent answer was a place to play. The new playground, which required moving the production to the larger quarters of the Kaufman Studios in Astoria, Queens, should satisfy the most demanding of young viewers. In the course of the hour, the First Lady urges those watching to eat fruits and vegetables, get plenty of exercise and rest. In a rap song, Cookie Monster admits that nobody should eat just cookies. And the show ends with an announcement that this edition of "Sesame Street" was brought to you by the letters C and O, and by the number 3. Talk about enlightened sponsorship.

The Children's Television Workshop has moved well beyond "Sesame Street" as seeking feasible ways to support its many activities, it has branched into television specials, videos, books and even items like a Cookie Monster cookie jar. There have been critics of this commercialization inside and outside the organization, David V.B. Britt, its president, disagrees, though he says perhaps the name should be changed to the Children's Media Workshop.

Sadly, as one of the brightest jewels in public television's now lopsided crown, "Sesame Street" has failed in one crucial sense, one that is beyond its control. Despite its demonstrable success, television executives and politicians have largely failed to follow up with adequately financed projects of similar caliber for young audiences. the level of education in the nation today is abysmal. All those preschoolers so lovingly prepared are being betrayed by schools impoverished on just about every level. "Sesame Street" has shown how to proceed with intelligence and style. Perhaps some day. . . .

Meanwhile, let's get on with the next 25 years.●

COMMENDING TRIO PROGRAMS

● Mr. WOFFORD. Mr. President, I would like to draw my colleagues' attention to five extraordinary Pennsylvania students who have recently received special recognition awards from the Pennsylvania Association of Educational Opportunity Programs. This organization represents the over 100 Pennsylvania TRIO programs. As my colleagues all know, TRIO programs provide services to traditionally underrepresented students. In Pennsylvania and across the country, TRIO programs enable students to reach their fullest potential.

Doris Goodman is a senior psychology student at Clarion University. Doris is a returning adult student with a disability. She is also the mother of two teenage children. Despite her many challenges she is a member of the several student organizations and served as cochair of a regional conference on adult learners—all while maintaining a 3.95 grade point average.

Monique Henderson was a member of the first Upward Bound class at Harcum Junior College. She participated throughout her 4 years of high school. Monique was honored as the outstanding Upward Bound student in 1992. This spring she will be a freshman at Howard University.

Cheryl Honick is a nontraditional student who returned to school after 14 years. She is married and the mother of five children under the age of 12. Cheryl is a third-year student at California University of Pennsylvania, where she has been an active participant in the Student Support Services Program.

Albert Prado participated in the Upward Bound Program at Wilkes University for 3 years while he was a student at Coughlin High School. He was an honor student, served as cocaptain of the soccer and volleyball teams and was president of the Spanish Club. Albert is currently a freshman at East Stroudsburg University.

Daniel Uribe is a junior at the University of Pennsylvania, where he participates in the Student Support Services Program. Daniel is a representative to the United Minority Council, where he serves as the students' voice to the administration of the university on various issues related to minority students.

Mr. President, the TRIO Program enables students to reach their fullest potential. I ask my colleagues to join me in congratulating each of these extraordinary Pennsylvanians for their accomplishments. We should expect great things from them in the future.●

VIETNAM WOMEN'S MEMORIAL

● Mr. DURENBERGER. Mr. President, earlier this month we celebrated the culmination of a decade's worth of effort to honor the courage and excellence of the American women who served our country in Vietnam. We unveiled the Vietnam Women's Memorial here in Washington, DC.

It is well known that Vietnam marked a turning point in the history of the United States. What is less well known—and therefore stands in special need of commemoration—is that America's women played a very important role in the Vietnam conflict.

A Minneapolis lawyer named Donna Marie Boulay—a Vietnam veteran who served back in 1967–68—contacted me about her project to honor these underrecognized women of courage who helped defend our country in the Vietnam era.

In 1987, I introduced a resolution in the Senate to create a memorial to these 10,000 American women. With the strong advocacy of D.M. Boulay, and the cooperation of Senator ALAN CRANSTON of California and others—we were able to get the project on track.

After I became involved in the project, I started receiving mail from Vietnam veterans all over America who supported the idea. Many who wrote expressed a theme that I found especially compelling—they said that they would not be here today if it were not for the women who served so ably in Vietnam.

Now, 6 years later, we have inaugurated the completed monument—a sculpture depicting three servicewomen caring for a wounded GI.

The unveiling of this memorial ought to be a source of inspiration and pride in all our American servicewomen. It is America's way of saying thank you to the women who laid down their lives for us in Vietnam, and continue to do so much in order that we might enjoy the blessings of liberty.●

SENATOR KASTEN'S ANALYSIS OF PRESIDENT CLINTON'S HEALTH CARE NUMBERS

● Mr. MACK. Mr. President, earlier today Senator NICKLES and I introduced The Consumer Choice and Health Care Security Act of 1993. This bill would achieve health care reform in a far superior fashion than the plan recommended by President Clinton.

The flaws in the President's plan are numerous. One of those flaws is its claimed effect on the deficit. In a recent oped appearing in the San Diego Union-Tribune, our former colleague from Wisconsin, Senator Robert Kasten, concludes that "Clinton's health care figures don't compute." This article is well worth the attention of Senators, and I ask that it be printed in the CONGRESSIONAL RECORD in its entirety.

The article follows:

CLINTON'S HEALTH CARE FIGURES DON'T COMPUTE

(By Robert W. Kasten and Cesar V. Conda)

On Oct. 1, the American middle-class was introduced to the first major installment of "Clintonomics." The federal gasoline tax was increased by 4.3 cents per gallon as part of the president's deficit-cutting plan (the so-called "rich" have already paid their "fair share" in taxes because Clinton retroactively raised the top tax rates effective

last Jan. 1). And now, the Clintons have proposed a substantial increase in "sin taxes" and employer insurance mandates to finance a federal takeover/overhaul of the nation's health care system.

Unfortunately, both the Clinton budget and health care reform plans are built on a foundation of quicksand. By imposing harmful disincentives and higher costs on the economy, the tax financing mechanisms will raise less additional tax revenue than the administration estimates—and in some cases, actually reduce net tax revenue—leaving a multibillion dollar deficit hole in the federal budget.

Furthermore, given Clinton's proclivity to raise taxes before cutting spending, he may well opt to implement a more dangerous tax to fill these financial gaps—the value added tax (VAT).

The reason budget projections rarely hold up is because the government's estimators and accountants live in the fantasy world of static revenue analysis. Their economic models rarely account for the real world impact that higher taxes and other government-imposed burdens have on human behavior and economic activity—and as a result, their revenue estimates often miss the mark.

For example, in the case of the recent gas tax increase, the government estimators totally ignored the fact that higher gasoline taxes would raise costs at all stages of production for businesses, thereby reducing economic growth. The Institute for the Research on the Economics of Taxation estimated the 4.3-cent gas tax hike will reduce gross domestic product by some $16 billion and jobs by 110,000 by 1998. The result is that only $5 billion will be raised in net additional tax revenue over five years instead of the $24 billion estimated.

Also during the budget debate, Harvard economist Martin Feldstein argued forcefully that the sharp jump in marginal tax rates in the Clinton budget would collect only one-fourth of the projected $100-plus billion five-year revenue gain. That's because high-income individuals would work fewer hours and load their portfolios with tax-exempt municipal bonds in order to reduce their taxable incomes and avoid the higher marginal tax rates.

Congress should have learned its lesson when it imposed a 10 percent excise tax on expensive boats in 1990, only to destroy thousands of boat manufacturing jobs and actually reduce net tax revenues for the government. As Jack Kemp, former congressman and Cabinet member, cogently put it, "Virtually every time the government has raised tax rates, the federal deficit has grown even larger."

As with its budget plan, the Clinton administration has disregarded the dampening effect of its health care proposal on the economy and tax revenues. Consequently, the financing mechanisms, to borrow the words of Sen. Daniel P. Moynihan, D–NY., "are a fantasy."

First of all, the proposed tax increase of 75 cents a pack on cigarettes would raise less than half of the $15 billion revenue pickup estimated by the administration, according to professor Robert D. Tollison of George Mason University. Tobacco makes up about 2 percent of the Consumer Price Index and a large tax increase on cigarettes would increase the index by as much as 1 percentage point. This in turn would increase government spending on inflation-adjusted programs such as Social Security and foods stamps, and cut tax revenue collected from the standard deduction for federal income taxes.

The employer mandates also would end up depressing the economy and tax revenue. Under the plan, employers would pay for an employee's health insurance equal to 3.5 percent of payroll for businesses with less than 50 employees and 7.9 percent for all others. Businesses would be forced to pass along the added costs to consumers and workers through higher prices, lower wages, and fewer jobs.

Hillary Rodham Clinton recently said that she can't "save every undercapitalized small business in America." But the employer mandates in her health plan would make it more difficult for viable, capitalized small businesses to keep their doors open.

The plan also contains another anti-job provision: In order to qualify for the federal government subsidies that would keep mandated costs to no more than 3.5 percent of payroll, small businesses would limit their size to no more than 50 workers. Employers at or near the threshold would be induced to shed full-time jobs.

The International Mass Retail Association sponsored a recent nationwide survey which found that any employer mandate would put 1.9 million jobs at risk of being eliminated. Other reputable studies predict job losses as high as 3.1 million. Even Laura Tyson, the chairwoman of the president's Council of Economic Advisors, now admits that the burdensome employer mandates in the Clinton health plan could cost as many as 600,000 jobs in its early years.

Fewer people working in taxpaying jobs and more people on unemployment compensation programs mean less tax revenue, more government spending and bigger deficits. According to economist Feldstein, the Clinton health plan as it now stands would probably reduce tax revenues by at least $50 billion per year.

To fill these gaping financing holes, President Clinton is likely to resurrect the idea of a valued added tax. Such a tax has long been attractive to politicians because of its ability to generate sizable tax revenues. But as the European experience has shown, it could be a fatal attraction; a VAT tends to hide the true cost of government, and eventually lead to high and oppressive levels of taxation and spending over time. As former Treasury Secretary William Simon put it, a VAT "would rob us blind."

Instead of new and higher taxes, Congress should support the bipartisan efforts of legislators such as Sen. Bob Kerrey, D–Neb., Rep. Bob Andrews, D–N.J., and Rep. Bill Zeliff, R–N.H., to advance additional spending reductions to cut the deficit. This effort must include a serious effort to reform entitlement programs. Before proceeding with health care reform, Congress should demand realistic cost estimates that factor in the negative impact of the Clinton health plan's taxes and mandates on the economy.

As the old saying goes, "there's no free lunch." The American public must be made aware of the real economic costs of the Clinton agenda.●

REPEAL OF SANCTIONS AGAINST SOUTH AFRICA

● Mr. SIMON. Mr. President, I am pleased to report, along with Senator KASSEBAUM, that both the Senate and the House have now acted to pass H.R. 3225, the South African Democratic Transition Support Act.

Passage of this bill sends a crucial message of support for the democratic transition in South Africa. It is a direct response to Nelson Mandela's call for the international community to lift the remaining economic sanctions against South Africa, so that a newly elected majority government will be able to run the country in a climate of growing economic prosperity. This bill completes the process of sanctions repeal begun under President Bush.

South Africa needs this bill. It paves the way for lending from international financial institutions for critical social infrastructure projects, which will help narrow the gap in the standard of living between whites and blacks in South Africa.

This bill also helps South Africa begin the process of re-engaging in global trade, by encouraging the United States Government to expand its trade relations. And it gives U.S. businesses the green light to consider reinvesting in South Africa—investment that is essential to the survival of a truly democratic South Africa. United States companies will now be able to compete with the Europeans, Japanese and others who have already removed their sanctions.

This bill recognizes the fact that both black and white leaders have shown that the democratic transition in South Africa is irreversible. Negotiators have approved an interim constitution that supports a majority-led government and includes bill of rights protections for all South Africans. Preparations are underway for general elections in April 1994. Change is underway, and South Africa is entering a new era—an era that will reap benefits for the South African people and to the entire sub-Saharan region.

I urge President Clinton to move quickly to sign this bill into law. I also urge those State and local entities with remaining sanctions legislation to move quickly toward repeal. South Africa is changing for the better, but we must assist that change as best and as promptly as we can.●

RESTRICTING GIFTS, MEALS, AND TRAVEL PROVIDED TO MEMBERS OF CONGRESS

● Mr. LAUTENBERG. Mr. President, on May 5 of this year, I offered an amendment to the lobby disclosure bill which was adopted 98 to 1. Ninety-eight of our colleagues voted for an amendment which expressed our sense that the Senate should limit the acceptance of gifts, meals, and travel by Members and staff in a manner substantially similar to the restrictions applicable to executive branch officials. These 98 said we should do that as soon as possible but certainly not later than the end of this year's session.

Well, Mr. President, that was 6 months ago. And while hearings were

held in July, there has been no concrete action taken to move this matter forward in the Senate.

That does not surprise me, Mr. President. But it does make me very frustrated. And I suspect it frustrates the American people.

Let me make clear, Mr. President, that I am not here to place blame. All I want is what the public wants—action!

There is an impression that some are quietly resisting this reform, and don't want change. But there are others who support reform. In particular, I would like to take the opportunity to thank Senator LEVIN for holding this hearing in July, and for his cosponsorship of my gift ban bill. I appreciate it.

But, Mr. President, we do need to act! Americans are demanding a stop to business as usual here in Washington. And part of the business they want to see gone is the coziness of special interest influence on legislators. The free tickets to shows or sporting events. The lavish dinners at expensive restaurants. The free trips to expensive luxury resorts around the world.

It is clear, Mr. President, that the Senate rules on the acceptance of gifts, meals, and travel are, to put it mildly, far too lax. We do have a limit—but it is virtually meaningless. We say that Senators can only accept gifts worth up to $250 from any person. However, gifts worth less than $100 are exempted from that limit and do not even have to be disclosed. And some gifts—like meals—are not counted at all, no matter how much they cost. So, essentially, there is not a real limit.

It does not have to be that way. And it is not that way in the executive branch. Those officials, in general, may not accept gifts from anyone who does business with the official's agency, nor from anyone who has interests that may be substantially affected by the performance of the employee's official duties.

Those rules have not caused a collapse of government. The executive branch has not ceased functioning. Such rules help. They do not hurt. And they ought to be in place in the Senate.

First, there is a need to respond to public cynicism and restore the people's trust in the Congress. Second, there is a need to reduce the power of special interests, and to make government more responsive to the needs of ordinary Americans.

Let me address the perception problem first.

Mr. President, Americans today distrust government, and are angry! They think that Members are captives of the wealthy and powerful, and not really concerned about ordinary people. In their view, Congress is out of touch in part because Members enjoy an assortment of special perks and privileges that are unavailable to the general public, and that appear to influence policy.

That view is understandable.

Consider this analogy. Let us say you are a baseball fan. You pay hundreds of dollars to fly to the World Series to see your favorite team compete. And then you find out that the umpires just came back from a luxury trip to the Caribbean—paid for by the opposing team.

Now, those umpires might insist that their free trip will not influence their work. They may claim to be fine, ethical people who care about the good of the game. They may say that their judgments will not be colored by the gifts they received.

And not a fan in the country would believe them.

Well, Mr. President, that's how most Americans feel when they see special interest lobbysts winning and dining Members of Congress. They think the deck is stacked against them. They do not think it is fair. And they do not respect a system which operates that way.

Mr. President, fair or not, as long as the public believes that Congress is beholden to special interests, our credibility, and our ability to lead, is undercut.

Mr. President, democracy cannot function in an atmosphere of distrust. But that is the environment which surrounds us. It is an atmosphere polluted by perceptions of misused power and abused perks. It is losing the faith of the American people and interfering with our ability to govern.

That brings me to the next point.

The need to reform our rules on gifts, meals, and travel goes beyond a perception problem. This is not just a figment of the public's imagination. It's real. And it has to be addressed.

When I was a CEO in the private sector, I had a rule. Purchasing agents could not accept gifts from suppliers. It was not an unusual rule. Lots of companies have it. They have it because gifts create a potential for undue influence.

Gifts influence behavior in the private sector. And they can influence behavior in Congress as well.

Now I know many of my colleagues do not believe that. Members, they say, are not selling their votes for the price of a meal, or a trip to Barbados.

They are probably right. But that is just not the point.

The point is this: when lobbyists take a Senator to dinner, they are not buying a vote—but they are not just buying a meal. They are buying access. And access is power.

Ordinary citizens do not have that access. They cannot just take their Senator to a quiet dinner at an expensive restaurant and explain what it is like to be unemployed and out of unemployment compensation benefits. They cannot take their Congressman to a ballgame to discuss the problems they have making ends meet or educating their kids. And they certainly cannot spend a relaxing weekend at a tropical resort, playing golf with key legislators while discussing a complicated provision in a tax bill.

Mr. President, after you have been in Congress for a while, it is easy to forget how hard it is to get access to Members. But we have a whole industry here in Washington that exists largely to give its clients that kind of access. Many lobbyists get paid huge salaries not because of their policy expertise, but because they can get people in high places to return their phone calls, and listen to what they have to say.

Mr. President, corporations do not spend thousands of dollars so that Members of Congress can play golf in the Caribbean because they think the world will be a safer place if Members can practice sinking putts from 30 feet. They think the world will be a safer place if Members of Congress agree with them on issues. And they want to talk to Members about those issues. They do that at dinner, on golf courses, at sporting events. They are paying for access. They are paying for clout.

The current system of influence peddling creates a bias in the political system as a whole. A bias against the interest of ordinary Americans, and in favor of narrow special interests who are represented by lobbyists here in Washington. And that is what needs to change.

Mr. President, the restrictions I have proposed are hardly radical—executive branch employees already live under similar rules. Under my proposal, there is no limit on the number of meals or trips that Members can take with lobbyists—they just have to pay their own way.

Obviously, Mr. President, we need to do more than limit gifts, meals, and travel. We need to overhaul our campaign finance laws, toughen regulation of lobbyists, close the revolving door, and fundamentally change the policymaking environment here on Capitol Hill. But we need to start.

Mr. President, we cannot put this issue off forever. The Senate has committed itself to acting promptly. We said we would act this year. But we have not. That is one reason people don't trust us, do not believe us, often do not respect us. And that is one reason I am not going to let this issue go away. We have to act, and soon.•

TRIBUTE TO ZORADER CURRENCE

• Mr. METZENBAUM. Mr. President, I rise today to pay tribute to a remarkable woman. Ms. Zorader Currence of Canton, OH.

Ms. Currence was recently honored by Maxwell House as a real hero; a select group of individuals—only 50 from across the country—who selflessly donate their time making others' lives better.

Mr. President, this woman is a tribute to the human spirit, and a reminder that so many of us fall short in our individual efforts to aid those less fortunate than we. Many of us contribute to a cause, or volunteer an hour here or an hour there, or do what we can on the issues that concern us most.

Zorader Currence has made helping others the work of her life. In her ycuth, Zorader struggled as a single parent to raise 10 children and made certain that every one of those children graduated from high school.

When those children had been educated and instilled with the values taught by their mother's example, Zorader turned her attention to the larger community in which she lived.

Today, at the age of 83, Zorader Currence remains a vibrant member of her community. She participates in the Meals on Wheels Program, delivering hot meals to house-ridden individuals. She spends hours cheering up the lonely in nursing homes, and she is a mother mentor, a model parent for a 15-year-old mother.

She also drives to the Stark County jail to visit female inmates.

For one inmate's family, she provides Sunday dinners and looks after the children.

I am proud to know Zorader Currence, and I trust that her example will inspire many to reach out to those in need.

I ask that an article recently published by the Akron Beacon Journal be submitted into the RECORD.

I urge everyone to read it, and I hope many will be inspired by her example.

The article follows:

[From the Akron Beacon Journal]

WOMAN, 83, KEEPS ON GIVING

(By Lisa Biank-Fasig)

CANTON—About 25 years ago, Zorader Currence picked up a stranded woman in California and took her home—to Ohio.

She worked and worked, and when she made enough money she gave it to the woman so she could return to her home, in New York.

That's just the way Currence is.

In fact, she said, she's always been that way.

"I've always wanted to be a missionary, from a child," she said. "But my mother died when I was 11 and I never saw my dad," who died when she was an infant. One of 14 children, she married as soon as she was old enough. "Got married like somebody crazy," she said. "And had 10 children."

But she and her husband separated, and for more than 15 years she had to raise her children alone.

"But the Lord let me live long enough to do some of the things that I really wanted to do." And she started doing them as soon as she could, when she was about 78.

Today, Zorader Currence, 83, is on a mission. From a mauve armchair in her living room, embraced by dozens of framed family photographs, she counts off various activities, and thinks of more as she describes each.

She is involved with Meals on Wheels, visits female inmates at the Stark County Jail once a week, stops at two area nursing homes to talk with the folks, is a "Mother Mentor"—a role model for a 15-year-old mother—and on Sundays takes children to and from Bible school.

She wants to visit Africa and see the people. She is especially interested in the elderly and children.

Also, she cares for the young family of one of the inmates she met at the prison. She takes them meals on Sundays, takes the children to Sunday school and drives the husband to visit his wife.

She also persuaded him to join the church and be baptized, she said.

"She's a very nice girl," she said of the inmate. "I told her, 'We've all made mistakes.'"

The inmate's mistake, Currence said, was "smoking that stuff."

Of all her activities, Currence likes visiting the nursing homes best, something she does not do through the church or an organization, but on her own.

"There's a lot of lonely people in there. They need somebody to talk to."

She has made friends on her Meals on Wheels route as well.

"It's fun. A lot of them are just waiting for that meal."

Suzanne DeHoff of Meals on Wheels, Stark and Wayne counties, called Currence a "people-helping individual that stops at little."

"It's like the mail, almost," she said, meaning Currence delivers in any weather. "She has a bond with these people, a commitment."

The Rev. Edward E. Kirtdoll, of Canton's Jerusalem Baptist Church, has known Currence as a member for eight years.

"She's an excellent, outstanding woman," he said. "She's a tremendous stabilizer. She's had that kind of an influence in my life as a pastor."

"She's an encourager" who has led young women prisoners to go to church. "She's also a giver. Most people are receivers. (But) she's constantly looking for people she can give things to."

Currence's heart is full. She said this is the best time of her life.

"I've always wanted to do what I'm doing. It's just given me joy that I'm able to make somebody else smile."

Not that her family accomplishments aren't rewarding. She's proud to say that she never went on welfare while raising her children, who all graduated from high school.●

SEVEN ETHNIC ALBANIANS ARRESTED FOR TEACHING SCHOOL

● Mr. RIEGLE. Mr. President, recent events in the former Yugoslavia have shocked Americans throughout this country, and rightly so. Ongoing human rights abuses in Kosovo contradict the dangerous and misguided notion that the carnage will begin and end in Bosnia. Left unchecked, the consequences of this spreading conflict for the United States, Europe, and the entire Balkan region will be catastrophic. Thus, we must closely monitor the situation in order to try to prevent the further spread of war.

Our first test may lie in the Kosovo region where ethnic Albanians compose over 90 percent of the population but Serbia claims long-time historical ties. Already, the violence has begun. A potent example of the rising tension in the Kosovar region of the former Yugoslavia occurred last month. On October 18 and 19, Serbian police forces arrested seven ethnic Albanians who were providing private Albanian language lessons to their school-aged children. These men are well respected doctors, professors, priests, and contributing members of their community: Father Ambroz Ukaj; Prof. Pal Sokoli; Prof. Gjergj Sokoli; Prof. Gjon Komoni; Prof. Luz Berisha; Dr. Tome Komoni; Mr. Hazry Proshi.

All were arrested and taken to the Gjakova police station where they were subjected to 3 days of severe mental and physical abuse. They have since been taken to the prison in Pec where they are still being detained. Although they have not been formally charged with any crime, they are allegedly accused of violating article 116 of the Penal Code of the Federal Republic of Yugoslavia—threatening the territorial integrity of the country.

The Serbian notion that giving lessons is somehow subversive and indicative of secessionist activity demonstrates flawed logic. Indeed, according to Helsinki Watch the vast majority of ethnic Albanians do not attend public schools because they provide only segregated, second-rate education. Private school education has been forced underground. Lashing out against private schoolteachers only serves to foster feelings of fear and oppression which may well create a more viable secessionist movement if Serbia does not allow its ethnic Albanian community to live with dignity.

The October arrests are but one example of the worsening situation in Kosovo. Human rights monitors from the Conference on Security and Cooperation in Europe [CSCE], were forced to leave Kosovo in July of this year and Amnesty International observers were recently barred from entering. Denying access to international human rights observers has cleared the way for heightened repression, and has provoked fears that Kosovo Albanians will be the next target of Serbia's ethnic cleansing.

If we are to have any impact in stemming the increasing violence in the Balkans we must make a firm stand against the human rights abuses currently occurring in Kosovo. The full range of rights which Serbs enjoy must also be extended to the ethnic Albanian community, and our Government must do all it can to ensure that that occurs.●

THE FOOD STAMP PROGRAM ON INDIAN RESERVATIONS

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent to proceed to S. 1777, introduced by Senator PRESSLER, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the bill.

The legislative clerk read as follows:

A bill (S. 1777) to extend the suspended implementation of certain requirements of the food stamp program on Indian reservations, to suspend certain eligibility requirements for the participation of retail food stores in the food stamp program, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. PRESSLER. Mr. President, I rise today to offer legislation that would further delay implementation of two provisions in the law that address State administration of the Food Stamp Program. Specifically, the provisions that would be delayed were enacted as part of the 1990 farm bill. The first would require States to stagger food stamp issuance for families living on reservations. This provision has never been implemented. Originally, this provision would have gone into effect January 31, 1994. The legislation I am offering today would delay implementation until March 15, 1994, and enable current practices to be maintained.

The second provision would exempt reservation households from the Food Stamp Program's State option of monthly income reporting. Again, this provision was to have been implemented after January 31, 1994. This legislation also would delay implementation until March 15, 1994.

Finally, this bill would continue the eligibility of certain retail stores until March 15, 1994. It is my understanding that without this legislation, approximately 26,000 stores would be disqualified from participating in the Food Stamp Program. This extension is important for those retailers in South Dakota that would be affected otherwise.

Frankly, Mr. Chairman, I am disappointed that I have to offer yet another extension. This is the second time this year that I have had to settle for an extension rather than resolve this issue for those affected by the Food Stamp Program. We were so close to an agreement this evening, but it was not to be.

Two provisions that were placed in the 1990 Farm bill at the 11th hour, with no hearings or Committee deliberations have been researched by the General Accounting Office, and a Joint Hearing by the Committee on Indian Affairs and Agriculture has been held. This has led to some positive changes being made in the Food Stamp Program. I am optimistic that further discussions will lead to continued improvement in Federal food programs for all recipients, including those living on Indian reservations.

I will continue to work with my colleagues, including my friend from Vermont, the chairman of the Agricultural Committee, Senator LEAHY, on legislation to resolve the issue for all parties concerned.

Mr. President, I understand this has been cleared on both sides of the aisle, and therefore, urge its immediate adoption. It is my hope the House will act expeditiously on this legislation and send it to the President for signature.

The PRESIDING OFFICER. Without objection, the bill is deemed having been read the third time, and passed.

So the bill (S. 1777) was deemed read the third time, and passed, as follows:

S. 1777

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

SECTION 1. REPORTING AND STAGGERED ISSUANCE FOR HOUSEHOLDS ON RESERVATIONS.

Section 908(a) of the Food, Agriculture, Conservation, and Trade Act Amendments of 1991 (Public Law 102-237; 7 U.S.C. 2015 note and 7 U.S.C. 2016 note) is amended by striking "January 31, 1994" both places it appears and inserting "March 15, 1994".

SEC. 2. CONTINUING ELIGIBILITY OF CERTAIN RETAIL FOOD STORES.

Notwithstanding any other provision of law, during the period beginning on the date of enactment of this Act and ending on March 15, 1994, an establishment or house-to-house trade route that is otherwise authorized to accept and redeem coupons under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) on the date of enactment of this Act may not be disqualified from participation in the food stamp program solely because the establishment or trade route does not meet the definition of "retail food store" under section 3(k)(1) of such Act (7 U.S.C. 2012(k)(1)).

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

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

The motion to lay on the table was agreed to.

Mr. BIDEN. Mr. President, I understand that S. 1770 was introduced earlier today; is that correct?

The PRESIDING OFFICER. The Senator is correct.

MEASURE READ FOR THE FIRST TIME—S. 1770

Mr. BIDEN. Mr. President, I ask that the bill be read for the first time.

The PRESIDING OFFICER. The clerk will read the bill for the first time.

The legislative clerk read as follows:

A bill (S. 1770) to provide comprehensive reform of the health care system of the United States, and for other purposes.

Mr. BIDEN. Mr. President, I ask for its second reading.

The PRESIDING OFFICER. Is there objection?

Mr. KEMPTHORNE. I object.

The PRESIDING OFFICER. Objection is heard.

The bill will be read the second time on the next legislative day.

Mr. BIDEN. Mr. President, I understand that S. 1775 was introduced earlier today; is that correct?

The PRESIDING OFFICER. Yes.

MEASURE READ FOR THE FIRST TIME—S. 1775

Mr. BIDEN. I ask that the bill be read for the first time.

The legislative clerk read as follows:

A bill (S. 1775) to ensure individual and family security through health care coverage for all Americans.

Mr. BIDEN. Mr. President, I ask for its second reading.

The PRESIDING OFFICER. Is there objection.

Mr. KEMPTHORNE. I object.

The PRESIDING OFFICER. Objection is heard.

The bill will be read the second time on the next legislative day.

AMENDING THE CLAYTON ACT

Mr. BIDEN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 664, a bill to change the date the FTC must publish the monetary reporting thresholds being held at the desk; that the bill be read the third time, and passed; that the motion to reconsider be laid upon the table; that any statements appear at the appropriate place in the RECORD.

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

So the bill (S. 664) was deemed read the third time, and passed, as follows:

S. 664

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

SECTION 1. TECHNICAL AMENDMENT OF THE CLAYTON ACT.

Section 8(a)(5) of the Clayton Act (15 U.S.C. 19(a)(5)) is amended by striking "October 30" and inserting "January 31".

MEASURE INDEFINITELY POSTPONED—S. 1627

Mr. BIDEN. Mr. President, I ask unanimous consent that calendar No. 309, S. 1627, be indefinitely postponed.

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

LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM

Mr. BIDEN. I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 3321, a bill to provide flexibility to States in carrying out low-income home energy assistance program, just received from the House; that the bill be deemed read the third time, passed, and the motion to reconsider laid on the table and that any statements relating there to be placed in the RECORD at the appropriate place.

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

So the bill (H.R. 3321) was deemed read the third time, and passed.

Mr. SARBANES. Mr. President, I rise in support of H.R. 3321, increased State flexibility in the Low-Income Home Energy Assistance Program. This bill would improve the workings of a program that provides help with utility bills to many low-income families living in federally assisted housing.

A measure was included in the Housing and Community Development Act of 1992 which was intended to improve access to State-run energy assistance programs for residents of public and federally assisted housing. The legislation generally prohibits State programs from discriminating against tenants in assisted housing who receive energy assistance in the form of utility allowances rather than Low-Income Home Energy Assistance Program [LIHEAP] grants. It also prohibits these programs from denying assistance to otherwise eligible tenants in public and assisted housing.

In implementing the provision with respect to a Federal program, Low-Income Home Energy Assistance [LIHEAP], some States have run into problems. They have interpreted it to require them to provide large grants to assisted housing tenants, even if they already receive adequate utility allowances through other sources. This interpretation results in some tenants receiving over-generous subsidies, while others are denied assistance altogether due to inadequacy of funds.

In other cases, tenants have been disadvantaged by the LIHEAP rules. Many States supplement LIHEAP benefits through other programs. Some means-tested programs use receipts of LIHEAP benefits to determine eligibility. Tenants who receive their energy assistance through utility allowances, rather than LIHEAP, are sometimes unable to access these programs or receive reduced benefits even though their needs and circumstances are the same.

The bill fixes these problems by clarifying that States have the authority to tailor LIHEAP grant amounts to the needs of the recipient families. At the same time, it retains the general prohibition against discrimination against qualified tenants of assisted housing for the purposes of other means-tested programs. This is to ensure that any special program rules or supplemental benefits available to LIHEAP recipients will be available to assisted housing residents, even if their energy assistance is provided through utility allowances rather than LIHEAP grants.

Mr. BOND. Mr. President, I urge my colleagues to support H.R. 3321, a bill to provide increased flexibility to states in carrying out the Low-Income Home Energy Assistance Program [LIHEAP]. This bill contains a provision which is identical to a provision I helped to include in S. 1299, the Housing and Community Development Act of 1993, which passed the Senate on November 18, 1993. It is important legislation that makes needed reforms to LIHEAP to ensure that low-income families receive the appropriate and necessary amount of assistance for the payment of utility costs.

This bill corrects an unintended consequence of a provision contained in the Housing and Community Development Act of 1992. The 1992 provision generally prohibits state programs from discriminating against tenants in assisted housing who receive utility assistance rather than LIHEAP assistance. In implementing this requirement, some States have determined that they must provide grants to assisted housing tenants, even where these tenants already receive adequate utility assistance. This has resulted in some tenants receiving "double-dipping" of assistance, while other eligible low-income tenants receive no LIHEAP assistance because of a lack of funding. This bill addresses this problem by clarifying that States may provide LIHEAP assistance according to the needs of the eligible low-income families.

COMMUNITY DEVELOPMENT OBJECTIVES FOR THE CITY OF SLIDELL, LA

Mr. BIDEN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 1769, a bill introduced earlier today by Senators JOHNSTON and BREAUX relating to a statement of community development objectives for the city of Slidell, LA.

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

The clerk will report the bill.

The legislative clerk read as follows:

A bill (S. 1769) to make a technical amendment, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. BIDEN. Mr. President, I ask unanimous consent that it be in order to send three amendments to the desk and they be considered en bloc.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 1236

AMENDMENT NO. 1237

AMENDMENT NO. 1238

Mr. BIDEN. Mr. President, I send three amendments to the desk and ask for their immediate consideration, en bloc.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Delaware [Mr. BIDEN], for Mr. WOFFORD and Mr. SPECTER, Mr. RIEGLE, and Mr. D'AMATO, proposes respectively amendments numbered 1236, 1237, and 1238, en bloc.

Mr. BIDEN. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 1236

At the appropriate place insert the following:

INCREASE OF CDBG PUBLIC SERVICES CAP

(A) IN GENERAL.—Section 105(a)(8) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)(8)) is amended—

(1) by striking "and" after the penultimate comma; and

(2) by inserting before the semicolon at the end the following: ", and except that of any amount of assistance under this title (including program income) in fiscal year 1994 to the City of Pittsburgh, Pennsylvania, such city may use not more than 20 percent in each such fiscal year for activities under this paragraph".

AMENDMENT NO. 1237

At the appropriate place insert the following:

SECTION 23 CONVERSION PROJECTS.

(a) SECTION 23 CONVERSION.—

(1) AUTHORIZATION.—Notwithstanding contracts entered into pursuant to section 14(b)(2) of the United States Housing Act of 1937, the Secretary is authorized to enter into obligations for conversion of Leonard Terrace Apartments in Grand Rapids, Michigan, from a leased housing contract under section 23 of such Act to a project-based rental assistance contract under section 8 of such Act.

(2) REPAYMENT REQUIRED.—The authorization made in paragraph (1) is conditioned on the repayment to the Secretary of all amounts received by the public housing agency under the comprehensive improvement assistance program under section 14 of the United States Housing Act of 1937 for the Leonard Terrace Apartment project and the amounts, as determined by the Secretary, received by the public housing agency under the formula in section 14(k) of such Act by Reason of the project.

AMENDMENT NO. 1238

At the appropriate place insert the following:

SEC. 308. FIRE SAFETY IN FEDERALLY ASSISTED HOUSING.

Section 31(c)(2)(A)(i) of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2227(c)(2)(A)(i)) is amended by adding "(for equivalent level of safety)" after "system".

The PRESIDING OFFICER. The question is on agreeing to the amendments, en bloc.

The amendments (Nos. 1236, 1237, and 1238) were agreed to.

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Without objection, the bill is deemed read a third time and passed.

So the bill (S. 1769) was deemed read for the third time and passed, as follows:

(The bill, S. 1769, will appear in a subsequent issue of the RECORD.)

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

Mr. KEMPTHORNE. I move to lay that motion on the table. The motion to lay on the table was agreed to.

ORDER FOR STAR PRINT—S. 1687

Mr. BIDEN. Mr. President, I ask unanimous consent that a star print be made of S. 1687, the Environmental Flexible Funding Act of 1993, to reflect the changes I now send to the desk.

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

PREVENTIVE HEALTH AMENDMENTS OF 1993

Mr. BIDEN. Mr. President, I submit a report of the committee of conference on H.R. 2202, the preventive health amendments of 1993 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee on conference on the disagreeing votes for the two Houses on the amendment of the Senate to the bill (H.R. 2202) to amend the Public Health Service Act to revise and extend the program of grants relating to preventive health measures with respect to breast and cervical cancer, having met, after full and free conference, have agreed to recommend and do recommend to their respective House this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of November 20, 1993.)

Mr. KENNEDY. Mr. President, I urge the Senate to approve the conference report on H.R. 2202, the Preventive Health Amendments of 1993. Its purpose is to reauthorize vital public health programs and launch needed new preventive health initiatives.

This legislation reaffirms our strong support for the early detection and disease prevention activities of the Centers for Disease Control and Prevention. It is designed to achieve a healthier America as we move toward the 21st century.

The rise of tuberculosis in recent years is placing a heavy and unexpected additional burden on the health care system. Thirty thousand new active cases are reported each year in the United States, with over 1,700 deaths, up from 22,000 in 1985. The most ominous development is the alarming increase in drug-resistant highly infectious strains of the disease that have caught the country unprepared.

This legislation supports preventive health services for the prevention, control, and elimination of tuberculosis. It will support development of an improved diagnostic test for TB. It will upgrade the capability of TB laboratories, ensure that TB services are provided to needy populations, and maintain effective TB public health, treatment compliance, follow-up and evaluation activities. It will establish a TB drug and device research program at the FDA.

For fiscal year 1994, the bill authorizes $200 million for the TB Control and Treatment Program and $50 million for basic research activities at NIH. These authorizations represent an investment in our efforts to prevent and eliminate tuberculosis in the United States. The legislation will help State and major city health departments to identify persons with TB and those at highest risk of acquiring the disease. Programs will be better targeted for treatment and prevention, and their effectiveness will be evaluated.

This legislation authorizes $50 million for the Injury Prevention and Control Program of the Centers for Disease Control and Prevention. This measure will support research and other programs on injuries resulting from motor vehicle accidents, falls, poisonings, burns, drownings, and causes of violence, including homicide and suicide. These funds will establish a family and interpersonal violence prevention program and identify effective strategies to prevent violence within the family and among acquaintances.

This bill will also support a national campaign to prevent violence against women. It will build upon existing efforts by the CDC to create a comprehensive violence prevention program. This campaign will be a vital step toward reducing violence targeted at women by demonstrating and evaluating promising intervention strategies, by conducting a nationwide education, training, and public awareness effort, and by expanding our knowledge base through data collection and research.

This bill authorizes $150 million for the early detection of breast and cervical cancer. The funds will enable States to provide life-saving breast and cervical cancer screening services for women at risk, particularly low-income, the elderly, and minority women. In addition, this measure will establish mechanisms through which the States can monitor the quality and interpretation of screening procedures. The bill establishes a women's preventive health service demonstration project.

This legislation also authorizes $85 million for the CDC's Sexually Transmitted Diseases Program. This measure will strengthen the quality of STD services, prevent the complications from the disease and help reduce the rising rates of STD.

Other important provisions in the bill include the reauthorization of the special population program at the National Center of Health Statistics, extension of the trauma care systems program at the Health Services and Resource Administration, and issuance of a biennial Surgeon General report on nutrition and health.

Each of these measures is justified by sound public health considerations. Early detection and prevention of injury and illness can play a vital role in improving public health, especially the health of women. In cases of violence against women, injury, TB, and sexually transmitted diseases, prevention is a key component of any successful health care strategy. The early detection and treatment of breast and cervical cancer saves lives.

The CDC has been and continues to be the Nation's wisest disease prevention investment. With the passage of this measure, we will recognize the vital importance of prevention to the Nation's health. I urge the Senate to approve this essential bipartisan legislation.

Mr. HATCH. Mr. President, at a time when the Congress and the Nation are focusing attention on health care reform, it is important that we move ahead with real programs that actually help people. For that reason, I believe it is significant that we are acting on this important reauthorization at this time.

This bill is important because H.R. 2202 addresses several health challenges facing both Utah and the United States, including the ongoing tragedy of breast and cervical cancer and the growing crisis of tuberculosis.

It is significant because it shows the Congress' commitment to practical, tangible programs that can significantly benefit those suffering from these diseases.

Each year in Utah, 18 out of every 100,000 women dies due to breast cancer. By adopting language I introduced to the Senate in S. 1317, the Breast and Cervical Cancer Information Act of 1993, this legislation provides a needed focus on measures designed to recognize and treat cancers unique to women. Coupled with the heightened research emphasis by NIH on women's health concerns that I and my colleagues have called for, we are finally beginning to target these diseases in an appropriate manner.

I am also pleased that the language I authored to increase tuberculosis services has been incorporated into this legislation. Utah, like the rest of our Nation, is facing a potential epidemic of new tuberculosis cases. Only by aggressively targeting this diseases now can we hope to avert a potential future crisis. This legislation is an important step toward treating and containing tuberculosis.

While I regret that my provision to provide a small authorization for renovation of tuberculosis treatment facilities was dropped from the final report, I nevertheless recognize it is not a reflection on the merits of the proposal, but rather is an inevitable result of our constrained resources.

Mr. President, in conclusion, all of us have already heard a great deal of rhetoric regarding health care reform This legislation takes us past the speeches and gives us an opportunity to implement basic, proven, preventive programs that are the foundation of reform. I urge my colleagues to support this important reauthorization.

Mr. BIDEN. Mr. President, I ask unanimous consent that the conference report be agreed to; the motion to reconsider be laid upon the table; and any statements thereon appear in the RECORD at the appropriate place as though read.

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

So the conference report was agreed to.

CLARIFICATION OF REGULATORY OVERSIGHT

Mr. BIDEN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 3514, a bill to clarify the regulatory oversight exercises by the REA with respect to certain electric borrowers, just received from the House, that the bill be read three times, passed and the motion to reconsider laid upon the table; that any statements relating thereto be placed in the RECORD at an appropriate place.

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

So the bill (H.R. 3514) was deemed read three times and passed.

NATIONAL FIREFIGHTERS DAY

Mr. BIDEN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of House Joint Resolution 272, a joint resolution designating October 29 as National Firefighters Day, just received from the House; that the resolution be read three times, passed, that the preamble be agreed to; that the motion to reconsider be laid upon the table and that any statements appear at the appropriate place in the RECORD.

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

So the joint resolution (H.J. Res. 272) was deemed read three times and passed.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION MANAGEMENT REORGANIZATION ACT OF 1993

Mr. BIDEN. Mr. President, I ask unanimous consent that the Commerce Committee be discharged from further consideration of H.R. 2876, the National Aeronautics and Space Administration Management Reorganization Act of 1993, and that the Senate then proceed to its immediate consideration.

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

The legislative clerk read as follows:

A bill (H.R. 2876) to promote and support management reorganization of the National Aeronautics and Space Administration.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 1239

(Purpose: To make a perfecting amendment)

Mr. BIDEN. Mr. President, on behalf of Senator GLENN, I send an amendment to the desk and ask unanimous consent that the amendment be agreed to and the motion to reconsider be laid upon the table.

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

So the amendment (No. 1239) was agreed to, as follows:

In section 2(b) of the bill, insert ", subject to the availability of appropriations provided in advance for this purpose," before "may be offered".

The PRESIDING OFFICER. The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, shall the bill pass?

So the bill (H.R. 2876), as amended, was passed.

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

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

The motion to lay on the table was agreed to.

THE COURT ANNEXED ARBITRATION BILL

Mr. BIDEN. Mr. President, I ask unanimous consent that Secretary of the Senate be directed to request the House of Representatives to return to the Senate the bill S. 1732, the court annexed arbitration bill, and that upon the return of the papers the following amendment to the bill be agreed to and the motion to reconsider be laid upon the table without any intervening action or debate.

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

So the following amendment was agreed to.

Add the following after section 1:

SEC. 2. TREATMENT OF EXPIRED PROVISIONS.

Chapter 44 of title 28, United States Code, and the item relating to that chapter in the table of chapters at the beginning of part III of such title, shall be effective on or after the date of the enactment of this Act as if such chapter and item had not been repealed by section 906 of the Judicial Improvements and Access to Justice Act, as such section was in effect on the day before the date of the enactment of this Act.

MINERAL EXPLORATION ACT

Mr. BIDEN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 322, the Mineral Exploration Act, just received from the House, that all after the enacting clause be stricken and the text of S. 775, as passed the Senate be inserted in lieu thereof, that the bill be read a third time, passed; that the motion to reconsider be laid upon the table and that any statements appear at the appropriate place in the RECORD

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

So the bill (H.R. 322) was deemed read a third time and passed.

Mr. BIDEN. Mr. President, I ask unanimous consent that the Senate insist on its amendment, request a conference with the House on the disagreeing votes of the two Houses; and that the Chair be authorized to appoint conferees.

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

The Chair appointed Mr. JOHNSTON, Mr. BUMPERS, Mr. AKAKA, Mr. BRADLEY, Mr. WALLOP, Mr. MURKOWSKI, and Mr. CRAIG conferees on the part of the Senate.

BONE MARROW DONOR PROGRAM

Mr. BIDEN. Mr. President, I ask unanimous consent that the Senate turn to the consideration of S. 1774, introduced earlier today by Senators KENNEDY and KASSEBAUM relative to the Bone Marrow Donor Program; that the bill be read a third time and passed; the motion to reconsider laid on the table; and any statements thereon appear at the appropriate place in the RECORD as though read.

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

So the bill (S. 1774) was deemed read a third time and passed, as follows:

S. 1774

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 "Bone Marrow Donor Program Reauthorization Act of 1993".

SEC. 2. REAUTHORIZATION.

(a) ESTABLISHMENT OF REGISTRY.—Section 379(a) of the Public Health Service Act (42 U.S.C. 274k(a)) is amended by adding at the end thereof the following: "With respect to the board of directors—

"(1) each member of the board shall serve for a term of 5 years, except that the terms

of each member who is serving on the date of enactment of the Bone Marrow Donor Program Reauthorization Act of 1993 shall expire at times determined by the Secretary, in consultation with the board;

"(2) a member of the board may continue to serve after the expiration of the term of such member until a successor is appointed; and

"(3) to ensure the continuity of the board, not more than one-fifth of the board shall be composed of newly appointed members each year.".

(b) PROGRAM FOR RECRUITMENT OF DONORS.—Section 379(b) of such Act (42 U.S.C. 274k(b)) is amended—

(1) in paragraph (5) to read as follows:

"(5) establish a program for the recruitment of bone marrow donors that includes the compilation and distribution of informational materials and processes to educate and update potential donors;";

(2) by redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectively; and

(3) by inserting after paragraph (5), the following new paragraph:

"(6) regularly update the Registry to account for changes in potential donor status;".

(c) INFORMATION AND EDUCATION PROGRAM.—Section 379 of such Act (42 U.S.C. 274k) is amended—

(1) by redesignating subsection (j) as subsection (k);

(2) by inserting after subsection (i), the following new subsection:

"(j) INFORMATION AND EDUCATION PROGRAM.—

"(1) IN GENERAL.—The Secretary may award grants to, and enter into contracts with, public or nonprofit private entities for the purpose of increasing bone marrow donation by enabling such entities to—

"(A) plan and conduct programs to provide information and education to the public on the need for donations of bone marrow;

"(B) train individuals in requesting such donations; and

"(C) test and enroll marrow donors.

"(2) PRIORITIES.—In awarding grants and contracts under paragraph (1), the Secretary shall give priority to carrying out the purposes described in such paragraph with respect to minority populations."; and

(3) in subsection (k) (as so redesignated), by striking "1991" and all that follows and inserting "1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.".

(d) PATIENT ADVOCACY AND CASE MANAGEMENT.—

(1) IN GENERAL.—Section 379 of such Act (42 U.S.C. 274k), as amended by subsection (c), is amended—

(A) by redesignating subsection (k) as subsection (l); and

(B) by inserting after subsection (j), the following new subsection:

"(k) PATIENT ADVOCACY AND CASE MANAGEMENT.—

"(1) ESTABLISHMENT.—The Secretary shall by grant or contract establish and maintain an office of patient advocacy and case management that meets the requirements of this subsection.

"(2) PROVISIONS RELATING TO GRANTS AND CONTRACTS.—

"(A) APPLICATION.—To be eligible for a grant or contract under this subsection an entity shall prepare and submit to the Secretary for approval an application that shall be in such form, submitted in such manner, and contain such information as the Secretary shall by regulation prescribe.

"(B) LIMITATIONS.—A grant or contract under this subsection shall be for a period of 3 years. No grant or contract may exceed $500,000 for any such year.

"(3) FUNCTIONS.—The office established under paragraph (1) shall—

"(A) be headed by a director who shall serve as an advocate on behalf of—

"(i) individuals who are registered with the Registry to search for a biologically unrelated bone marrow donor; and

"(ii) the physicians involved;

"(B) establish and maintain a system for patient advocacy that directly assists patients, their families, and their physicians in a search for an unrelated donor;

"(C) provide individual case management services to directly assist individuals and physicians referred to in subparagraph (A), including—

"(i) individualized case assessment, tracking of preliminary search through activation, and follow up when the search process is interrupted or discontinued;

"(ii) informing individuals and physicians of progress made in searching for appropriate donors; and

"(iii) identifying and resolving individual search problems or concerns;

"(D) collect and analyze data concerning the number and percentage of individuals proceeding from preliminary to formal search and the number and percentage of patients unable to complete the search process; and

"(E) survey patients to evaluate how well such patients are being served and make recommendations for streamlining the search process.

"(4) EVALUATION.—

"(A) IN GENERAL.—The Secretary shall evaluate the system established under paragraph (1) and make recommendations to Congress concerning the success or failure of such system in improving patient satisfaction, and any impact the system has had on assisting individuals in proceeding to transplant.

"(B) REPORT.—Not later than April 1, 1996, the Secretary shall prepare and submit to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate a report concerning the evaluation conducted under subparagraph (A), including the recommendations developed under such subparagraph.".

(2) REGISTRY FUNCTIONS.—Section 379(b)(2) of such Act (42 U.S.C. 274k(b)(2)) is amended by striking "establish" and all that follows through "directly assists" and inserting "cooperate with the patient advocacy and case management office established under subsection (j) and make available information on (A) the resources available through the National Bone Marrow Donor Program, (B) the comparative costs incurred by patients prior to transplant, and (C) the marrow donor registries that meet the standards described in subsection (c)(3) and (d)(1), to assist".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on April 1, 1995.

Mr. KENNEDY. Mr. President, S. 1595 reauthorizes the National Bone Marrow Donor Registry. For persons suffering from leukemia, aplastic anemia, and related diseases, a bone marrow transplant can mean the difference between life and death.

But finding a suitable bone marrow donor is far more difficult than matching blood types. In the past, it was virtually impossible to find a suitable match if none was available in the patient's family. But all that has changed in recent years. In 1988, Congress passed the Health Omnibus Program Extension Act, requiring the Secretary of the Department of Health and Human Services [HHS] to establish a national registry of volunteer bone marrow donors. Over 1 million potential donors are now listed on the registry, and the prospect of finding suitable matches has been dramatically increased.

This bill builds on that success. It will establish a program to recruit more bone marrow donors through the distribution of information and educational materials. The Secretary of HHS may award grants or contract with organizations to increase donations. Priority will be given to education and training for minorities and other populations which have the greatest difficulty in finding matches in the current registry. The number of minority donors on the registry has increased substantially in recent years, but a large disparity still exists.

To assist patients, families, and their physicians in seeking a donor, the Secretary will establish, by grant or contract, an office of patient advocacy and case management. This grant or contract may be awarded as of April 1, 1995. The services provided by the office will include reviewing individual cases, tracking preliminary searches, informing patients and physicians of progress locating appropriate donors, and identifying and resolving individual search problems and concerns.

The tragic deaths of William Gold, Allison Atlas, and Joanne Johnson have reminded us again how important these services are. Dr. Gold testified before the House of Representatives this year, and eloquently urged us to do more to put the patient's interests first. Allison's father and Joanne's mother brought their concerns to the Senate Labor and Human Resources Committee in 1990 about the need to strengthen the donor program. We mourn their loss, and we hope this bill will accomplish its life-saving goal of improving the current system.

I particularly commend the leadership of Senator KASSEBAUM on this legislation. She has worked with great skill and dedication in developing this measure, and I look forward to the passage of this bill by the Senate.

I ask unanimous consent that a summary of the bill be printed in the RECORD.

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

SUMMARY OF THE BILL

S. 1774 extends for three years the National Bone Marrow Donor Registry, a registry of volunteer donors administered by the Department of Health and Human Services to

help patients find unrelated donors for bone marrow transplants. Under this bill, $15 million is authorized for the National Registry during fiscal year 1994, and such funding as may be necessary in fiscal years 1995 and 1996.

In addition to extending appropriations authority, the legislation makes the following changes to the Bone Marrow Donor Program:

Limits the terms of National Bone Marrow Donor Registry board members to five years. The Secretary shall consult with the board to determine the expiration cycle of current board member terms.

Requires the Secretary to establish and maintain by separate grant or contract an office of patient advocacy, as of April 1, 1995 to be headed by a director who will advocate on behalf of patients seeking an unrelated bone marrow donor, and their physicians.

Expands the responsibilities of the patient advocacy office to provide individual case management services, inform patients and physicians of the status of the search progress, and to identify and resolve search problems.

Requires the Secretary to assess this patient advocacy office and report by April 1, 1996, to the House Committee on Energy and Commerce and to the Senate Committee on Labor and Human Resources.

Require the Registry to establish a bone marrow donor recruitment program, including creating informational materials and procedures to educate and update potential donors.

Require the Registry to be updated regularly to account for changes in donor status.

Enable the Secretary to award grants or contracts to public or nonprofit organizations to increase bone marrow donation. These contracts may include programs to provide public information and education on the need for bone marrow donation, training people to requests donation, and testing and enrolling bone marrow donors. The Secretary shall give priority to programs for increasing donors among minority populations.

BACKGROUND AND NEED

For people suffering from leukemia, aplastic anemia, and related diseases, a bone marrow transplant can mean the difference between life or death. In contrast to matching blood types, finding a suitable donor for a bone marrow donor is much more difficult. The first place to look is in the patient's family, where matches are found 20 percent of the time. If no suitable donor is found, the only hope is to find a compatible donor from the public at large.

The National Organ Transplant Act of 1984 (P.L. 98-507) required the Secretary to study the feasibility of establishing a national registry of voluntary bone marrow donors and included the authority to establish such a registry. The Health Omnibus Program Extension Act of 1988 required the establishment in the Department of Health and Human Services of a national registry of voluntary bone marrow donors.

The Transplant Amendments of 1990 extended for three years the program of the National Bone Marrow Donor Registry. The Registry was required to maintain a system for patient advocacy to directly assist patients and their families and physicians. During hearings on the bone marrow donor program the Committee learned that the lack of patient advocacy services was a serious problem. The Committee considers patient advocacy to be an essential component of Registry activities, and is concerned to hear continuing complaints in this area.

The bill further strengthens the patient advocacy responsibilities of the National Registry and requires the Secretary to maintain by separate grant or contract this expanded office of patient advocacy, as of April 1, 1995. The Committee strongly supports the importance of patient advocacy to meet the needs of patients in search of a bone marrow transplant and believes that a separate competitive bid process will provide the best services for patients in search of a transplant. Increasing the number and diversity of donors on the national registry is the most direct way to improve patients' chances of a successful bone marrow transplant. However, for a patient and their family, the system can sometimes be complex to navigate alone as they wait for news of a potential bone marrow donor.

It concerns the Committee that some patients may not fully utilize the resources of the entire bone marrow transplant system due to lack of understanding of the resources and assistance available. The bill will expand the patient advocacy office to provide patients and their physicians with individual case management services, to inform them of the status of their search progress, and to identify and resolve search problems. The Committee understands and supports the need for confidentiality of potential donors, but the Registry must also provide patients awaiting transplants, their families, and physicians, access of a responsive advocate to turn to when a problem or concern arises.

In addition, the Committee is concerned that some potential bone marrow donors may not fully understand the procedures and implications of agreeing to be a bone marrow donor. This bill will require the Registry to establish a bone marrow donor recruitment program, including creating informational materials and procedures to educate and update potential donors. It will also require the Registry to be updated regularly to account for changes in donor status.

Unlike other Public Health Service Advisory Boards, the Bone Marrow Donor Registry has routinely reappointed, rather than alternating, membership on its Board of Directors. As a means of bringing new members and different opinions to the board, this bill sets the term of board members on the Bone Marrow Donor Registry at five years and requires the Secretary to establish staggered terms to assure that one-fifth of the Board members are replaced each year through election. Current Board members may continue until a successor has been appointed.

LIME RESEARCH, PROMOTION, AND CONSUMER INFORMATION ACT OF 1990

Mr. BIDEN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Concurrent Resolution 56, a concurrent resolution to make corrections in the enrollment of S. 1766, the Lime Research, Promotion, and Consumer Information Act of 1990, submitted earlier today by Senator LEAHY; that the concurrent resolution be agreed to and the motion to reconsider laid upon the table.

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

So the concurrent resolution (S. Con. Res. 56) was agreed to, as follows:

S. CON. RES. 56

Resolved by the Senate (the House of Representatives concurring), That in the enrollment of the text of the bill (S. 1766) to amend the Lime Research, Promotion, and Consumer Information Act of 1990 to cover seedless and not seeded limes, to increase the exemption level, to delay the initial referendum date, and to alter the composition of the Lime Board, and for other purposes, the Secretary of the Senate shall make the following corrections.

In section 4(b)(1)—

(1) strike "'The Secretary'" and insert "'Members'"; and

(2) strike "'shall—'" and insert "'appointed—'".

ARSON PREVENTION ACT OF 1993

Mr. BIDEN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 331, S. 798, the arson prevention bill.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 798) to amend the Federal Fire Prevention and Control Act of 1974 to establish a program of grants to States for arson research, prevention, and control, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. BIDEN. Mr. President, I ask unanimous consent that the Commerce Committee be discharged from further consideration of H.R. 1727, the House companion, and that the Senate then proceed to its immediate consideration; that all after the enacting clause be stricken and the text of S. 798, be inserted in lieu thereof, that the bill be advanced to third reading, passed, and the motion to reconsider laid upon the table; that upon disposition of H.R. 1727, the Senate measure be returned to the Calendar.

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

So the bill (H.R. 1727), as amended, was deemed read a third time and passed.

Mr. GORTON. Mr. President, I am pleased to join with my colleague, Senator RICHARD BRYAN, in urging passage of the Arson Prevention Act of 1993. As chairman, and ranking Republican of the Consumer Subcommittee, Senator BRYAN and I have worked on a number of initiatives to address the Nation's fire problems. Once again, the ferocity of the recent fires in California demonstrate the terrible destruction that fire causes.

The United States has one of the worst fire records of any country in the industrialized world. More than 2.4 million fires are reported every year and millions more go unreported. Fires result in over 6,000 deaths annually, 30,000 injuries, and billions of dollars of property losses. The Nation's fire service is comprised of approximately 1.2 million professional and volunteer firefighters. These dedicated men and

women have one of the most important, yet one of the most hazardous, jobs in our country today.

The Arson Prevention Act will provide for the development of advanced courses on arson prevention. The bill allows for the expansion of arson investigator training programs at the National Fire Academy and the Federal Law Enforcement Training Center. It establishes a demonstration program of 10 competitive grant awards to States or consortiums of States to improve training of police and fire fighters to combat arson. At least 25 percent of the grant must be funded by a non-Federal source. The act authorizes $4 million in fiscal year [FY] 1994 and 1995 for grants, It also authorizes $2 million in fiscal year 1995 for an expansion of the arson investigator training programs at the Federal Law Enforcement Training Center.

Washington State has known the destruction of fire, both in our forests and in our urban areas. This year, the outbreak of arson fires in north King and south Snohomish county in my State has focused our attention on the need for expanded arson investigator training and support of arson fire tracking systems. Families and individuals deserve to feel safe and secure in their neighborhoods. Arson fires not only threaten lives, but devastate local communities. This legislation is a positive move to expand coordinated efforts between law enforcement agencies to prevent future arson fires.

I urge the Senate to adopt this important measure before adjourning for the year.

Mr. BRYAN. Mr. President, I am proud to present today, for consideration by the full Senate S. 798, the Arson Prevention Act of 1993.

Senator GORTON and I introduced this legislation on April 20 of this year. On November 9, the Commerce Committee voted unanimously to have the legislation reported. A similar bill, introduced by Congressman BOUCHER, already has been passed by the House.

This legislation establishes a grant program to assist States in their efforts to combat arson. According to reports by the U.S. Fire Administration, arson is responsible for 25 percent of the estimated 2.4 million fires in the United States each year, and the leading cause of fire deaths. During the Consumer Subcommittee's hearing on this issue on November 18, fire experts and Federal law enforcement authorities stated that one of the most effective ways to combat arson is through improved arson research and training programs. They indicated their full support for S. 798.

I am glad that the full Senate is considering this legislation, and urge all of my colleagues to vote in support of this bill.

COAST GUARD AUTHORIZATION ACT OF 1993, PASSENGER VESSEL SAFETY ACT OF 1993

Mr. BIDEN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 325, S. 1052, the Coast Guard authorization.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1052) to authorize for appropriations for fiscal year 1994 for the Coast Guard, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Coast Guard Authorization Act of 1993".

TITLE I—AUTHORIZATIONS

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

(a) FISCAL YEAR 1994.—Funds are authorized to be appropriated for necessary expenses of the Coast Guard for fiscal year 1994, as follows:

(1) For the operation and maintenance of the Coast Guard, $2,609,747,000, of which—

(A) $25,000,000 shall be derived from the Oil Spill Liability Trust Fund; and

(B) $32,250,000 shall be expended from the Boat Safety Account.

(2) For the acquisition, construction, rebuilding, and improvement of aids to navigation, shore and offshore facilities, vessels, and aircraft, including equipment related thereto, $414,000,000, to remain available until expended, of which $20,000,000 shall be derived from the Oil Spill Liability Trust Fund.

(3) For research, development, test, and evaluation, $25,000,000, to remain available until expended, of which $4,457,000 shall be derived from the Oil Spill Liability Trust Fund.

(4) For retired pay (including the payment of obligations otherwise chargeable to lapsed appropriations for this purpose), payments under the Retired Serviceman's Family Protection and Survivor Benefit Plans, and payments for medical care of retired personnel and their dependents under chapter 55 of title 10, United States Code, $548,774,000, to remain available until expended.

(5) For alteration or removal of bridges over navigable waters of the United States constituting obstructions to navigation, and for personnel and administrative costs associated with the Bridge Alteration Program, $12,940,000, to remain available until expended.

(6) For environmental compliance and restoration at Coast Guard facilities, $23,057,000, to remain available until expended.

(b) FISCAL YEAR 1995.—Funds are authorized to be appropriated for necessary expenses of the Coast Guard for fiscal year 1995, as follows:

(1) For the operation and maintenance of the Coast Guard, $2,711,762,000, of which—

(A) $26,000,000 shall be derived from the Oil Spill Liability Trust Fund; and

(B) $33,500,000 shall be expended from the Boat Safety Account.

(2) For the acquisition, construction, rebuilding, and improvement of aids to navigation, shore and offshore facilities, vessels, and aircraft, including equipment related thereto, $596,000,000, to remain available until expended, of which $20,500,000 shall be derived from the Oil Spill Liability Trust Fund.

(3) For research, development, test, and evaluation, $25,750,000, to remain available until expended, of which $4,600,000 shall be derived from the Oil Spill Liability Trust Fund.

(4) For retired pay (including the payment of obligations otherwise chargeable to lapsed appropriations for this purpose), payments under the Retired Serviceman's Family Protection and Survivor Benefit Plans, and payments for medical care of retired personnel and their dependents under chapter 55 of title 10, United States Code, $579,500,000, to remain available until expended.

(5) For alteration or removal of bridges over navigable waters of the United States constituting obstructions to navigation, and for personnel and administrative costs associated with the Bridge Alteration Program, $13,289,000, to remain available until expended.

(6) For environmental compliance and restoration at Coast Guard Facilities, $23,749,000, to remain available until expended.

SEC. 102. AUTHORIZED LEVELS OF MILITARY STRENGTH AND MILITARY TRAINING.

(a) AUTHORIZED MILITARY STRENGTH LEVEL.—The Coast Guard is authorized an end-of-year strength for active duty personnel of 39,138 as of September 30, 1994 (of which not more than 6,400 shall be commissioned officers), and 39,138 as of September 30, 1995 (of which not more than 6,400 shall be commissioned officers). The authorized strength does not include members of the Ready Reserve called to active duty for special or emergency augmentation of regular Coast Guard forces for periods of 180 days or less.

(b) AUTHORIZED LEVEL OF MILITARY TRAINING.—The Coast Guard is authorized average military training student loads as follows:

(1) For recruit and special training, 1,986 student years for fiscal year 1994 and 1,986 student years for fiscal year 1995.

(2) For flight training, 114 student years for fiscal year 1994 and 114 student years for fiscal year 1995.

(3) For professional training in military and civilian institutions, 338 student years for fiscal year 1994 and 338 student years for fiscal year 1995.

(4) For officer acquisition, 955 student years for fiscal year 1994 and 955 student years for fiscal year 1995.

TITLE II—PERSONNEL MANAGEMENT IMPROVEMENT

SEC. 201. ELIMINATION OF PERMANENT CEILING ON NUMBER OF COMMISSIONED OFFICERS.

(a) ELIMINATION OF CEILING.—Section 42 of title 14, United States Code, is amended by striking subsection (a), and by redesignating subsections (b) through (e) as subsections (a) through (d), respectively.

(b) CONFORMING AMENDMENTS.—(1) Section 42(d) of title 14, United States Code, as redesignated by subsection (a) of this section, is amended by striking "subsection (c)" and inserting in lieu thereof "subsection (b)".

*(2) The section heading for section 42 of title 14, United States Code, is amended by striking "**Number and distribution**" and inserting in lieu thereof "**Distribution**".*

*(3) In the analysis for chapter 3 of title 14, United States Code, the item relating to section 42 is amended by striking "**Number and distribution**" and inserting in lieu thereof "**Distribution**".*

SEC. 202. INCREASED GRADE FOR CHIEF OF STAFF.

(a) AUTHORITY FOR GRADE OF VICE ADMIRAL.—(1) Chapter 3 of title 14, United States Code, is amended by inserting immediately after section 50 the following new section:

"§50a. Chief of Staff

"(a) The President may appoint, by and with the advice and consent of the Senate, a Chief of Staff of the Coast Guard who shall rank next after the area commanders and who shall perform such duties as the Commandant may prescribe. The Chief of Staff shall be appointed from the officers on the active duty promotion list serving above the grade of captain. The Commandant shall make recommendations for such appointment.

"(b) The Chief of Staff shall, while so serving, have the grade of vice admiral with the pay and allowances of that grade. The appointment and grade of the Chief of Staff shall be effective on the date the officer assumes that duty, and shall terminate on the date the officer is detached from that duty, except as provided in section 51(d) of this title.".

(2) The analysis for chapter 3 of title 14, United States Code, is amended by inserting immediately after the item relating to section 50 the following new item:

"50a. Chief of Staff.".

(b) ELIMINATION OF UNNECESSARY SENIORITY EXCEPTION.—Section 41a(b) of title 14, United States Code, is amended by striking ", except that the rear admiral serving as Chief of Staff shall be the senior rear admiral for all purposes other than pay".

(c) CLERICAL AMENDMENTS.—Section 41a of title 14, United States Code, is amended—

(1) in subsection (c), by striking "his" and inserting in lieu thereof "that person's"; and

(2) in subsection (d), by striking "he" and inserting in lieu thereof "that officer", and by striking "his" and inserting in lieu thereof "that officer's".

SEC. 203. CONTINUITY OF GRADE OF ADMIRALS AND VICE ADMIRALS.

(a) RETIREMENT.—(1) Section 51 of title 14, United States Code, is amended by adding at the end the following new subsection:

"(d) An officer serving in the grade of admiral or vice admiral shall continue to hold that grade—

"(1) while being processed for physical disability retirement, beginning on the day of the processing and ending on the day that officer is retired, but not for more than 180 days; and

"(2) while awaiting retirement, beginning on the day that officer is relieved from the position of Commandant, Vice Commandant, Area Commander, or Chief of Staff and ending on the day before the officer's retirement, but not for more than 60 days.".

(2) Section 51 of title 14, United States Code, is further amended—

(a) in subsections (a) and (b), by striking "as Commander, Atlantic Area, or Commander, Pacific Area" each place it appears and inserting in lieu thereof "in the grade of vice admiral"; and

(b) in subsection (c), by striking "his" and inserting in lieu thereof "that officer's".

(b) ELIMINATION OF UNNECESSARY PROVISION FOR CHIEF OF STAFF.—Section 290 of title 14, United States Code, is amended—

(1) in subsection (a), by striking "or in the position of Chief of Staff" in the second sentence; and

(2) in subsection (f), by striking "Chief of Staff or" each place it appears.

(c) CONFORMING AMENDMENT RELATING TO RETIREMENT OF COMMANDANT.—Section 46(a) of title 14, United States Code, is amended by striking "shall, at the expiration of his term, be retired with the grade of admiral." and inserting in lieu thereof "shall be retired with the grade of admiral at the expiration of the appointed term, except as provided in section 51(d) of this title.".

(d) CONFORMING AMENDMENTS RELATING TO RETIREMENT OF VICE COMMANDANT.—(1) Section 47 of title 14, United States Code, is amended—

(A) by striking subsections (b), (c), and (d); and

(B) in subsection (a)—

(i) by striking "(a)" at the beginning; and

(ii) by striking the last sentence and inserting in lieu thereof "The appointment and grade of a Vice Commandant shall be effective on the date the officer assumes that duty, and shall terminate on the date the officer is detached from that duty, except as provided in section 51(d) of this title.".

(2) The section heading for section 47 of title 47, United States Code, is amended by striking "**; retirement**".

(3) The item relating to section 47 in the analysis for chapter 3 of title 14, United States Code, is amended by striking "; **retirement**".

(e) CONFORMING AMENDMENTS RELATING TO AREA COMMANDERS.—Section 50 of title 14, United States Code, is amended—

(1) in subsection (a) by striking "his" and inserting in lieu thereof "that area commander's"; and

(2) in subsection (b) by striking the last sentence and inserting in lieu thereof "The appointment and grade of an area commander shall be effective on the date the officer assumes that duty, and shall terminate on the date the officer is detached from that duty, except as provided in section 51(d) of this title.".

SEC. 204. VOLUNTEER SERVICES.

Section 93 of title 14, United States Code, is amended—

(1) by striking "and" at the end of subsection (r);

(2) by striking the period at the end of subsection (s) and inserting in lieu thereof a semicolon; and

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

"(t) enter into cooperative agreements with States, local governments, nongovernmental organizations, and individuals, and accept and utilize voluntary services, notwithstanding section 1342 of title 31, United States Code, to provide for the maintenance and improvement of natural and historic resources on, or to benefit natural and historic research on, Coast Guard facilities, subject to the requirement that—

"(1) a person providing voluntary services under this subsection shall not be considered a Federal employee except for purposes of chapter 81 of title 5, United States Code, with respect to compensation for work-related injuries, and chapter 171 of title 28, United States Code, with respect to tort claims; and

"(2) a cooperative agreement under this subsection shall provide for the Commandant and the other party or parties to the agreement to—

"(A) contribute funds on a matching basis to defray the cost of programs, projects, and activities under the agreement; or

"(B) furnish services on a matching basis to carry out such programs, projects, and activities; or

"(C) both contribute funds as described in subparagraph (A) and furnish services as described in subparagraph (B); and".

SEC. 205. RESERVE RETENTION BOARDS.

Section 741(a) of title 14, United States Code, is amended by striking "and are not on active duty and not on an approved list of selectees for promotion to the next higher grade" and inserting in lieu thereof "except those officers who are on extended active duty, are on a list of selectees for promotion, will complete 30 years' total commissioned service by 30 June next following the date on which the retention board is convened, or have reached age 59 by the date on which the retention board is convened".

TITLE III—NAVIGATION SAFETY AND WATERWAY SERVICE MANAGEMENT

SEC. 301. NORTH ATLANTIC ROUTES.

Sections 3 and 5 of the Act of June 25, 1936 (46 U.S.C. App. 738b and 738d), are repealed.

SEC. 302. TECHNICAL AMENDMENT FOR BOAT SAFETY ACCOUNT.

Section 9503(c)(4)(A)(ii) of the Internal Revenue Code of 1986 (26 U.S.C. 9503(c)(4)(A)(ii)) is amended—

(1) by striking "No" at the beginning of subclause (II) and inserting in lieu thereof "Subject to subclause (III), no"; and

(2) by adding at the end the following new subclause:

"(III) CALCULATION OF AMOUNT IN ACCOUNT.—Amounts previously appropriated from the Aquatic Resources Trust Fund for carrying out the purposes of section 13106 of title 46, United States Code, but not distributed, shall not be included when calculating whether the Boat Safety Account exceeds the limit established in subclause (II).".

SEC. 303. UNMANNED SEAGOING BARGES.

Section 3302 of title 46, United States Code, is amended by adding at the end the following new subsection:

"(m) A seagoing barge is not subject to inspection under section 3301 of this title if the vessel is—

"(1) unmanned; and

"(2) does not carry oil in bulk or a reportable or harmful quantity of a hazardous material.".

TITLE IV—ENGINEERING AND DEVELOPMENT AMENDMENTS

SEC. 401. COAST GUARD FAMILY HOUSING.

(a) IN GENERAL.—Chapter 17 of title 14, United States Code, is amended by adding at the end the following new section:

"§670. Procurement authority for family housing

"(a) The Coast Guard, on behalf of the United States, is authorized, where appropriate—

"(1) subject to the availability of appropriations sufficient to cover its full obligations, to acquire real property or interests therein by purchase, lease for a term not to exceed 5 years, or otherwise, for use as Coast Guard family housing units, including the acquisition of condominium units, which may include the obligation to pay maintenance, repair, and other condominium related fees; and

"(2) for adequate compensation, by sale, lease, or otherwise, to dispose of any real property or interest therein used for Coast Guard family housing units; except that such disposition shall be made by the General Services Administration in accordance with the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.).

"(b) In procuring real property and interests therein under subsection (a) of this section, the Coast Guard may use procedures other than competitive procedures in circumstances which are set forth in section 303(c) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(c)).

"(c)(1) For the purposes of this section, a multiyear contract is a contract to lease Coast Guard family housing units for more than 1, but not more than 5, fiscal years.

"(2) The Coast Guard may enter into multiyear contracts under subsection (a) of this section whenever the Coast Guard finds that—

"(A) the use of such a contract will promote the efficiency of the Coast Guard family housing program and will result in reduced total costs under the contract; and

"(B) the estimates of both the cost of the contract and the anticipated cost avoidance through the use of a multiyear contract are realistic.

"(3) A multiyear contract authorized under subsection (a) of this section shall contain cancellation and termination provisions to the extent necessary to protect the best interests of the United States, and may include consideration of both recurring and nonrecurring costs. The contract may provide for a cancellation payment to

be made. Amounts that were originally obligated for the cost of the contract may be used for cancellation or termination costs.".

(b) CONFORMING AMENDMENT.—The analysis for chapter 17 of title 14, United States Code, is amended by adding at the end the following new item:

"670. Procurement authority for family housing.".

SEC. 402. AIR STATION CAPE COD IMPROVEMENTS.

(a) IN GENERAL.—Chapter 17 of title 14, United States Code, as amended by this title, is further amended by adding at the end the following new section:

"§671. Air Station Cape Cod improvements

"The Coast Guard may spend or obligate appropriated funds for the repair, improvement, restoration, or replacement of those federally or non-federally owned support buildings, including appurtenances, which are on leased or permitted real property constituting Coast Guard Air Station Cape Cod, located on Massachusetts Military Reservation, Cape Cod, Massachusetts.".

(b) CONFORMING AMENDMENT.—The analysis for chapter 17 of title 14, United States Code, as amended by this title, is further amended by adding at the end the following new item:

"671. Air Station Cape Cod improvements.".

SEC. 403. LONG-TERM LEASE AUTHORITY FOR AIDS TO NAVIGATION.

(a) IN GENERAL.—Chapter 17 of title 14, United States Code, as amended by this title, is further amended by adding at the end the following new section:

"§672. Long-term lease authority for navigation and communications systems sites

"(a) The Coast Guard, on behalf of the United States, is authorized, subject to the availability of appropriations, to enter into lease agreements to acquire real property or interests therein for a term not to exceed 20 years, inclusive of any automatic renewal clauses, for aids-to-navigation sites, vessel traffic service sensor sites, or National Distress System high level antenna sites. The lease agreements shall include cancellation and termination provisions to the extent necessary to protect the best interests of the United States. Cancellation payment provisions may include consideration of both recurring and nonrecurring costs associated with the real property interests under the contract. The lease agreements may provide for a cancellation payment to be made. Amounts that were originally obligated for the cost of the contract may be used for cancellation or termination costs.

"(b) In procuring real property and interests therein under subsection (a) of this section, the Coast Guard may use procedures other than competitive procedures in circumstances which are set forth in section 303(c) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(c)).

"(c)(1) The Coast Guard may enter into multiyear lease agreements under subsection (a) of this section whenever the Coast Guard finds that—

"(A) the use of such a lease agreement will promote the efficiency of the aids-to-navigation program, vessel traffic service program, or National Distress System program and will result in reduced total costs under the agreement;

"(B) the minimum need for the real property or interest therein to be leased is expected to remain substantially unchanged during the contemplated lease period; and

"(C) the estimates of both the cost of the lease and the anticipated cost avoidance through the use of a multiyear lease are realistic.".

(b) CONFORMING AMENDMENT.—The analysis for chapter 17 of title 14, United States Code, as amended by this title, is further amended by adding at the end the following new item:

"672. Long term lease authority for navigation and communications system sites.".

TITLE V—RESEARCH

SEC. 501. AUTHORITY FOR EDUCATIONAL RESEARCH GRANTS.

(a) IN GENERAL.—Chapter 9 of title 14, United States Code, is amended by adding at the end the following new section:

"§196. Participation in Federal, State, or other educational research grants

"Notwithstanding any other provision of law, the Coast Guard Academy may compete for and accept Federal, State, or other educational research grants, except that no such award may be accepted for the acquisition or construction of facilities, or for the routine functions of the Academy.".

(b) CONFORMING AMENDMENT.—The analysis for chapter 9 of title 14, United States Code, is amended by adding at the end the following new item:

"196. Participation in Federal, State, or other educational research grants.".

SEC. 502. COOPERATIVE AGREEMENT AUTHORITY.

Section 93 of title 14, United States Code, as amended by section 204 of this Act, is further amended by adding at the end the following new subsection:

"(u) enter into cooperative agreements with other Government agencies for purposes of contracting with the National Academy of Sciences.".

TITLE VI—PASSENGER VESSEL SAFETY

SEC. 601. SHORT TITLE.

This title may be cited as the "Passenger Vessel Safety Act of 1993".

SEC. 602. DEFINITION OF PASSENGER.

Section 2101(21) of title 46, United States Code, is amended to read as follows:

"(21) 'passenger'—

"(A) on a vessel, other than a vessel referred to in subclause (B), (C), or (D) of this clause, means an individual carried on the vessel except—

"(i) the owner or an individual representative of the owner or, in the case of a vessel under charter, an individual charterer or individual representative of the charterer;

"(ii) the master; or

"(iii) a member of the crew engaged in the business of the vessel who has not contributed consideration for carriage and who is paid for on board services;

"(B) on an offshore supply vessel, means an individual carried on the vessel except—

"(i) an individual as described in subclause (A)(i), (A)(ii), or (A)(iii) of this clause;

"(ii) an employee of the owner, or of a subcontractor to the owner, engaged in the business of the owner;

"(iii) an employee of the charterer, or of a subcontractor to the charterer, engaged in the business of the charterer; or

"(iv) an individual employed in a phase of exploration, exploitation, or production of offshore mineral or energy resources served by the vessel;

"(C) on a fishing vessel, fish processing vessel, or fish tender vessel, means an individual carried on the vessel except—

"(i) an individual as described in subclause (A)(i), (A)(ii), or (A)(iii) of this clause;

"(ii) a managing operator;

"(iii) an employee of the owner, or of a subcontractor to the owner, engaged in the business of the owner; or

"(iv) an employee of the charterer, or of a subcontractor to the charterer, engaged in the business of the charterer; and

"(D) on a sailing school vessel, means an individual carried on the vessel except—

"(i) an individual as described in subclause (A)(i), (A)(ii), or (A)(iii) of this clause;

"(ii) an employee of the owner of the vessel engaged in the business of the owner, except when the vessel is operating under a demise charter;

"(iii) an employee of the demise charterer of the vessel engaged in the business of the demise charterer; or

"(iv) a sailing school instructor or sailing school student.".

SEC. 603. DEFINITION OF PASSENGER VESSEL.

Section 2101(22) of title 46, United States Code, is amended to read as follows:

"(22) 'passenger vessel' means a vessel of at least 100 gross tons—

"(A) that is carrying more than 12 passengers, including at least one passenger for hire;

"(B) that is chartered and carrying more than 12 passengers; or

"(C) that is a submersible vessel carrying at least one passenger for hire.".

SEC. 604. DEFINITION OF SMALL PASSENGER VESSEL.

Section 2101(35) of title 46, United States Code, is amended to read as follows:

"(35) 'small passenger vessel' means a vessel of less than 100 gross tons—

"(A) that is carrying more than 6 passengers, including at least one passenger for hire;

"(B) that is chartered, with the crew provided or specified by the owner or the owner's representative, and carrying more than 6 passengers;

"(C) that is chartered, with no crew provided or specified by the owner or the owner's representative, and carrying more than 12 passengers; or

"(D) that is a submersible vessel carrying at least one passenger for hire.".

SEC. 605. DEFINITION OF UNINSPECTED PASSENGER VESSEL.

Section 2101(42) of title 46, United States Code, is amended to read as follows:

"(42) 'uninspected passenger vessel' means an uninspected vessel—

"(A) of at least 100 gross tons—

"(i) that is carrying not more than 12 passengers, including at least one passenger for hire; or

"(ii) that is chartered, with the crew provided or specified by the owner or the owner's representative, and carrying not more than 12 passengers; or

"(B) of less than 100 gross tons—

"(i) that is carrying not more than 6 passengers, including at least one passenger for hire; or

"(ii) that is chartered, with the crew provided or specified by the owner or the owner's representative, and carrying not more than 6 passengers.".

SEC. 606. DEFINITION OF PASSENGER FOR HIRE.

Section 2101 of title 46, United States Code, is amended by inserting immediately after clause (21) the following new clause:

"(21a) 'passenger for hire' means a passenger for whom consideration is contributed as a condition of carriage on the vessel, whether directly or indirectly flowing to the owner, charterer, operator, agent, or any other person having an interest in the vessel.".

SEC. 607. DEFINITION OF CONSIDERATION.

Section 2101 of title 46, United States Code, is amended by inserting immediately after clause (5) the following new clause:

"(5a) 'consideration' means an economic benefit, inducement, right, or profit, including pecuniary payment accruing to an individual, person, or entity, but not including a voluntary sharing of the actual expenses of the voyage by monetary contribution or donation of fuel, food, beverage, or other supplies.".

SEC. 608. DEFINITION OF OFFSHORE SUPPLY VESSEL.

Section 2101(19) of title 46, United States Code, is amended by inserting "individuals in addition to the crew," immediately after "supplies," and by striking "and is not a small passenger vessel".

SEC. 609. DEFINITION OF SAILING SCHOOL VESSEL.

Section 2101(30)(B) of title 46, United States Code, is amended by striking "at least 6" and inserting in lieu thereof "more than 6".

SEC. 610. DEFINITION OF SUBMERSIBLE VESSEL.

Section 2101 of title 46, United States Code, is amended by inserting immediately after clause (37) the following new clause:

"(37a) 'submersible vessel' means a vessel that is capable of operating below the surface of the water.".

SEC. 611. EXEMPTION AUTHORITY.

Section 2113 of title 46, United States Code, is amended to read as follows:

"§2113. Authority to exempt certain vessels

"If the Secretary decides that the application of a provision of part B, C, F, or G of this subtitle is not necessary in performing the mission of certain vessels engaged in excursions or an oceanographic research vessel, or not necessary for the safe operation of certain vessels carrying passengers, the Secretary by regulation may—

"(1) for an excursion vessel, issue a special permit specifying the conditions of operation and equipment;

"(2) exempt an oceanographic research vessel from that provision under conditions the Secretary may specify; and

"(3) establish different operating and equipment requirements for uninspected passenger vessels described in section 2101(42)(A) of this title.".

SEC. 612. EQUIPMENT AND STANDARDS FOR UNINSPECTED PASSENGER VESSELS.

Section 4105 of title 46, United States Code, is amended—

(1) by redesignating the existing text as subsection (a); and

(2) by adding at the end the following new subsection:

"(b) Within 24 months after the date of enactment of this subsection, the Secretary shall, by regulation, require certain additional equipment (including liferafts or other lifesaving equipment), or establish construction standards or additional operating standards, for the uninspected passenger vessels described in section 2101(42)(A) of this title.".

SEC. 613. APPLICABILITY DATE FOR REVISED REGULATIONS.

(a) APPLICABILITY DATE FOR CERTAIN CHARTERED VESSELS.—Revised regulations governing small passenger vessels and passenger vessels (as the definitions of those terms in section 2101 of title 46, United States Code, are amended by this Act) shall not, before the date that is 6 months after the date of enactment of this Act, apply to such vessels when chartered with no crew provided.

(b) EXTENSION OF PERIOD.—The Secretary of the department in which the Coast Guard is operating shall extend for up to 30 additional months or until issuance of a certificate of inspection, whichever occurs first, the period of inapplicability specified in subsection (a) if the owner of the vessel concerned carries out the provisions of subsection (c) to the satisfaction of the Secretary.

(c) CONDITIONS FOR EXTENSION.—To receive an extension authorized by subsection (b), the owner of the vessel shall—

(1) make application for inspection with the Coast Guard within 6 months after the date of enactment of this Act;

(2) make the vessel available for examination by the Coast Guard prior to the carriage of passengers;

(3)(A) correct especially any hazardous conditions involving the vessel's structure, electrical system, and machinery installation, such as (i) grossly inadequate, missing, unsound, or severely deteriorated frames or major structural members; (ii) wiring systems or electrical appliances without proper grounding or overcurrent protection; and (iii) significant fuel or exhaust system leaks;

(B) equip the vessel with lifesaving and fire fighting equipment, or the portable equivalent, required for the route and number of persons carried; and

(C) verify through stability tests, calculations, or other practical means (which may include a history of safe operations) that the vessel's stability is satisfactory for the size, route, and number of passengers; and

(4) develop a work plan approved by the Coast Guard to complete in a good faith effort all requirements necessary for issuance of a certificate of inspection as soon as practicable.

(d) OPERATION OF VESSEL DURING EXTENSION PERIOD.—The owner of a vessel receiving an extension under this section shall operate the vessel under the conditions of route, service, number of passengers, manning, and equipment as may be prescribed by the Coast Guard for the extension period.

SEC. 614. CERTIFICATE OF DOCUMENTATION FOR THE VESSEL LISERON.

(a) AUTHORITY TO ISSUE CERTIFICATE.—Notwithstanding section 12106 of title 46, United States Code, section 8 of the Passenger Vessel Act of 1886 (46 App. U.S.C. 289), and section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), as applicable on the date of enactment of this Act, the Secretary of Transportation may issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade of the United States for the vessel LISERON, United States official number 971339.

(b) SPECIAL RULE.—Solely for the application of regulations promulgated under part B of subtitle II of title 46, United States Code, the Secretary of Transportation shall deem the vessel LISERON, United States official number 971339, to measure less than 100 gross tons, if and only if the vessel—

(1) does not undergo a major conversion as defined in section 2101(14a) of title 46, United States Code, subsequent to the date of enactment of this Act; and

(2) does not engage in the carriage of passengers on an international voyage.

TITLE VII—MISCELLANEOUS PROVISIONS

SEC. 701. HERON NECK LIGHTHOUSE.

(a) AUTHORITY TO CONVEY.—(1) The Secretary of the department in which the Coast Guard is operating (hereafter in this title referred to as the "Secretary") shall convey to the Island Institute, Rockland, Maine, by an appropriate means of conveyance, all right, title, and interest of the United States Government in and to property comprising the Heron Neck Lighthouse; except that the Coast Guard shall retain all right, title, or interest in any historical artifacts, such as any lens or lantern, on the property conveyed pursuant to this section.

(2) The Secretary may identify, describe, and determine the property to be conveyed pursuant to this section.

(b) CONDITIONS.—(1) A conveyance of property pursuant to this section shall be made—

(A) without the payment of consideration; and

(B) subject to such terms and conditions as the Secretary may consider appropriate.

(2) The property conveyed pursuant to this section may be used for educational, historic, recreational, and cultural programs open to and for the benefit of the general public. Theme displays, museums, gift shops, open exhibits, meeting rooms, and an office and quarters for personnel in connection with security and administration of the property are expressly authorized. Other uses not inconsistent with the foregoing uses are permitted unless the Secretary shall reasonably determine that such uses are incompatible with the historic nature of the property or with other provisions of this section.

(3) Any conveyance of property pursuant to this section shall be subject to such additional conditions as the Secretary considers to be necessary to assure that—

(A) the light, antennas, sound signal, and associated lighthouse equipment located on the property conveyed, which are active aids to navigation, shall continue to be operated and maintained by the United States Government for as long as they are needed for this purpose;

(B) the Island Institute may not interfere or allow interference in any manner with such aids to navigation without express written permission from the United States Government;

(C) there is reserved to the United States Government the right to relocate, replace, or add any aids to navigation or make any changes on any portion of such property as may be necessary for navigation purposes;

(D) the United States Government shall have the right, at any time, to enter such property without notice for the purpose of maintaining navigational aids; and

(E) the United States Government shall have an easement of access to such property for the purpose of maintaining the navigational aids in use on the property.

(4) The Island Institute shall not have any obligation to maintain any active aid to navigation equipment on property conveyed pursuant to this section.

(c) PROPERTY TO BE MAINTAINED IN ACCORDANCE WITH CERTAIN LAWS.—The Island Institute shall maintain the Heron Neck Lighthouse in accordance with the provisions of the National Historic Preservation Act of 1966 (16 U.S.C. 470 et seq.) and other applicable laws.

(d) DEFINITION.—For purposes of this section, the term "Heron Neck Lighthouse" means the Coast Guard lighthouse located on Green Island, Vinalhaven, Maine, including—

(1) the attached keeper's dwelling, ancillary buildings, the associated fog signal, and boat ramp; and

(2) such land as may be necessary to enable the Island Institute to operate at that lighthouse a nonprofit center for public benefit.

SEC. 702. CAPE COD LIGHTHOUSE PLANNING AND DESIGN STUDIES.

(a) COMPLETION OF STUDIES.—(1) Not later than 6 months after the date of enactment of this Act, the Secretary and the Secretary of the Interior shall complete the necessary planning studies, including selection of a relocation site, identified in the Coast Guard's strategy document for relocation of the Cape Cod Lighthouse (popularly known as the "Highland Light Station"), located in North Truro, Massachusetts.

(2) Not later than 18 months after the date of enactment of this Act, the Secretary shall complete the design studies identified in the Coast Guard's strategy document for relocation of the Cape Cod Lighthouse.

(b) USE OF AMOUNTS FOR STUDIES.—Of amounts appropriated under the authority of this Act for acquisition, construction, rebuilding, and improvement, the Secretary may use up to $600,000 for conducting the studies required under subsection (a).

SEC. 703. TRANSFER OF LIGHTHOUSES.

(a) AUTHORITY TO TRANSFER.—(1) The Secretary may convey by any appropriate means to the Washington State Parks and Recreation Commission all right, title, and interest of the United States Government in and to property comprising one or more of the Cape Disappointment Lighthouse, North Head Lighthouse, and Point Wilson Lighthouse.

(2) The Secretary may identify, describe, and determine property conveyed pursuant to this section.

(b) TERMS AND CONDITIONS.—(1) The conveyance of property pursuant to subsection (a) shall be made—

(A) without the payment of consideration; and

(B) subject to such terms and conditions as the Secretary may consider appropriate.

(2) In addition to any term or condition established pursuant to paragraph (1), any conveyance of property comprising Cape Disappointment Lighthouse, North Head Lighthouse, or Point Wilson Lighthouse pursuant to this section shall be subject to the condition that all right, title, and interest in and to the property so conveyed shall immediately revert to the United States Government if the property, or any part thereof—

(A) ceases to be used as a center for public benefit for the interpretation and preservation of maritime history;

(B) ceases to be maintained in a manner that ensures its present or future use as a Coast Guard aid to navigation; or

(C) ceases to be maintained in a manner consistent with the provisions of the National Historic Preservation Act of 1966 (16 U.S.C. 470 et seq.).

(3) Any conveyance of property pursuant to this section shall be made subject to such conditions as the Secretary considers to be necessary to assure that—

(A) the lights, antennas, and associated equipment located on the property conveyed, which are active aids to navigation, shall continue to be operated and maintained by the United States Government;

(B) the Washington State Parks and Recreation Commission may not interfere or allow interference in any manner with such aids to navigation without express written permission from the Secretary;

(C) there is reserved to the United States Government the right to relocate, replace, or add any aids to navigation or make any changes on any portion of such property as may be necessary for navigation purposes;

(D) the United States Government shall have the right, at any time, to enter such property without notice for the purpose of maintaining aids to navigation;

(E) the United States Government shall have an easement of access to such property for the purpose of maintaining the aids to navigation in use on the property; and

(F) the property shall be rehabilitated and maintained by the owner in accordance with the provisions of the National Historic Preservation Act of 1966 (16 U.S.C. 470 et seq.).

(4) The Washington State Parks and Recreation Commission shall not have any obligation to maintain any active aid to navigation equipment on property conveyed pursuant to this section.

(c) DEFINITIONS.—For purposes of this section, the term—

(1) "Cape Disappointment Lighthouse" means the Coast Guard lighthouse located at Fort Canby State Park, Washington, including—

(A) the lighthouse, excluding any lantern or lens that is the personal property of the Coast Guard; and

(B) such land as may be necessary to enable the Washington State Parks and Recreation Commission to operate at that lighthouse a center for public benefit for the interpretation and preservation of the maritime history;

(2) "North Head Lighthouse" means the Coast Guard lighthouse located at Fort Canby State Park, Washington, including—

(A) the lighthouse, excluding any lantern or lens that is the personal property of the Coast Guard;

(B) ancillary buildings; and

(C) such land as may be necessary to enable the Washington State Parks and Recreation Commission to operate at that lighthouse a center for public benefit for the interpretation and preservation of maritime history; and

(3) "Point Wilson Lighthouse" means the Coast Guard lighthouse located at Fort Worden State Park, Washington, including—

(A) the lighthouse, excluding any lantern or lens that is the personal property of the Coast Guard;

(B) two ancillary buildings; and

(C) such land as may be necessary to enable the Washington State Parks and Recreation Commission to operate at that lighthouse a center for public benefit for the interpretation and preservation of maritime history.

SEC. 704. LOWER COLUMBIA RIVER MARINE FIRE AND SAFETY ACTIVITIES.

The Secretary is authorized to expend out of the amounts appropriated for the Coast Guard for fiscal year 1994 not more than $421,700 and for fiscal year 1995 not more than $358,300, for the lower Columbia River marine, fire, oil, and toxic spill response communications, training, equipment, and program administration activities conducted by the Marine Fire and Safety Association.

SEC. 705. SOUTHEAST REGIONAL FISHERIES LAW ENFORCEMENT TRAINING CENTER.

The Coast Guard shall establish the Southeastern Regional Fisheries Law Enforcement Training Center in the Seventh Coast Guard District in Charleston, South Carolina. The purpose of the Southeastern Regional Fisheries Law Enforcement Training Center shall be to increase the skills and training of Coast Guard fisheries law enforcement personnel and to ensure that such skills and training address the unique characteristics and complex management requirements of the fisheries of the Southeastern United States.

SEC. 706. FISHING AND FISH TENDER VESSELS.

Section 5209(b)(2) of the Oceans Act of 1992 (46 U.S.C. 2101 note) is amended by striking "without charge" and "owned by the same person".

SEC. 707. NATIONAL SAFE BOATING WEEK.

The Act of June 4, 1958 (36 U.S.C. 161), is amended by striking "week commencing on the first Sunday in June" and inserting in lieu thereof "week ending on the last Saturday before Memorial Day".

SEC. 708. OUTER CONTINENTAL SHELF CIVIL PENALTIES.

Section 24(b) of the Outer Continental Shelf Lands Act (43 U.S.C. 1350(b)) is amended—

(1) in paragraph (1), by striking "paragraph (2)" and inserting in lieu thereof "paragraphs (2) and (3)"; and

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

"(3)(A) If a person fails to comply with or violates a regulation issued under this Act by the Secretary of the department in which the Coast Guard is operating, that person is liable, without regard to the requirement of the expiration of a period allowed for corrective action, to the United States Government for a civil penalty of not more than the amount provided in paragraph (1) for each day of the continuance of that failure or violation.

"(B) The Secretary of the department in which the Coast Guard is operating is authorized to assess the amount of the civil penalty for which a person is liable for failure to comply with or for violating a regulation issued under this Act by the Secretary of the department in which the Coast Guard is operating. The assessment of the civil penalty shall be by written notice and after an opportunity for a hearing.

"(C) In determining the amount of the penalty, the Secretary of the department in which the Coast Guard is operating shall consider the nature, circumstances, extent, and gravity of the prohibited acts committed and, with respect to the violator, the degree of culpability, any history of prior offenses, ability to pay, and other matters that justice requires.

"(D) The Secretary of the department in which the Coast Guard is operating may compromise, modify, or remit, with or without consideration, a civil penalty under this Act until referring the assessment to the Attorney General.

"(E) If a person fails to pay an assessment of a civil penalty after it has become final, the Secretary of the department in which the Coast Guard is operating may refer the matter to the Attorney General for collection in an appropriate district court of the United States.".

SEC. 709. WATCHSTANDING ON CERTAIN VESSELS.

Section 8301(b) of title 46, United States Code, is amended by inserting ", or a vessel used only to respond to a discharge of oil or a hazardous substance," immediately after "offshore supply vessel" each place it appears.

SEC. 710. LOS ANGELES-LONG BEACH VESSEL TRAFFIC SERVICE.

The Coast Guard is authorized to provide personnel support for the interim vessel traffic information service in the Ports of Los Angeles and Long Beach operated on behalf of the State of California by the Marine Exchange of Los Angeles-Long Beach Harbors, Inc., a California nonprofit corporation (hereinafter referred to as "Marine Exchange"). The Coast Guard shall be reimbursed for all costs associated with providing such personnel in accordance with a reimbursable agreement between the Coast Guard and the State of California. Amounts received by the Coast Guard as reimbursements for its costs shall be credited to the appropriation for operating expenses of the Coast Guard. The United States Government assumes no liability for any act or omission of any officer, director, employee, or representative of the Marine Exchange or of the State of California, arising out of the operation of the vessel traffic information service by the Marine Exchange, and the Coast Guard shall have the same protections and limitations on such liability as are afforded to the Marine Exchange under California law.

AMENDMENT NO. 1240

(Purpose: To make an amendment in the nature of a substitute)

Mr. BIDEN. Mr. President, I send to the desk a Hollings-Stevens substitute amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Delaware [Mr. BIDEN] for Mr. HOLLINGS and Mr. STEVENS proposes an amendment numbered 1240.

Mr. BIDEN. Mr. President, I ask unanimous consent that the 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. HOLLINGS. Mr. President, today I rise in support of the Coast Guard Authorization Act of 1993. This legislation provides the core authorization for the Coast Guard for fiscal year (FY) 1994. The authorization is consistent with the administration's budget request of $3.812 billion for FY 1994, and represents approximately a four percent

overall increase from the level appropriated in FY 1993. As in previous years, the Coast Guard budget does not fully reflect the magnitude of duties performed by this branch of the Armed Services. The funding levels authorized will require the Coast Guard to continue running a tight ship, particularly given its numerous responsibilities. As I have started before, when the Coast Guard was first established in 1790, its mission was straightforward—to prevent smuggling and collect tax revenues. Since that time, its responsibilities have been expanded significantly to include search and rescue, fisheries law enforcement, drug interdiction, aids to navigation, marine safety, and marine environmental protection. The proposed funding levels in the legislation before us today are the minimum needed by the Coast Guard to carry out its many missions.

Mr. President, today the Senate is considering an amendment in the nature of a substitute for S. 1052. Let me provide a summary of the provisions in this substitute. Title I provides authorizations of appropriations for the Coast Guard. Funding levels for FY 1994 are as follows:

[In millions of dollars]

	Enacted fiscal year 1993	Authorization fiscal year 1994
Operating expenses	$2,558	$2,612
Acquisition, construction, and improvement	340	418
Environmental compliance	22	23
Research and development	28	25
Retired pay	520	549
Alteration of bridges	13	13

Over two-thirds of the Coast Guard's budget supports operating expenses. This account provides for the operation and maintenance of the multi-purpose vessels, aircraft, and shore vessels used to carry out the Coast Guard's missions.

The authorization for capital improvements in this substitute will be used for major improvements such as vessel and aircraft acquisition and rehabilitation, information management, and construction and improvement at shore and offshore facilities. Some major initiatives continuing through the next year are replacement of seagoing and coastal buoy tenders, motor lifeboats, and the icebreaker. Also included is funding for the vessel traffic services (VTS) system, a modern part surveillance system that reduces the risk of collisions and groundings. The funding for VTS responds to a 1992 "Port Needs Study" released by the Coast Guard, which identified high-risk ports that would benefit from VTS implementation.

The substitute contains $549 million in FY 1994 for payments to the retired military personnel of the Coast Guard, Coast Guard Reserve, and former Lighthouse Service members. Other funding authorizations in the legislation include environmental compliance and restoration, research and development, Coast Guard facility improvements, navigation and rescue support, and bridge alteration. Spending for environmental compliance is needed to bring current and former Coast Guard facilities into conformance with national environmental standards. Title I also contains the Coast Guard's authorized military strength levels.

Title II of the substitute authorizes personnel management improvements such as the elimination of the permanent ceiling on commissioned officers, brings Coast Guard flag officer personnel management into conformance with other branches of the uniformed services, raises the rank of the Vice Commandant, and allows volunteer organizations to help to maintain the historic value of Coast Guard facilities such as lighthouses.

Title III of the substitute authorizes long-term lease authority of housing or condominiums for personnel, and of navigation and communications systems sites. The substitute authorizes improvements to Coast Guard Air Station Cape Cod, allows the Coast Guard Academy to compete for educational research grants, authorizes acquisition of and improvements in oil spill response equipment, authorizes changes to the definition of unmanned seagoing barges, allows the Coast Guard to enter into cooperative agreements with other government agencies and the National Academy of Sciences, authorizes the establishment of a Coast Guard Fisheries Law Enforcement Training Center in the Southeast Atlantic region and in the Gulf of Mexico region, and improves the manning efficiency of oil spill recovery operations. This title provides an exemption to the Immigration and Nationality Act, under certain circumstances in Alaska. This exemption is necessary because of the isolated location of many Alaskan fishing communities and the frequent nonavailability of United States longshore workers. This title provides authority to the Coast Guard to transfer lighthouses in Washington State and Maine to state or local interests. This title also authorizes the Coast Guard and the Secretary of the Interior to complete a planning study for the relocation of the Cape Code Lighthouse.

Title IV of the substitute permits the Coast Guard to improve employment documentation procedures of merchant seaman.

Title V of the substitute is the Passenger Vessel Safety Act of 1993. Under current law, Coast Guard regulations require documented vessels carrying six or more passengers-for-hire to meet safety standards and to be inspected. By contrast, safety standards for private recreational vessels are lower, and no inspection is required. Passenger vessel requirements do not apply to boats chartered without a crew, referred to as bare-boat charters, because the charterer is acting in the capacity of owner. Now, short-term charters, such as a dinner cruise for 100–200 people, are being offered as "bare-boat" charters, and as a result, inspection and safety requirements are not implicated. This title corrects that potentially dangerous situation.

Title VI of the substitute permits the Secretary of Transportation to issue Jones Act exemption certificates of documentation for 53 vessels, and limited waivers for several others.

Title VII of the substitute authorizes renewal, until May 1, 1994, of the Agreement between the Government of the United States and the Government of the Russian Federation on Mutual Fisheries Relations. This agreement expired on October 28, 1993. This title also expresses the sense of the Congress that the United States should take appropriate measures to conserve the resources of the "Doughnut Hole" of the Bering Sea.

Title VIII of the substitute authorizes the Atlantic Coastal Fisheries Cooperative Management Act. The purpose of this title is to conserve Atlantic coastal fisheries by strengthening federal-state partnerships. The substitute provides federal and state managers with the tools needed to accomplish that goal. It provides that the Secretary of Commerce develop and implement a program to support the interstate fishery management efforts of the Atlantic State Marine Fisheries Commission's (Commission). In addition, the Secretary of Commerce would be authorized to impose necessary restrictions on fishing in federal waters. The substitute authorizes federal assistance to support the Commission and the states in carrying out their respective responsibilities. It provides for appropriations of $3 million for fiscal year 1994, $5 million for fiscal year 1995, and $7 million for fiscal year 1996. In addition, the legislation amends the Interjurisdictional Fisheries Act to authorize funding for the interstate fisheries commissions through fiscal year 1995. Finally, the legislation extends indefinitely the provisions of the Atlantic Striped Bass Conservation Act.

Title IX of the substitute permits the Secretary of Transportation to convey two vessels from the National Defense Reserve Fleet to any nonprofit organization that operates and maintains a Liberty Ship or Victory Ship as a memorial to merchant mariners.

Mr. President, I commend the Coast Guard for the manner in which it performs its missions. In time or war or peace, the Coast Guard is called upon to defend and promote this country's interests at sea. As we saw during this past summer's river floods, the Coast Guard also conducts search and rescue operations and provides disaster relief even into the heartland of America. I ask my colleagues to recognize this service by joining me in supporting Coast Guard authorization legislation.

Mr. CHAFEE. Mr. President, I would like to direct two questions to the distinguished chairman of the Commerce, Science, and Transportation Committee. My first question is whether the passage of this Act in any way affects the jurisdiction of the Environment and Public Works Committee with respect to the Atlantic Striped Bass Conservation Act?

Mr. HOLLINGS. Nothing in this Act would affect the shared jurisdiction of the Environment Committee and the Commerce Committee over the Atlantic Striped Bass Conservation Act.

Mr. CHAFEE. My second question is whether anything in this Act—other than the provision repealing the sunset of the moratorium authority—amends or otherwise affects the provisions of the Atlantic Striped Bass Conservation Act?

Mr. HOLLINGS. Nothing in this Act, other than the provision you have mentioned, affects the Atlantic Striped Bass Act.

Mr. CHAFEE. I yield to my colleague, the distinguished Chairman of the Environment and Public Works Committee.

Mr. BAUCUS. I would like to direct another question to the distinguished Chairman of the Commerce Committee. Is it the Senator's understanding that nothing in this Act impedes, limits, or otherwise affects the existing authorities or responsibilities of the U.S. Fish and Wildlife Service with respect to U.S. fisheries, particularly anadromous fish species?

Mr. HOLLINGS. Yes, that is correct, nothing in this Act would change the existing authorities or responsibilities of the Fish and Wildlife Service. In addition, it is my understanding that the National Marine Fisheries Service and the Fish and Wildlife Service currently have a close working relationship regarding issues affecting coastal fishery resources. This bill should encourage ongoing cooperative efforts and improve coordination between the two federal agencies, as well as with the States.

Mr. BAUCUS. I thank the Senator for the clarification.

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

So the amendment (No. 1240) was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there is no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time.

Mr. BIDEN. Mr. President, I ask unanimous consent that the Commerce Committee be discharged from further consideration of H.R. 2150, the House companion, and that the Senate then proceed to its immediate consideration, that all after the enacting clause be stricken and the text of S. 1052, as amended, be inserted in lieu thereof, that the bill be advanced to third reading, passed and the motion to reconsider laid upon the table.

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

So the bill (H.R. 2150), as amended, was deemed read a third time and passed.

Mr. BIDEN. Mr. President, I ask unanimous consent that S. 1052 be returned to the calendar.

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

WAR IN THE PACIFIC NATIONAL HISTORICAL PARK ACT OF 1993

Mr. BIDEN. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on (H.R. 1944) a bill to provide for additional development at War in the Pacific National Historical Park, and for other purposes.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendment of the Senate to the bill (H.R. 1944) entitled "An Act to provide for additional development at War in the Pacific National Historical Park, and for other purposes", with the following amendment:

In lieu of the matter inserted by said amendment, insert:

SECTION 1. FINDINGS.

Congress finds that—

(1) June 15 through August 10, 1994, marks the 50th anniversary of the Mariana campaign of World War II in which American forces captured the islands of Saipan and Tinian in the Northern Marianas and liberated the United States Territory of Guam from Japanese occupation;

Mr. AKAKA. Would the Senator from Wyoming yield for a question.

Mr. WALLOP. I would be pleased to yield to my friend from Hawaii.

Mr. AKAKA. The other body removed section 3(B)(o) from the legislation which required the Secretary to submit a list of names to the appropriate committees which are to appear on the monument authorized in subsection (1). My question to the ranking member of the Committee on Energy and Natural Resources is will this action taken by the other body preclude the National Park Service from constructing a monument listing by individual name, those people of Guam, living and dead, who suffered personal injury, forced labor, forced marches, internment or death incident to enemy occupation of Guam between December 8, 1941 and August 10, 1944.

Mr. WALLOP. It is my understanding that the National Park Service already has a design to accomplish what the Senator has just described. The provisions in this legislation would not preclude or deny the Service from utilizing this design or registry to honor the loyalty of the people of Guam as well as the heroism of the American forces that liberated Guam. I believe that my friend from Hawaii shares my view that the Park Service should move forward with an appropriate monument to these heroes. It is long overdue.

Mr. AKAKA. I do share the Senator's views on this matter and I thank the Senator from Wyoming for his response.

Mr. KEMPTHORNE. Mr. President, I move that the Senate concur in the amendment of the House.

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

The motion was agreed to.

Mr. BIDEN. Mr. President, I move to reconsider the vote by which the motion was agreed to.

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

The motion to lay on the table was agreed to.

BILL READ THE FIRST TIME—S. 1779

Mr. BIDEN. Mr. President, I understand that S. 1779 was introduced earlier today; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. BIDEN. I ask that the bill be read for the first time.

The PRESIDING OFFICER. The clerk will read the bill for the first time.

The legislative clerk read as follows:

A bill (S. 1779) to ensure individual and family security through health care coverage for all Americans in a manner that contains the rate of growth in health care costs and promotes responsible health insurance practices, to promote choice health care, and to ensure and protect the health care of all Americans.

Mr. BIDEN. Mr. President, I ask for second reading.

The PRESIDING OFFICER. Is there objection?

Mr. KEMPTHORNE. I object.

The PRESIDING OFFICER. Objection is heard.

The bill will be read a second time on the next legislative day.

BILLS READ FOR A SECOND TIME—H.R. 334, H.R. 881, AND S. 1751

The PRESIDING OFFICER. The clerk will read those bills which have been read a first time a second time.

The assistant legislative clerk read as follows:

A bill (H.R. 334) to provide for the recognition of the Lumbee Tribe of Cheraw Indians of North Carolina, and for other purposes.

A bill (H.R. 881) to prohibit smoking in Federal buildings.

A bill (S. 1751) to ensure individual and family security through health care coverage for all Americans in a manner that contains the rate of growth in health care costs and promotes responsible health insurance practices, to promote choice in health care, and to ensure and protect the health care of all Americans.

Mr. KEMPTHORNE. Mr. President, I object to any further consideration of those measures.

The PRESIDING OFFICER. Objection is heard.

Those three bills will be placed on the calender under rule XIV.

UNANIMOUS-CONSENT REQUEST—H.R. 1025

Mr. BIDEN. Mr. President, I now ask unanimous consent that, when the Senate receives the conference report on H.R. 1025, the Brady handgun bill, it be immediately considered and agreed to and the motion to reconsider be laid upon the table, with the preceding all occurring without any intervening action or debate.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Republican leader.

Mr. DOLE. Is the conference report before the Senate?

The PRESIDING OFFICER. It is not before the Senate.

Mr. DOLE. So we are asked to deem it passed when it arrives, is that the shorthand?

Mr. BIDEN. If the Senator will yield, Mr. President; yes.

Mr. DOLE. On behalf of myself, Senators BOND, COCHRAN, COVERDELL, CRAIG, D'AMATO, DOMENICI, FAIRCLOTH, HELMS, HUTCHISON, KEMPTHORNE, NICKLES, PRESSLER, SIMPSON, SMITH, STEVENS, WALLOP, GRAMM, BREAUX, and SHELBY, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. DOLE. Mr. President, parliamentary inquiry. I assume, when the conference report gets here, the majority leader or his designee can move to take up the conference report, is that right?

The PRESIDING OFFICER. The motion to proceed to consideration of the conference report would be in order.

Mr. DOLE. You could have the yeas and nays on that, is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. Will that motion be made this evening?

The PRESIDING OFFICER. The Chair has no way of knowing that.

Mr. BIDEN. Mr. President, speaking on behalf of the majority leader, I do not think it is the intention of the majority leader, if that comes back tonight, to make that motion tonight.

As I understand, there is going to be a request that when we adjourn, we adjourn until 10 tomorrow morning. I expect, if and when the report comes back, that the majority leader would make that motion.

He has further indicated to me that if there is objection at that time, after your having seen the conference report, that he would then not ask the Senate to proceed to adjourn sine die and that he would file a cloture motion and would ask us to come back next week to seek to end what would then be a filibuster on the—may or may not be a filibuster on the conference report to the Brady bill.

Mr. DOLE. Mr. President, I do not see how it could be a filibuster if you do not vote on cloture.

Mr. BIDEN. Mr. President, that is why I corrected myself—may or may not be.

Mr. DOLE. The press is very eager to accuse Republicans of filibustering. I wish they were just as eager to get the conferees to support the Senate's position.

There are seven major changes made in the conference, not one of them in accordance with the Senate bill. The bill is now worse than either the House-passed bill or the Senate-passed bill.

Republicans were never consulted. We proceeded to act in good faith and permitted the bill to come up the other night. The reward we got was—zero.

Mr. BIDEN. Mr. President, the Senator, the Republican leader, was understandably necessarily not present at that conference. Let me tell him what finally did happen.

The distinguished and very knowledgeable and articulate Senator from Alaska, Senator STEVENS, indicated that he would not agree to what the House had proposed as it related to changes in the sunsetting provision or any other provision relating to standards; that he would consider the possibility of changing some provisions that related to the second title which had to do with transfer of control over the sale of antique weapons, face-to-face sales, and a few other things.

I then asked the Senator was that—the only Republican there, the only Republican Senator there—whether or not there was any ability to compromise on the major two points, that is sunsetting and the standards? He said there was no possibility; zero. It was a nonnegotiable position.

At which time I indicated that I thought we should just go ahead and vote. The House offered a compromise, the entire—I offered a motion that was different than the House had proposed. The House rejected it. The House then offered a position. The Senate Democrats and Republicans objected to it.

Then the distinguished Congressman from New Jersey, Representative HUGHES, offered another proposal whichall Republicans and Democrats on the House side accepted and the three Democratic conferees accepted and both Republican Senators at that time present objected to.

The distinguished spokesperson for the Republicans at the conference indicated that if there were any changes at all along the lines the House wanted on the two most important provisions, that there would be no bill. He made it clear from the very beginning when we sat down before any motion was made. And it was a position that all of the members of the House conference, Republican and Democrat, rejected, and 3 of the 5 conferees, the 3 Democrats, objected to.

That is how we got to this point.

The PRESIDING OFFICER (Mr. GRAHAM). The minority leader.

Mr. DOLE. It is not precisely the way I heard it. I might ask the Senator from Delaware, what was the waiting period in the House bill before the instant check?

Mr. BIDEN. The sunset provision? Five years.

Mr. DOLE. No, the waiting period before the instant check. Was it not 30 months, then it was 24 months, and in the Senate bill you came back with 5 years, outside the scope of the conference? You, in effect, did away with the instant check for 5 years so the 18 million people out there, felons and others, are going to acquire guns because we are postponing the waiting period for 5 years. Somebody is going to be a victim because the conferees just changed the whole law—they changed everything.

Mr. BIDEN. The Senator is correct. The House bill originally had 30 months. The Senate bill, I believe, had 24 months.

Mr. DOLE. How do you get 60 when you have 30 and 24? You would think you would maybe get 27.

Mr. BIDEN. Because that is what the House offered, that is what the entire House voted for, and we supported that in order to get the Brady bill out of conference.

Mr. DOLE. I must say we can argue this in the morning but it seems to me we spent a lot of time, 4 or 5 days, and I thought in good faith on both sides. Apparently you learn a lot around here if you stay long enough, and I learned a lot in the past 48 hours. That will not happen again. But we thought we had been in good faith. We thought we had negotiated all these things, the Senator from Delaware, the Senator from Ohio, the majority leader, and any other Senator over there who had a problem. Now we find out that the 5 provisions we thought we had agreed on in the Senate were taken out plus the sunset, which the chairman announced even before the conference—but after the agreement—that he would not stick with 30 seconds. And now we have, in effect, done away with the instant check for 5 years.

So we are sort of back just to a waiting period, which was the original Brady bill, which was introduced several years ago. So I must say I do not believe under these conditions cloture will be invoked this year or next year,

if that is what the Democrats insist upon. If they want an issue—we thought they wanted a bill, so we relented Saturday evening. We thought our conferees—the conference did not last but a few minutes, 30, 40 minutes. There was not much of a struggle, as I understand, in the conference.

But we will see what happens tomorrow when the majority leader moves to take up the conference report and the yeas and nays are ordered.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, there were a number of other provisions in the Senate bill that were not in the House bill in title II. Three out of the five were taken out. Two of them remain. And the provision on the 5-year sunsetting, which is what originally a majority of the Senate voted for, and then the Republicans filibustered and then we reached the compromise—and I wanted to be real clear before we went because I did not want to be put in the position that the leader is attempting to put me in now, suggesting that a majority of the Senate really was committed to that provision. It was a way to get it out of here. Everybody knew that. That is why I said it before the vote, so no one would have any misunderstanding about it. And, so the one change that did take place was the change relative to the standards.

It was offered and rejected by the Republicans at the conference as well, that there be a compromise on the Senate language on the standards.

Senator STEVENS indicated that he would not, the Republicans would not countenance any change at all whatsoever on the standards, period.

So the first offer of the House to change the standards, to cut it in half, as you would say "to split the difference," was rejected. Then the House came back with a second proposal which was to eliminate the standards along the lines the Senator said, and that was unanimously agreed to by the Republicans in the House and the Democrats in the House and we accepted it. We did not have the votes for anything else.

Mr. DOLE. We will squabble about this later but I already had a call from one Republican conferee who had been through the Brady bill forever but thought we were rather shabbily treated in the conference.

Mr. BIDEN. If the Senator will yield, I wish that gentleman had spoken up. If I am not mistaken, he signed the conference report. I was told in the conference all the members of the conference were to sign that; that there was no dissent whatsoever in the conference. Maybe they did or did not sign it, but no one on the Republican side—when I asked whether or not was the House in agreement with the proposal they were making, the chairman and the ranking Republican indicated that they were.

I am not a mind reader. If one of the Senators—one of the House Members, Republican House Members, thought they were being treated shabbily, I have never known a House Member who would not speak up at a conference.

Mr. DOLE. This reminds me of the 1991 crime bill where the Democrats called everybody together on Sunday afternoon and in 2 hours stripped every Republican amendment and ended up with a Democratic bill.

We have the same thing tonight. If that is what the chairman wishes, that is what he has. He will have to get cloture. Maybe it can be done. If the majority leader wants to bring back the Senate that is up to him.

We thought we acted in good faith. We gave in on Saturday night; we said, OK, let us go. We took a lot of criticism from some of my colleagues on this side.

We had not had a filibuster—they keep using the word. Everything was done by agreement around here all week but there have been filibusters in some of the papers. It was all done by agreement. All done after hours and hours and days and days of negotiations, on both sides of the aisle, which we thought would produce a pretty good bill.

I regret that we have what we have before us. I have been around here all day. I have been fairly actively involved in all this. Nobody contacted me, except the Senator from Ohio, Senator METZENBAUM, said he was going to a press conference this morning. He called to tell me that. That is the only contact I had.

We feel there has been no effort to contact Republicans prior to the conference; that the Democrats went there, as did the chairman, with a proposal. Nobody contacted us. We are trying to accommodate the majority. I think, as I have said, the longer you are here the more you learn, and I have learned a great deal.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. I am learning a great deal here, too. I thought the people I was supposed to contact were the people in the conference. I did not know what the House was going to propose. I thought the House's offer was going to be different from what they originally sent to us in the conference. I did not contact the majority leader nor the Republican leader, nor would I have any reason to.

I did contact and did speak to and did accommodate and did talk throughout the conference with the senior Republican Member, Senator STEVENS, whom I have never known not to be able to take care of himself and the issue. The Senator from Alaska made it clear that unless we accept precisely what the Senate language was with regard to sunsetting and with regard to standards which the House made clear they would not accept, including the Republicans on the House conference, that there would be no bill. That is what the Senator said. I will be happy to get him a transcript. I assume there is a transcript of the conference. If there is not, I am sure his staff can relay that to him. That is exactly what happened.

And this is like what happened in the crime bill in this one respect: We went to the 1991 crime bill. It had the Brady bill in it, and my Republican friends and the then ranking member said if the Brady bill survives, if the Brady bill is going to be in the crime bill, there will be no crime bill.

It is somewhat interesting to me that—was it the assault weapons or the Brady bill? I think it was Brady. It becomes very clear. We are talking about good faith here. The good faith was that you had 57 U.S. Senators voting for a position that 43 did not like. I respect that. It is true, there was no official filibuster, but it was made clear we would not be able to vote up or down unless we negotiated an agreement and/or got 60 votes.

We voted twice to try to get 60 votes to break the filibuster. Our Republican colleagues were kind enough to allow us to vote those votes twice in one day rather than over a 4-day period. That was an accommodation. We appreciate it very much. But the bottom line was the same. Forty-three Members of the Senate concluded they did not like what a majority of the House had done and what a majority of the Senate had done. That is their right.

We got to conference. The same thing prevailed. There was clearly going to have to be an accommodation beyond the Senate position because 43 Members of the Senate concluded that in order to allow us to even get to conference we would have to change the bill the way they wanted it, which was their right.

To then suggest that because 435 Members of the House, represented by a conference, do not accept the position of a minority in the Senate, that that somehow is dealing in bad faith is beyond me. It is also beyond me that we are in a position now, after 5 years—I said 5, someone corrected me, 7 years—we are still debating the Brady bill.

So I acknowledge my Republican friends are totally within their rights not to let us proceed to a conference report.

Let me put it this way: Why do we not just proceed to the conference report and determine whether or not the entirety of the U.S. Senate thinks we acted in bad faith? If they did, then 51 Senators will vote that way.

Mr. DOLE. You do not have a conference report. It is not here.

Mr. BIDEN. When we get a conference report. Let us proceed and if, in fact, the majority of the Senate thinks that is not what they want, then fine, we will go back to conference again, obviously. If the House passes it—and they may not; they may not pass the conference report. Let us find out.

But this notion that, when someone disagrees with a minority point of view around here, they are operating in bad faith is a novel notion to the Senator from Delaware as well.

So let us lay it where it is: When the conference report comes back, if the Republican leader and/or his designee or anyone objects to proceeding to the conference report, they are fully within their rights, and I respect that. But that does not mean anything other than a minority of 535 people in the Congress do not want to proceed. That is all it means. It does not mean anything else. It does not mean anything more. It does not mean anything less. So that is what it is. Nothing more, nothing less. I respect them to do it. It is their right to do that when the conference report comes back, if a conference report comes back. But as the Republican leader said, we will have plenty of time to debate that when it comes back, if it comes back.

Mr. KEMPTHORNE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. KEMPTHORNE. Mr. President, I would like to make something very clear, and I appreciate what the distinguished chairman has said, but as the other Republican conferee, not only did I vote against the measure that was adopted, but I have not and will not sign the conference report. Neither did the Senator from Alaska.

Now it is no secret I do not support the Brady bill. What took place in the conference, which will be seen once the conference report arrives here in the Senate, is that there have been sweeping changes in what was adopted by the U.S. Senate. There is no way I can, nor will I, abide by any unanimous consent agreement to accept the conference report. I believe the Senators must vote again on that conference report.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, I think the Senator has stated it accurately, but let us just restate it in another way, in everyday language.

Both the Senator from Alaska and the distinguished acting leader were conferees, both voted against the Senate bill, both voted against the Senate position, and one of the two spoke up in the conference and said they could not vote for anything anyway, period, no matter what the conference did. They were not going to vote for it.

So the Senator from Delaware is a little bit confused because, if both representatives of the Republican Party at the conference indicated that no matter what we agreed to—at least one of them, let me be precise—one of them said he would not vote for anything that the conference came forward with and then went forward and said, but others may as long as we adhere to the Senate position on the first part on title I.

They did not sign the conference report because they do not like what was agreed to in the conference by Republicans and Democrats on the House side and Democrats on the Senate side. Does that mean they would have signed the conference report had we agreed to a position that was closer to their position? Or would they only sign a conference report if it eliminated the Brady bill? This is a little unusual to have—the Republican leader is accurately pointing out that I said before the fact that I would not attempt to hold the 4 years plus 1 year extension by the Attorney General as a sunsetting provision because I did not want anyone to operate under any disillusionment about that. He suggests that is bad faith.

Well, if that is bad faith, what is it to have the Republican spokesperson in the conference saying there is nothing, under any circumstances, would he agree to; nothing.

I see staff saying "not true." Let me amend that. I recall his saying that he was not for the Brady bill, he was for an instant check provision like the one he offered 5 years earlier. If we accepted what he offered 5 years earlier, presumably that would have been acceptable to him. But it was neither reflected in the Senate version nor in the House version.

I will point out that I asked the Senator, the Republican leader of the conference, would there be any agreement at all, is there any compromise he can accommodate with regard to standards in sunsetting? And let the RECORD be corrected if I am wrong, but my recollection is what I heard. He said no, no.

So it was a take-it-or-leave-it position on the two most important provisions that were in disagreement, both of which provisions the House disagreed with the Senate provision and both Republicans and Democrats in the House disagreed with the Republican position.

Again, I respect the Senator from Alaska. He has been an old and personal friend for 20 years. And I also know him never to bluff, not in my experience. So when he said that, we all took him very seriously.

I yield the floor.

Mr. KEMPTHORNE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. KEMPTHORNE. Mr. President, I know that nothing will be accomplished tonight by continuing this exchange as to what may have taken place at the conference. I wish the Senator from Alaska were here so that he could certainly speak on his own behalf as to what he was saying.

But I know very clearly he took the document and he separated it and he held in one hand title I, which is the Brady bill, which is the bill that was passed by the Senate, and I believe his point was that this is what the Senate passed, and if this is what is agreed to, then in all likelihood, this is what will become the law.

Then he held up the rest of it and said, "There is no compromise here."

So whether or not the Senator from Alaska was stating about how he might personally vote, I think he was making it very clear that there was the Senate position, the Senate measure that had been adopted. Now, at the appropriate time, when the Senators return to vote on this, if that in fact is what is going to take place, then I think the Senator can make that clear.

Mr. BIDEN. Mr. President, I agree it does not make a lot of sense to prolong it, and in fairness to the acting leader, he was not able to be there in the very beginning of the conference, and so I do not say this to correct him in terms of debate. I say this to ask him to inquire of staff and other Republicans who were there.

What the Senator did, precisely, as I recall it, was he took the bill and he pulled title I and title II apart. This is toward the end of the conference. He, Senator STEVENS from Alaska, held up title I, the Senate version of the Brady bill, as he referred to it. He said there can be no compromise on this at all, period. Take it or leave it. He implied, as the Senator suggested, that he would not vote even for that but that he thought maybe Republican Senators would vote for that. You could get a bill. That he would not be for that, but he thought—he thought—that that could pass.

Then he held up title II, the 7 provisions that the Republicans and Democrats negotiated, and he said we can reach some compromise on these pieces.

Now, we did reach some compromise on those pieces, maybe not to his liking. We eliminated 3 provisions in title II essentially and kept 2, roughly. You can argue whether there is 5 or 7 and whether funding was part of it and the rest. But we did agree on that.

The House said, Senator—and as a matter of fact, the distinguished Congressman from New York said at the outset when the Senator from Alaska said a similar thing, he said, Senator, we are tired of the Senate coming dictating to us and saying something's not negotiable. And all his colleagues agreed with that.

So title I, that is the Brady bill, title I, the Republican spokesman at the conference said, is not negotiable, and

title I, the House members said, that is not acceptable. And they made two offers. The first offer they made, all the Senate rejected it, Republicans and Democrats.

They made a second offer with regard to title I. The Democrats accepted it. All the House Members accepted it. To the best of anyone's knowledge—and the room was loaded with press and loaded with observers. Maybe they saw something I did not see, some body language, but there was no verbal utterance by anyone. That is what we accepted.

Now, where I come from, that means the majority will prevailed after a give and take, when one person says there will be no give, only take. That is what the Senator from Alaska said, and I respect his position. But let us understand what it was. Title I, he said, no, we will take it as is: Senate version, no changes, not negotiable. The house said thank you very much, Senator from Alaska, we are not buying it. That is what happened.

So I say again, we will have plenty of time to debate this, and I suspect we may debate it and debate it and debate it and be back on this Brady bill next year, unfortunately. But that remains to be seen. We will see what the House does, and then obviously it will be up to the majority leader and Republican leader to decide how to proceed from there.

The PRESIDING OFFICER. The minority leader.

Mr. DOLE. Mr. President, I am not going to prolong this. I cannot talk as long as the Senator from Delaware. But I would just say that it is unfortunate because this does dim the chances of passing the Brady bill this year.

I think what people forgot in the conference was those who supported the Brady bill and those who permitted it to come to a vote. It does not make any difference that we had conferees who were opposed to the bill. So what. There were other people involved. Everybody knew they were involved. They voted against cloture, voted for the bill. There were 7 Republicans. So there certainly was awareness of other interests that were not even consulted.

But we can argue that all night long. The point is I could not, there is no way I could consent to deem the conference report passed. There is no way I could consent tomorrow to let the majority leader move to consideration of the conference report, I do not think, without the yeas and nays. And I am not certain how many Senators are in town tomorrow. So we will see what happens tomorrow.

The PRESIDING OFFICER. Who seeks recognition?

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

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

FRIENDSHIP ACT

Mr. BIDEN. Mr. President, I ask unanimous consent the Senate turn to consideration of Calendar No. 229, S. 1672, a bill to revise the obsolete laws related to the cold war; that the bill be read a third time; that the Senate then turn to the consideration of the House companion, H.R. 3000; that all after the enacting clause be stricken and the text of S. 1672 be substituted in lieu thereof; the bill read a third time and passed; the motion to reconsider laid on the table and any statements thereon appear in the RECORD at the appropriate place as though read, and that Calendar No. 299 be indefinitely postponed.

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

So the bill (H.R. 3000), as amended, was passed.

Mr. PELL. Mr. President today, the Senate is considering a bill to revise obsolete provisions enacted during the cold war. The bill was reported favorably by the Foreign Relations Committee on Thursday, November 18.

The purpose of this bill is not to rewrite history, but rather to amend or repeal laws that impede our relations with Russia, Ukraine, and the other countries of the former Soviet Union. I believe that it is important to demonstrate to the New Independent States our willingness to update our laws to reflect new international realities, and to demonstrate our continuing support for the reform process.

President Clinton has placed a high priority on doing just that, and I believe that we must do our part to ensure that when the President travels to Moscow in January, he will be able to tell President Yeltsin that our laws are up to date.

In many instances, the Friendship Act amends provisions of law to reflect the fact that the Soviet Union has dissolved. In other cases, the bill repeals provisions of law that are no longer relevant. It also contains a section which lists statutes that still remain in force, but which should not be construed as connoting an adversarial relationship between the United States and the New Independent States.

The text we are considering is fully supported by the administration. It has undergone a very thorough review, conducted under the leadership of Senators MITCHELL and DOLE, with the participation of all Senate committees with an interest in legislation affected by the bill. That consultation process began last spring, and in preparing this legislation, we have taken into account the suggestions and concerns of all the relevant committees. I am hopeful that we can move quickly to adopt this legislation.

I would add that this bill includes a provision offered by Senator HELMS and accepted by the Foreign Relations Committee, to authorize a privately funded memorial to honor the victims of communism. As we remove the relics of the cold war from our legislation, I would like to make clear that the intent of this memorial is not to single out any particular country as the perpetrator of crimes, but rather to honor all the victims of international communism.

I ask unanimous consent that a section-by-section analysis of the bill as well as the text of the underlying laws repealed or amended by this bill be printed in the RECORD.

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

SECTION-BY-SECTION ANALYSIS

SECTION 1—SHORT TITLES

Section 1 provides short titles of the "Act for Reform in Emerging New Democracies and Support and Help for Improved Partnership with Russia, Ukraine and the Other New Independent States" or the "FRIENDSHIP Act" for purposes of this legislation.

SECTION 2—TABLE OF CONTENTS

Section 2 provides a table of contents for this act.

SECTION 3—DEFINITION

Section 3 provides that the terms "independent states of the former Soviet Union" and "independent states" have the same meaning as those contained in section 3 of the FREEDOM Support Act of 1992, i.e. Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

TITLE I—POLICY OF FRIENDSHIP AND COOPERATION

SECTION 101—PURPOSE

Section 101 sets out the purpose of the bill, which is to amend or repeal numerous statutory provisions that restrict or otherwise impede normal relations between the United States and Russia, Ukraine, and the other independent states of the former Soviet Union, and to demonstrate for reformers and democrats in those new states that the people of the United States support the process of reform. It stipulates that all of the provisions subject to revision or repeal were appropriate at the time of passage, and that it is not the purpose of the bill to re-write or erase history or to forget those who suffered under communist repression.

SECTION 102—FINDINGS

Section 102 sets forth a series of findings regarding the new spirit of cooperation and partnership between the United States and Russia, the United States and Ukraine, and the United States and the other independent states of the former Soviet Union. These findings emphasize the importance of U.S. cooperation with these countries. The findings note that many Cold War statutes remain in force, and that the repeal or revision of these provisions can play an important

role in fostering and strengthening the bonds of trust and friendship as well as mutually beneficial trade and economic relations, between the United States and the independent states.

SECTION 103—STATUTORY PROVISIONS THAT HAVE BEEN APPLICABLE TO THE SOVIET UNION

Section 103 notes the fundamental changes that have taken place since the enactment of many of the statutes that still remain in force regarding the Soviet Union, some of which do not refer specifically to the Soviet Union. Several such statutes are not repealed or revised by this legislation. Section 103(c) stipulates that such provisions should not be construed as being directed against Russia, Ukraine, or the other independent states of the former Soviet Union, connoting an adversarial relationship between the United States and those states, or signifying or implying in any manner unfriendliness toward these countries. These statutes include: section 216 of the State Department Basic Authorities Act of 1956 (concerning travel restrictions on personnel of certain countries and organizations), section 136 of the Foreign Reauthorization Act, Fiscal Years 1986 and 1987 (concerning Soviet Employees at U.S. diplomatic and consular missions in the Soviet Union), section 804 of that Act (concerning policy toward the application of the Yalta Agreement), section 1222 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (concerning U.S. policy on Angola), the Multilateral Export Control Enhancement Amendments Act, the "Captive Nations Week" resolution, the Communist Control Act of 1954, provisions in the Immigration and Nationality Act, section 2 of the joint resolution entitled "A joint resolution to promote peace and stability in the Middle East," and section 43 of the Bretton Woods Agreement.

TITLE II—TRADE AND BUSINESS RELATIONS

SECTION 201—POLICY UNDER THE EXPORT ADMINISTRATION ACT

Section 201 repeals congressional findings contained in section 2(11) of the Export Administration Act, regarding acquisition by the Soviet Union of national security sensitive goods, while leaving intact language in the other paragraphs of section 2 that sets forth the importance of considering the contribution certain exports can have to the military potential of foreign countries. Section 201 also sets out findings regarding the shootdown of Korean Airlines Flight 7, including that the Export Administration Act continues to carry language indicating that the United States should continue to object to exceptions to the International Control List for the Union of Soviet Socialist Republics in light of the KAL tragedy, even though the "no exceptions" policy was rescinded by President Bush in 1990. This section also repeals section 3(15) of the Export Administration Act, which states that it is the policy of the United States to continue to object to exceptions to the International Control List for the Soviet Union. The United States is currently engaged in discussions on how best to reform the COCOM export control regime in light of the new relationship with the independent states. Because the COCOM regime is multilateral, reform in this area must focus on diplomatic rather than legislative efforts.

SECTION 202—REPRESENTATION OF COUNTRIES OF EASTERN EUROPE AND THE INDEPENDENT STATES OF THE FORMER SOVIET UNION IN LEGAL COMMERCIAL TRANSACTIONS

Section 202 amends section 951 of title 18 of the U.S. Code to eliminate country-specific exceptions for the independent states of the former Soviet Union, as well as Hungary, Poland and the Czech and Slovak Republics. Section 951 of title 18 requires agents of foreign governments, acting in the United States, to notify the Attorney General of their agency relationship. Failure to do so is subject to a criminal penalty. The statute makes exceptions from this registration requirement for accredited diplomats and other officially acknowledged government representatives, and members of their staffs who are not United States citizens and makes exceptions for persons engaged in legal commercial transactions. Under section 203, the President shall determine, in light of changing relationships, which countries pose threats to the national security interests of the United States that require application of the notification provisions of section 951 to commercial representatives of foreign governments.

SECTION 203—PROCEDURES REGARDING TRANSFERS OF CERTAIN DEPARTMENT DEFENSE-FUNDED ITEMS

Section 203(a) repeals section 223 of the National Defense Authorization Act for Fiscal Years 1988 and 1989, which prohibits the transfer of military technology developed with funds appropriated or otherwise made available for the Strategic Defense Initiative unless the president makes a determination regarding the transfer and the Congress approves such a transfer.

Section 203(b) repeals section 709 of the Department of Defense Appropriations Authorization Act, 1975, which subjects exports to controlled countries of goods, technology, and industrial techniques developed as a result of certain research and development programs to special review procedures.

SECTION 204—SOVIET SLAVE LABOR

Section 204 repeals section 1906 of the Omnibus Trade and Competitiveness Act of 1988, which expresses the sense of Congress that the President should express to the Soviet Union the moral opposition of the United States to the slave labor policies of the Soviet Union.

TITLE III—CULTURAL, EDUCATIONAL AND EXCHANGE PROGRAMS

SECTION 301—MUTUAL EDUCATIONAL AND CULTURAL EXCHANGE ACT OF 1961

Section 301 amends the Mutual Educational and Cultural Exchange Act of 1961 to reflect the fact that the Soviet Union has dissolved.

SECTION 302—SOVIET-EAST EUROPEAN RESEARCH AND TRAINING

Section 302 amends the Soviet-Eastern European Research and Training of 1983 to redesignate the Soviet-Eastern European Studies Advisory Committee as the Advisory Committee for Studies of Eastern Europe and the Independent States of the Former Soviet Union, and to reflect the fact that the Soviet Union has dissolved.

SECTION 303—FASCELL FELLOWSHIP ACT

Section 303 amends the title heading of section 1002 of the Fascell Fellowship Act to reflect the fact that the Soviet Union has dissolved.

SECTION 304—BOARD FOR INTERNATIONAL BROADCASTING

Section 304(a) repeals section 307 of the Board for International Broadcasting Authorization Act, Fiscal Years 1984 and 1985, regarding the establishment of a separate Baltic Division of Radio Free Europe/Radio Liberty.

Section 304(b) amends section 308 of that Act regarding the jamming of Voice of America and Radio Free Europe/Radio Liberty broadcasts to include more general language objecting to the jamming of broadcasts by all countries.

SECTION 305—SCHOLARSHIP PROGRAMS FOR DEVELOPING COUNTRIES

Section 305 repeals sections 602(6) and (7) of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987, which describe the risk that scholarship programs by Soviet-bloc governments entail in increasing the likelihood that potential future leaders of the developing world will be educated in Soviet-bloc countries.

SECTION 306—REPORT ON SOVIET PARTICIPANTS IN CERTAIN EXCHANGE PROGRAMS

Section 306 repeals section 126 of the Department of State Authorization Act, Fiscal Years 1982 and 1983, under which the Secretary of State is required to submit annually to Congress a list of Soviet nationals participating during the upcoming year in certain exchanges, and to include a determination that these programs will not jeopardize U.S. national security interests.

TITLE IV—ARMS CONTROL

SECTION 401—ARMS CONTROL AND DISARMAMENT ACT

Section 401 amends various provisions of the Arms Control and Disarmament Act to reflect the fact that the Soviet Union has dissolved.

SECTION 402—ARMS EXPORT CONTROL ACT

Section 402 amends sections 94(b)(3)(B) and 95(5) of the Arms Export Control Act related to transfers of certain limited equipment under the Conventional Forces in Europe (CFE) Treaty to NATO members by replacing references to the Warsaw Pact countries with references to the countries of the Eastern Group of States Parties to the CFE Treaty.

SECTION 403—ANNUAL REPORTS ON ARMS CONTROL MATTERS

Section 403 repeals the reporting requirements contained in section 1002 of the Department of Defense Authorization Act, 1986 and sections 906 and 907 of the National Defense Authorization Act, Fiscal Year 1989.

SECTION 404—JOINT RESOLUTION ON U.S.-SOVIET DIRECT COMMUNICATION LINK

Section 404 amends Public Law 99-85 to reflect the fact that the direct communication link is now with Russia.

TITLE V—PROVISIONS RELATED TO DIPLOMATIC RELATIONS

SECTION 501—PERSONNEL LEVELS AND LIMITATIONS

Section 501 repeals various provisions relating to levels of and limitations on Soviet personnel at diplomatic facilities in the United States.

Section 501(a) repeals a provision of the Intelligence Authorization Act for Fiscal Year 1990 which expresses the sense of Congress that the reciprocal ceilings on U.S. and Soviet personnel should not be increased unless it was essential for the functioning of the U.S. mission in the Soviet Union.

Section 501(b) repeals a provision of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 which requires a report on whether the number of personnel of Soviet state trading companies should be reduced.

Section 501(c) repeals a provision of the Intelligence Authorization Act, Fiscal Year 1988 which requires a report regarding the admission of any Soviet national employed at a foreign mission or international organization over the objections of the FBI.

Section 501(d) repeals a provision of the Intelligence Authorization Act, Fiscal Year 1987 which requires a semiannual report on personnel levels at the Soviet mission to the United Nations.

Section 501(e) repeals a provision of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 regarding diplomatic reciprocity and equivalence of personnel at U.S. and Soviet diplomatic missions.

SECTION 502—OTHER PROVISIONS RELATED TO OPERATION OF EMBASSIES AND CONSULATES

Section 502 repeals or amends various provisions related to the operation of embassies and consulates in the United States by the Soviet Union.

Section 502(a) amends amending provisions of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993, including the repeal of the requirement to submit a comprehensive plan setting forth current and future space requirements for the U.S. mission in Moscow and the repeal of a requirement to submit a report on the extent to which U.S. assets were compromised in the March, 1991 fire at the U.S. Embassy in Moscow.

Section 502(b) repeals a provision of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 requiring a report on the extent to which U.S. security may have been breached by Soviet firefighters in the March 1991 fire at the U.S. embassy complex.

Section 502(c) repeals a provision of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 which allows the Soviet mission to the United States to occupy, on the basis of reciprocity, a consulate facility in the United States.

Section 502(d) repeals a provision of the National Defense Authorization Act, Fiscal Year 1989 which requires an additional report on the capabilities of the Soviet Government to intercept U.S. communications from facilities on Mount Alto.

Section 502(e) repeals provisions of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 regarding restrictions on the use by the Soviet Government of the consulate on Mount Alto.

Section 502(f) repeals provisions of the National Defense Authorization Act, Fiscal Years 1988 and 1989 which requires a report on the present and future capabilities of the Soviet Government to intercept U.S. communications from facilities on Mount Alto.

Section 502(f) repeals a provision of the National Defense Authorization Act, Fiscal Year 1987 which requires a report on the effect of espionage activities in the United States conducted by the Soviet Union.

SECTION 503—FOREIGN SERVICE BUILDINGS ACT

Section 503 repeals section 4(j) of the Foreign Service Buildings Act, 1926 which authorizes $30 million, which is available until expended, for activities in the Soviet Union.

TITLE VI—PROVISIONS RELATED TO OCEANS AND ENVIRONMENT

SECTION 601—ARCTIC RESEARCH AND POLICY ACT

Section 601 amends the Arctic Research and Policy Act of 1984 to eliminate congressional findings referring to the Soviet Union, including language that tied the importance of the Arctic to its critical role in national defense as the only common border with the Soviet Union.

SECTION 602—FUR SEAL MANAGEMENT

Section 602 amends section 102 of the Fur Seal Act of 1966 to reflect the fact that the Soviet Union has dissolved.

SECTION 603—GLOBAL CLIMATE PROTECTION

Section 603 amends section 1106 of the Global Climate Protection Act of 1987, which states that, in light of the leadership roles of the United States and the Soviet Union in this area, the President should accord climate protection a high priority on the U.S. bilateral agenda with the Soviet Union. Section 603 changes the reference to indicate that climate protection should be accorded a high priority on the U.S. agenda with each of the independent states of the former Soviet Union.

TITLE VII—REGIONAL AND GENERAL DIPLOMATIC ISSUES

SECTION 701—UNITED NATIONS ASSESSMENTS

Section 701 amends the congressional findings contained in section 717 of the International Security and Development Cooperation Act of 1981, which call for the President to undertake a diplomatic initiative to obtain payment by the Soviet Union of all its outstanding financial obligations to the United Nations. Section 701 includes more general language which calls for appropriate diplomatic initiatives to ensure that all members make payments of all their outstanding financial obligations to the United Nations

SECTION 702—AFGHANISTAN

Section 702 repeals section 1241 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 regarding Afghanistan and the Soviet role in that country.

SECTION 703—ANGOLA

Section 703 repeals section 405 of the International Security Assistance and Arms Export Control Act of 1976 regarding Angola and the Soviet role in that country.

SECTION 704—SELF DETERMINATION OF THE PEOPLE FROM THE BALTIC STATES

Section 704 amends section 1206(1) of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989, relating to self-determination for Latvia, Lithuania, and Estonia, to delete a reference to the Soviet Union.

SECTION 705—OBSOLETE REFERENCES IN FOREIGN ASSISTANCE ACT

Section 705(1) replaces the references in the policy language of section 501 of the Foreign Assistance Act to "international communism and the countries it controls," the need to "defeat Communist or Communist-supported aggression," and the importance of giving priority to the needs of countries in danger of "becoming victims of active Communist or Communist-inspired aggression or those countries in which the internal security is threatened by Communist-inspired or Communist-supported internal subversion." General references to hostile countries are substituted.

Section 705(2) replaces the reference in section 614 of the Foreign Assistance Act to victims of "active Communist or communist-supported aggression" with a reference to "active aggression."

Section 705(3) revises section 620(h) of the Foreign Assistance Act, which, as amended by this section, calls upon the President to adopt regulations and establish procedures to insure that the United States foreign aid is not used in a manner that promotes the foreign aid projects or activities of countries listed in section 620(f) of the Foreign Assistance Act.

SECTION 706—REVIEW OF POLICY TOWARD THE SOVIET UNION

Section 706 repeals section 24 of the International Security Assistance Act of 1978, which expresses the sense of Congress that the President should make a full review of policy toward the Soviet Union.

TITLE VIII—INTERNAL SECURITY PROVISIONS; WORLDWIDE COMMUNIST CONSPIRACY

SECTION 801—CIVIL DEFENSE

Section 801(a) amends section 501(b)(2) of the Federal Civil Defense Act of 1950 to delete references to the Soviet Union.

Section 801(b) contains an exception stating that the amendment made by subsection (a) shall not apply if, before the date of enactment of this Act, title V of the Federal Civil Defense Act of 1950 has been repealed.

SECTION 802—REPORT ON SOVIET PRESS MANIPULATION IN THE UNITED STATES

Section 802 repeals section 147 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987, which requires an unclassified report to Congress on Soviet and communist misinformation and press manipulation in the United States.

SECTION 803—SUBVERSIVE ACTIVITIES CONTROL ACT

Section 803 repeals most of the provisions of title I of the Internal Security Act of 1950, as amended, In this Act Congress found, for example, that "there exists a world Communist movement which, in its origins, its development, and its present practice, is a worldwide revolutionary movement whose purpose it is, by treachery, deceit, infiltration into other groups (government and otherwise), espionage, sabotage, terrorism, and any other means deemed necessary, to establish a Communist totalitarian dictatorship in the countries throughout the world through the medium of a worldwide Communist organization". This and related findings are repealed.

The Internal Security Act imposed a variety of restrictions on Communist and Communist-front organizations, and created the Subversive Activities Control Board. Many of these provisions have already lapsed or been ruled to have various constitutional infirmities. The criminal provisions prohibiting disclosure of classified information by government officials to agents of foreign governments would be retained, with confirming changes to reflect other modifications contained in this section. In addition, the general provision allowing the Secretary of Defense and military commanders to impose security restrictions on military facilities also would be retained.

SECTION 804—REPORT ON SOVIET AND INTERNATIONAL COMMUNIST BEHAVIOR

This section repeals Section 155 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 which required the Secretary of State to prepare a report on the advisability of establishing a permanent office in the Department of State to study Soviet and international Communist behavior.

TITLE IX—MISCELLANEOUS

SECTION 901—BALLISTIC MISSILE TESTS NEAR HAWAII

Section 901 repeals section 1201 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989, which expresses the sense of Congress regarding tests of intercontinental ballistic missiles near the Hawaiian Islands by the Soviet Union during 1986.

SECTION 902—NONDELIVERY OF INTERNATIONAL MAIL

Section 902 repeals section 1203 of the Foreign Relations Authorization Act, Fiscal years 1988 and 1989, which expresses the sense of Congress regarding the systematic nondelivery of international mail by the Government of the Soviet Union.

SECTION 903—STATE-SPONSORED HARASSMENT OF RELIGIOUS GROUPS

Section 903(a) amends section 1204 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989, which expresses the sense of Congress regarding the harassment of Christians and other religious believers in the Soviet Union and Eastern Europe to state that the United States should oppose harassment of all religious groups in all countries.

Section 903(b) repeals section 1202 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989, which expresses the sense of Congress on Soviet restrictions on emigration, religion, and the exercise of cultural rights.

Section 903(c) repeals section 805 of the Foreign Relations Authorization Act, Fiscal years 1986 and 1987, which expresses the sense of Congress regarding the violation of the human rights of Pentecostals in the Soviet Union.

SECTION 904—MURDER OF MAJOR ARTHUR NICHOLSON

Section 904 repeals section 148 of the Foreign Relations Authorization Act, Fiscal years 1986 and 1987, which expresses the sense of Congress that the United States should declare one or more senior Soviet defense attaches in the United States persona non grata unless the Soviet Union has formally apologized for the murder of Major Arthur Nicholson, Jr.

SECTION 905—MONUMENT TO HONOR VICTIMS OF COMMUNISM

Section 905 authorizes the creation of a memorial in the District of Columbia of an appropriate international memorial to honor victims of communism.

Section 905(a) sets out findings, including that international communist regimes have brutally suppressed the human rights and freedom of more than 40 captive nations and been responsible for the deaths of more than 100 million victims.

Section 905(b) authorizes the National Captive Nations Committee, Inc. to construct, maintain, and operate in the District of Columbia an appropriate international memorial to honor victims of communism. It encourages the National Captive Nations Committee, Inc. to create an independent entity to construct, maintain, and operate the memorial, and to include as active participants organizations representing all groups that have suffered under communism. This section states that the design, location, inscription, and construction of the memorial shall be subject to the requirements of "An Act to provide standards for placement of commemorative works on certain Federal lands in the District of Columbia and its enfirons, and for other purposes."

Section 905(c) stipulates that no Federal funds may be used to pay any expense of the establishment of the memorial.

Section 905(d) directs that excess funds received for the establishment of the memorial shall be transmitted to the Secretary of the Treasury.

CHANGES IN EXISTING LAW

TITLE I—POLICY OF FRIENDSHIP AND COOPERATION

Existing laws referenced in this title are not amended or repealed. Several laws are cited under the finding that they "should not be construed as being directed against * * * the independent states of the former Soviet Union, connoting an adversarial relationship * * * or signifying or implying in any manner unfriendliness * * *" These laws are attached.

APPLICATION OF TRAVEL RESTRICTIONS TO PERSONNEL OF CERTAIN COUNTRIES AND ORGANIZATIONS

SEC. 216.[132] (a) REQUIREMENT FOR RESTRICTIONS.—The Secretary shall apply the same generally applicable restrictions to the travel while in the United States of the individuals described in subsection (b) as are applied under this title to the members of the missions of the Soviet Union in the United States.

[132] 22 U.S.C. 4316. Sec. 216 was added by sec. 162(a) of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204; 101 Stat. 1357). Sec. 162(b) of the same Act made subsec. (a) of sec. 216 effective 90 days after enactment.

(b) INDIVIDUALS SUBJECT TO RESTRICTIONS.—The restrictions required by subsection (a) shall be applied with respect to those individuals who (as determined by the Secretary) are—

(1) the personnel of an international organization, if the individual is a national of any foreign country whose government engages in intelligence activities in the United States that are harmful to the national security of the United States;

(2) the personnel of a mission to an international organization, if that mission is the mission of a foreign government that engages in intelligence activities in the United States that are harmful to the national security of the United States; or

(3) the family members or dependents of an individual described in paragraphs (1) and (2);

and who are not nationals or permanent resident aliens of the United States.

(c) WAIVERS.—The Secretary, after consultation with the Director of Central Intelligence and the Director of the Federal Bureau of Investigation, may waive application of the restrictions required by subsection (a) if the Secretary determines that the national security and foreign policy interests of the United States so require.

(d) REPORTS.—The Secretary shall transmit to the Select Committee on Intelligence and the Committee on Foreign Affairs of the House of Representatives, not later than six months after the date of enactment of this section and not later than every six months thereafter, a report on the actions taken by the Secretary in carrying out this section during the previous six months.

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

(1) the term "generally applicable restrictions" means any limitations on the radius within which unrestricted travel is permitted and obtaining travel services through the auspices of the Office of Foreign Missions for travel elsewhere, and does not include any restrictions which unconditionally prohibit the members of missions of the Soviet Union in the United States from traveling to designated areas of the United States and which are applied as a result of particular factors in relations between the United States and the Soviet Union.[133]

(2) the term "international organization" means an organization described in section 208(b)(1); and

(3) the term "personnel" includes—

(A) officers, employees, and any other staff member, and

(B) any individual who is retained under contract or other arrangement to serve functions similar to those of an officer, employ, or other staff member.

SEC. 136.[21] SOVIET EMPLOYEES AT UNITED STATES DIPLOMATIC AND CONSULAR MISSIONS IN THE SOVIET UNION.

[21] 22 U.S.C. 3943 note. In a memorandum to the Secretary of State on October 24, 1991, the President determined "that implementation of section 136(a) of the [Foreign Relations Authorization] Act [, Fiscal Years 1986 and 1987] poses undue practical and administrative difficulties. Consistent with this determination, you are authorized to employ Soviet nationals in nonsensitive areas of the New Embassy Compound in Moscow under strict monitoring by cleared Americans. Further, I delegate to you the responsibility vested in me by section 136(b) of the Act to report to the Congress on circumstances relevant to this determination. Such responsibility may be redelegated within the Department of State." (Presidential Determination 92-4 of October 24, 1991; 56 F.R. 56567, November 6, 1991).

The Secretary of State, in Department of State Public Notice 1531 of December 2, 1991 (Delegation of Authority No. 191; 56 F.R. 64830), delegated to the Deputy Secretary of State the reporting function requested in sec. 136(b).

[22] 22 U.S.C. 3904.

[23] 22 U.S.C. 3927.

(a) LIMITATION.—To the maximum extent practicable, citizens of the Soviet Union shall not be employed as foreign national employees at United States diplomatic or consular missions in the Soviet Union after September 30, 1986.

(b) REPORT.—Should the President determine that the implementation of subsection (a) poses undue practical or administrative difficulties, he is requested to submit a report to Congress describing the number and type of Soviet foreign national employees he wishes to retain at or in proximity to United States diplomatic and consular posts in the Soviet Union, the anticipated duration of their continued employment, the reasons for their continued employment, and the risks associated with the retention of these employees.

TITLE VII—ARMS CONTROL AND DISARMAMENT[43]

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TITLE VIII—MISCELLANEOUS PROVISIONS[44]

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SEC. 804. POLICY TOWARD APPLICATION OF THE YALTA AGREEMENT.

(a) FINDINGS.—The Congress finds that—

(1) during World War II, representatives of the United States, Britain, and the Soviet Union took part in agreements and understandings concerning other peoples and nations in Europe;

(2) the Soviet Union has not adhered to its obligation undertaken in the 1945 Yalta agreement to guarantee free elections in the countries involved, specifically the pledge for the "earliest possible establishment of free election of governmental responsive to the wills of the people and to facilitate where necessary the holding of such elections";

(3) the strong desire of the people of Central and Eastern Europe to exercise their national sovereignty and self-determination and to resist Soviet domination has been demonstrated on many occasions since 1945, including armed resistance to the forcible Soviet takeover of the Baltic Republics and resistance in the Ukraine as well as in the German Democratic Republic in 1953, in Hungary in 1956, in Czechoslovakia in 1968, and in Poland in 1956, 1970, and since 1980;

[43] Title VII contained amendments to the Arms Control and Disarmament Act. For freestanding provisions of this title, see page 1122.

[44] Title VIII amended the National Emergencies Act, the Trading With the Enemy Act, and the United States-India Fund for Cultural, Educational, and Scientific Cooperation Act. Freestanding provisions are presented below, together with sec. 803, which amended sec. 39 of the Trading With the Enemy Act. Sec. 39 of the amended Act does not appear elsewhere in this volume.

[45] 98 Stat. 2649.

(4) it is appropriate that the United States express the hopes of the people of the United States that the people of Central and Eastern Europe be permitted to exercise their national sovereignty and self-determination free from soviet interference; and

(5) it is appropriate for the United States to reject any interpretation or application that, as a result of the signing of the 1945 Yalta executive agreements, the United States accepts and recognizes in any way Soviet hegemony over the countries of Eastern Europe.

(b) POLICY.—The United States does not recognize as legitimate any spheres of influence in Europe and it reaffirms its refusal to recognize such spheres in the present or in the future, by repudiating any attempts to legitimize the domination of East European nations by the Soviet Union through the Yalta executive agreement.

(2) The United States proclaims the hope that the people of Eastern Europe shall again enjoy the right to self-determination within a framework that will sustain peace, that they shall again have the right to choose a form of government under which they shall live, and that the sovereign rights of self-determination shall be restored to them in accordance with the pledge of the Atlantic Charter and with provisions of the United Nations Charter[46] and the Helsinki Final Act of the Conference on Security and Cooperation in Europe;[47]

[46] 55 Stat. 1600.
[47] 59 Stat. 1031.

SEC. 1222. UNITED STATES POLICY ON ANGOLA.

(a) FINDINGS.—The Congress finds that—

(1) it is in the interest of peace and economic development in southern Africa for the President and the Secretary of State to discuss the conflict in Angola with Soviet leaders;

(2) the President has stated that the resolution of regional conflicts such as Angola, Afghanistan, and Nicaragua is critical to improvement in Soviet-American relations;

(3) the proposed summit between President Reagan and Secretary General Gorbachev provides the United States with an opportunity to encourage complete Soviet-Cuban withdrawal from Angola, the possible provision of humanitarian assistance, and the holding of free and fair elections;

(4) the Marxist regime in Angola known as the Popular Movement for Liberation of Angola (hereafter in this section referred to as the "MPLA") is currently launching a major dry-season offensive against the opposition involving thousands of Cuban troops and billions of dollars in sophisticated Soviet weaponry;

(5) the people of Angola are starving because of the hardships resulting from 12 years of civil war and inefficient Marxist economic policies;

(6) the MPLA regime has turned to the international community for substantial food aid while continuing to spend most of Angola's national budget on sustaining the war effort, including payments for Cuban troops and Soviet arms; and

(7) the growing intensity of the war, the starvation and mounting suffering of the Angolan people, the continued presence in Angola of 37,000 Cuban combat troops and South African forces, the continued presence and active involvement of 2,500 Soviet military advisers, and the refusal of the MPLA to negotiate with the opposition, increase the urgency of reaching a peaceful solution.

(b) POLICY.—It is the sense of the Congress that—

(1) the United States should continue to work toward a peaceful resolution to the Angolan conflict that includes—

(A) the complete withdrawal of all foreign forces and Soviet military advisers;

(B) a negotiated settlement to the 12-year conflict leading to the formation of a government of national unity and the holding of free and fair elections; and

(C) efforts by the President and the Secretary of State to convey to Soviet leaders at the proposed summit and in other meetings that the aggressive military build-up in Angola undermines positive bilateral relations and that the United States is committed to supporting democratic forces in Angola until democracy is achieved;

(2) the people of Angola should not be left to starve because of the MPLA regime;

(3) the United States should consider responding to the humanitarian needs of the Angolan people, and if humanitarian assistance is provided, such assistance should be distributed in an evenhanded manner, so that Angolans throughout the entire war-torn country are provided with food and basic medical care;

(4) any humanitarian assistance should be distributed through private and voluntary organizations or nongovernmental organizations; and

(5) within 180 days after the date of the enactment of this Act, the Secretary of State should prepare and transmit to the Congress a report detailing the progress of discussions between the Soviet Union and the United States on the conflict in Angola.

PART II—MULTILATERAL EXPORT CONTROL ENHANCEMENT

SEC. 2441.[82] SHORT TITLE.

This part may be cited as the "Multilateral Export Control Enhancement Amendments Act".

SEC. 2442.[83] FINDINGS.

The Congress makes the following findings:

(1) The diversion of advanced milling machinery to the Soviet Union by the Toshiba Machine Company and Kongsberg Trading Company has had a serious impact on United States and Western security interests.

(2) United States and Western security is undermined without the cooperation of the governments and nationals of all countries participating in the group known as the coordinating Committee (hereafter in this part referred to as "COCOM") in enforcing the COCOM agreement.

(3) It is the responsibility of all governments participating in COCOM to place in effect strong national security export control laws, to license strategic exports carefully, and to enforce those export control laws strictly, since the COCOM system is only as strong as the national laws and enforcement on which it is based.

(4) It is also important for corporations to implement effective internal control systems to ensure compliance with export control laws.

(5) In order to protect United States national security, the United States must take steps to ensure the compliance of foreign companies with COCOM controls, including, where necessary conditions have been met, the imposition of sanctions against violators of controls commensurate with the severity of the violation.

SEC. 2443.[83, 84] MANDATORY SANCTIONS AGAINST TOSHIBA AND KONGSBERG.

(a) SANCTIONS AGAINST TOSHIBA MACHINE COMPANY, KONGSBERG TRADING COMPANY, AND CERTAIN OTHER FOREIGN PERSONS.—(1) The President shall impose, for a period of 3 years—

(1) a prohibition on contracting with, and procurement of products and services from—

(A) Toshiba Machine Company and Kongsberg Trading Company, and

(B) any other foreign person whom the President finds to have knowingly facilitated the diversion of advanced milling machinery by Toshiba Machine Company and Kongsberg Trading Company to the Soviet Union, by any department, agency, or instrumentality of the United States Government; and

[82] 50 U.S.C. app. 2401 note.
[83] 50 U.S.C. app. 2401a note.
[84] Sanctions were imposed by Executive Order 12661 of December 27, 1988 (see page 763), and expired on December 28, 1991.

(2) a prohibition on the importation into the United States of all products produced by Toshiba Machine Company, Kongsberg Trading Company, and any foreign person described in paragraph (1)(B).

(b) SANCTIONS AGAINST TOSHIBA CORPORATION AND KONGSBERG VAAPENFABRIKK.—The President shall impose, for a period of 3 years, a prohibition on contracting with, and procurement of products and services from, the Toshiba Corporation and Kongsberg Vaapenfabrikk, by any department, agency, or instrumentality of the United States Government.

(c) EXCEPTIONS.—The President shall not apply sanctions under this section—

(1) in the case of procurement of defense articles or defense services—

(A) under existing contracts or subcontracts, including exercise of options for production quantities to satisfy United States operational military requirements;

(B) if the President determines that the company or foreign person to whom the sanctions would otherwise be applied is a sole source supplier of essential defense articles or services and no alternative supplier can be identified; or

(C) if the President determines that such articles or services are essential to the national security under defense co-production agreements; or

(2) to—

(A) products or services provided under contracts or other binding agreements (as such terms are defined by the President in regulations) entered into before June 30, 1987;

(B) spare parts;

(C) component parts, but not finished products, essential to United States products or production;

(D) routine servicing and maintenance of products; or

(E) information and technology.

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

(1) the term "component part" means any article which is not usable for its intended functions without being imbedded or integrated into any other product and which, if used in production of a finished product, would be substantially transformed in that process;

(2) the term "finished product" means any article which is usable for its intended functions without being imbedded in or integrated into any other product, but in no case shall such term be deemed to include an article produced by a person other than a sanctioned person that contains parts or components of the sanctioned person if the parts or components have been substantially transformed during production of the finished product; and

(3) the term "sanctioned person" means a company or other foreign person upon whom prohibitions have been imposed under subsection (a) or (b).

CAPTIVE NATIONS WEEK

PUBLIC LAW 86-90: 73 STAT. 212

[S.J. Res. 111]

Joint Resolution providing for the designation of the third week of July as "Captive Nations Week".

Whereas the greatness of the United States is in large part attributable to its having been able, through the democratic process, to achieve a harmonious national unity of its people, even though they stem from the most diverse of racial, religious, and ethnic backgrounds; and

Whereas this harmonious unification of the diverse elements of our free society has led the people of the United States to possess a warm understanding and sympathy for the aspirations of peoples everywhere and to recognize the natural interdependence of the peoples and nations of the world; and

Whereas the enslavement of a substantial part of the world's population by Communist imperialism makes a mockery of the idea of peaceful coexistence between nations and constitutes a detriment to the natural bonds of understanding between the people of the United States and other peoples; and

Whereas since 1918 the imperialistic and aggressive policies of Russian communism have resulted in the creation of a vast empire which poses a dire threat to the security of the United States and of all the free peoples of the world; and

Whereas the imperialistic policies of Communist Russia have led, through direct and indirect aggression, to the subjugation of the national independence of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Vietnam and others; and

Whereas these submerged nations look to the United States, as the citadel of human freedom, for leadership in bringing about their liberation and independence and in restoring to them the enjoyment of their Christian, Jewish, Moslem, Buddhist, or other religious freedoms, and of their individual liberties; and

Whereas it is vital to the national security of the United States that the desire for liberty and independence on the part of the peoples of these conquered nations should be steadfastly kept alive; and

Whereas the desire for liberty and independence by the overwhelming majority of the people of these submerged nations constitutes a powerful deterrent to war and one of the best hopes for a just and lasting peace; and

Whereas it is fitting that we clearly manifest to such peoples through an appropriate and official means the historic fact that the people of the United States share with them their aspirations for the recovery of their freedom and independence: Now, therefor, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That:

The President of the United States is authorized and requested to issue a proclamation designating the third week in July 1959 as "Captive Nations Week" and inviting the people of the United States to observe such week with appropriate ceremonies and activities. The President is further authorized and requested to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world.

Approved July 17, 1959.

§ 841. Findings and declarations of fact

The Congress finds and declares that the Communist Party of the United States, although purportedly a political party, is in fact an instrumentality of a conspiracy to overthrow the Government of the United States. It constitutes an authoritarian dictatorship within a republic, demanding for itself the rights and privileges accorded to political parties, but denying to all others the liberties guaranteed by the Constitution. Unlike political parties, which evolve their policies and programs through public means, by the reconciliation of a wide variety of individual views, and submit those policies and programs to the electorate at large for approval or disapproval, the policies and programs of the Communist Party are secretly prescribed for it by the foreign leaders of the World Communist movement. Its members have no part in determining its goals, and are not permitted to voice dissent to party objectives. Unlike members of political parties, members of the Communist Party are recruited for indoctrination with respect to its objectives and methods, and are organized, instructed, and disciplined to carry into action slavishly the assignments given them by their hierarchical chieftains. Unlike political parties, the Communist Party acknowledges no constitutional or statutory limitation upon its conduct or upon that of its members. The Communist Party is relatively small numerically, and gives scant indication of capacity ever to attain its ends by lawful political means. The peril inherent in its operation arises not from its numbers, but from its failure to acknowledge any limitation as to the nature of its activities, and it dedication to the proposition that the present constitutional Government of the United States ultimately must be brought to ruin by any available means, including resort to force and violence. Holding that doctrine, its role as the agency of a hostile foreign power renders its existence a clear present and continuing danger to the security of the United States. It is the means whereby individuals are seduced into the service of the world Communist movement, trained to do its bidding, and directed and controlled in the conspiratorial performance of their revolutionary services. Therefore, the Communist Party should be outlawed.

(Aug. 24, 1954, c. 886, §2, 68 Stat. 775.)

§ 842. Proscription of Communist Party, its successors, and subsidiary organizations

The Communist Party of the United States, or any successors of such party regardless of the assumed name, whose object or purpose is to overthrow the Government of the United States, or the government of any State, Territory, District, or possession thereof, or the government of any political subdivision therein by force and violence, are not entitled to any of the rights, privileges, and immunities attendant upon legal bodies created under the jurisdiction of the laws of the United States or any political subdivision thereof; and whatever rights, privileges, and immunities which have heretofore been granted to said party or any subsidiary organization by reason of the laws of the United States or any political subdivision thereof, are terminated: *Provided, however,* That nothing in this section shall be construed as amending the Internal Security Act of 1950, as amended.

§ 843. Application of Internal Security Act of 1950 to members of Communist Party and other subversive organizations; "Communist Party" defined

[1]Whoever knowingly and willfully becomes or remains a member of (1) the Communist Party, or (2) any other organization having for one of its purposes or objectives the establishment, control[2] conduct, seizure, or overthrow of the Government of the United States, or the government of any State or political subdivision thereof, by the use of force or violence, with knowledge of the purpose or objective of such organization shall be subject to all the provisions and penalties of the Internal Security Act of 1950, as amended [50 U.S.C.A. §781 et seq.], as a member of a "Communist-action" organization.

(b) For the purposes of this section, the term "Communist Party" means the organization now known as the Communist Party of the United States of America, the Communist Party of any State or subdivision thereof, and any unit or subdivision of any such organization, whether or not any change is hereafter made in the name thereof.

(Aug. 24, 1954, c. 886, §4, 68 Stat. 776.)

[1]So in original. Section enacted without a subsection (a) designation.

[2]So in original. A comma should probably appear at this point.

§ 844. Determination by jury of membership in Communist Party, participation, or knowledge of purpose

In determining membership or participation in the Communist Party of any other organization defined in this Act, or knowledge of the purpose or objective of such party or organization, the jury, under instructions from the court, shall consider evidence, if presented, as to whether the accused person:

(1) Has been listed to his knowledge as a member in any book or any of the lists, records, correspondence, or any other document of the organization;

(2) Has made financial contribution to the organization in dues, assessments, loans, or in any other form;

(3) Has made himself subject to the discipline of the organization in any form whatsoever;

(4) Has executed orders, plans, or directives of any kind of the organization;

(5) Has acted as an agent, courier, messenger, correspondent, organizer, or in any other capacity in behalf of the organization;

(6) Has conferred with officers or other members of the organization in behalf of any plan or enterprise of the organization;

(7) Has been accepted to his knowledge as an officer or member of the organization or as one to be called upon for services by other officers or members of the organization;

(8) Has written, spoken or in any other way communicated by signal, semaphore, sign, or in any other form of communication orders, directives, or plans of the organization;

(9) Has prepared documents, pamphlets, leaflets, books, or any other type of publication in behalf of the objectives and purposes of the organization;

(10) Has mailed, shipped, circulated, distributed, delivered, or in any other way sent or delivered to others material or propaganda of any kind in behalf of the organization;

(11) Has advised, counseled or in any other way imparted information, suggestions, recommendations to officers or members of the organization or to anyone else in behalf of the objectives of the organization;

(12) Has indicated by word, action, conduct, writing or in any other way a willingness to carry out in any manner and to any degree the plans, designs, objectives, or purposes of the organization;

(13) Has in any other way participated in the activities, planning, actions, objectives, or purposes of the organization;

(14) The enumeration of the above subjects of evidence on membership or participation in the Communist Party or any other organization as above defined, shall not limit the inquiry into and consideration of any other subject of evidence on membership and participation as herein stated.

(Aug. 24, 1954, c. 886, §5, 68 Stat. 776.)

SUBCHAPTER V—REGISTRATION OF CERTAIN PERSONS TRAINED IN FOREIGN ESPIONAGE SYSTEMS

§ 851. Registration of certain persons; filing statement; regulations

Except as provided in section 582 of this title, every person who has knowledge of, or has received instruction or assignment in, the espionage, counterespionage, or sabotage service or tactics of a government of a foreign country or of a foreign political party, shall register with the Attorney General by filing with the Attorney General a registration statement in duplicate, under oath, prepared and filed in such manner and form, and containing such statements, information, or documents pertinent to the purposes and objectives of this subchapter as the attorney General, having due regard for the national security and the public interest, by regulations prescribes.

(Aug. 1, 1956, c. 849, §2, 70 Stat. 899.)

§ 852. Exemption from registration

The registration requirements of section 851 of this title do not apply to any person—

(a) who has obtained knowledge of or received instruction or assignment in the espionage, counterespionage, or sabotage service or tactics of a foreign government or foreign political party by reason of civilian, military, or police service or employment with the United States Government, the governments of the several States, their political subdivisions, the District of Columbia, the Territories or the Canal Zone;

(b) who has obtained such knowledge solely by reason of academic or personal interest not under the supervision of or in preparation for service with the government of a foreign country or a foreign political party;

(c) who has made full disclosure of such knowledge, instruction, or assignment to officials within an agency of the United States Government having responsibilities in the field of intelligence, which disclosure has been made a matter of record in the files of such agency, and concerning whom a written determination has been made by the Attorney General or the Director of Central Intelligence that registration would not be in the interest of national security;

(d) whose knowledge of, or receipt of instruction or assignment in, the espionage, counterespionage, or sabotage service or tactics of a government of a foreign country or of a foreign political party, is a matter or record in the files of an agency of the United States Government having responsibilities in the field of intelligence and concerning whom a written determination is made by the Attorney General or the Director of Central Intelligence, based on all information available, that registration would not be in the interest of national security;

(e) who is a duly accredited diplomatic or consular officer of a foreign government, who is so recognized by the Department of State, while he is engaged exclusively in activities which are recognized by the Department of State as being within the scope of the functions of such officer, and any member of his immediate family who resides with him;

(f) who is an official of a foreign government recognized by the United States, whose name and status and the character of whose duties as such official are of record in the Department of State, and while he is engaged exclusively in activities which are recognized by the Department of State as being within the scope of the functions of such official, and any member of his immediate family who resides with him;

(g) who is a member of the staff of or employed by a duly accredited diplomatic or consular officer of a foreign government who is so recognized by the Department of State, and whose name and status and the character of whose duties as such member or employee are a matter of record in the Department of State, while he is engaged exclusively in the performance of activities recognized by the Department of State as being within the scope of the functions of such member or employee;

(h) Who is an officially acknowledged and sponsored representative of a foreign government and is in the United States on an official mission for the purpose of conferring or otherwise cooperating the United States intelligence or security personnel;

(i) who is a civilian or one of the military personnel of a foreign armed service coming to the United States pursuant to arrangements made under a mutual defense treaty or agreement, or who has been invited to the United States at the request of an agency of the United States Government; or

(j) who is a person designed by a foreign government to serve as its representative in or to an international organization in which the United States participated or is an officer or employee of such an organization or who is a member of the immediate family of, and resides with, such a representative, officer, or employee.

(Aug. 1, 1956, c. 849, §3, 70 Stat. 899.)

[1] So in original. Probably should not be capitalized.

§ 853. Retention of registration statements; public examination; withdrawal

The Attorney General shall retain in permanent form one copy of all registration statements filed under this subchapter. They shall be public records and open to public examination at such reasonable hours and under such regulations as the Attorney General prescribes, except that the Attorney General, having due regard for the national security and public interest, may withdraw any registration statement from public examination.

(Aug. 1, 1956, c. 849, §4, 70 Stat. 900.)

§ 854. Rules, regulations, and forms

The Attorney General may at any time, make, prescribe, amend, and rescind such rules, regulations, and forms as he deems necessary to carry out the provisions of this subchapter.

(Aug. 1, 1956, c. 849, §5, 70 Stat. 900.)

§ 855. Violations; penalties; deportation

(a) Whoever willfully violates any provision of this subchapter or any regulation thereunder, or in any registration statement willfully make[1] a false statement of a material fact or willfully omits any material fact, shall be fined not more than $10,000 or imprisoned for not more than five years, or both.

(b) Any alien convicted of a violation of this subchapter or any regulation thereunder is subject to deportation in the manner provided by part V of subchapter II of chapter 12 of Title 8.

(Aug. 1, 1956, c. 849, §6, 70 Stat. 900.)

[1] So in original. Probably should be "makes".

§ 856. Continuing offense

Failure to file a registration statement as required by this subchapter is a continuing offense for as long as such failure exists, notwithstanding any statute of limitation or other statute to the contrary.

(Aug. 1, 1956, c. 849, §7, 70 Stat. 900.)

§ 857. Compliance with other registration statutes

Compliance with the registration provisions of this subchapter does not relieve any person from compliance with any other applicable registration statute.

(Aug. 1, 1956, c. 849, §8, 70 Stat. 900.)

3. Middle East Resolutions and Related Material[1]

a. Resolution to Promote Peace and Stability in the Middle East

Public Law 85–7 [H.J. Res. 117], 71 Stat. 5, approved March 9, 1957; as amended by Public Law 87–195 [Foreign Assistance Act of 1961, S. 1983], 75 Stat. 424, approved September 4, 1961

JOINT RESOLUTION To promote peace and stability in the Middle East

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President be and hereby is authorized to cooperate with and assist any nation or group of nations in the general area of the Middle East desiring such assistance in the development of economic strength dedicated to the maintenance of national independence.

SEC. 2.[2] The President is authorized to undertake, in the general area of the Middle East, military assistance programs with any nation or group of nations of that area desiring such assistance. Furthermore, the United States regards as vital to the national interest and world peace the preservation of the independence and integrity of the nations of the Middle East. To this end, if the President determines the necessity thereof, the United States is prepared to use armed forces to assist any nation or group of such nations requesting assistance against armed aggression from any country controlled by international communism: *Provided*, That such employment shall be consonant with the treaty obligations of the United States and with the Constitution of the United States.

SEC. 3.[3] The President is hereby authorized to use during the balance of fiscal year 1957 for economic and military assistance under this joint resolution not to exceed $200,000,000 from any appropriation now available for carrying out the provisions of the Mutual Security Act of 1954, as amended, in accord with the provisions of such Act: *Provided*, That, whenever the President determines it to be important to the security of the United States, such use may be under the authority of section 401(a) of the Mutual Security Act of 1954, as amended (except that the provisions of section 105(a) thereof shall not be waived), and without regard to the provisions of section 105 of the Mutual Security Appropriation Act, 1957: *Provided further*, That obligations incurred in carrying out the purposes of the first sentence of section 2 of this joint resolution shall be paid only out of appropriations for military assistance, and obligations incurred in carrying out the purposes of the first section of this joint resolution shall be paid only out of appropriations other than those for military assistance. This authorization is in addition to other existing authorizations with respect to the use of such appropriations. None of the additional authorizations contained in this section shall be used until fifteen days after the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, the Committees on Appropriations of the Senate and the

House of Representatives and, when military assistance is involved, the Committees on Armed Services of the Senate and the House of Representatives have been furnished a report showing the object of the proposed use, the country for the benefit of which such use is intended, and the particular appropriation or appropriations for carrying out the provisions of the Mutual Security Act of 1954, as amended, from which the funds are proposed to be derived: *Provided*, That funds available under this section during the balance of fiscal year 1957 shall, in the case of any such report submitted during the last 15 days of the fiscal year, remain available for use under this section for the purposes stated in such report for a period of twenty days following the date of submission of such report. Nothing contained in this joint resolution shall be construed as itself authorizing the appropriations of additional funds for the purpose of carrying out the provisions of the first section or of the first sentence of section 2 of this joint resolution.

[1] See also legislation under War Powers, beginning at page 1205.

[2] 22 U.S.C. 1961.

[3] 22 U.S.C. 1962.

SEC. 4.[4] The President should continue to furnish facilities and military assistance, within the provisions of applicable law and establish policies, to the United Nations Emergency Force in the Middle East, with a view to maintaining the truce in that region.

SEC. 5.[5] The President shall whenever appropriate[6] report to the Congress his action hereunder.

SEC. 6.[7] This joint resolution shall expire when the President shall determine that the peace and security of the nations in the general area of the Middle East are reasonably assured by international conditions created by action of the United Nations or otherwise except that it may be terminated earlier by a concurrent resolution of the two Houses of Congress.

[4] 22 U.S.C. 1963.

[5] 22 U.S.C. 1964.

[6] Sec. 705 of the Foreign Assistance of 19611 (Public Law 87-195) inserted "whenever appropriate" in lieu of "within the months of January and July of each year".

[7] U.S.C. 1965.

INSTRUCTIONS TO THE UNITED STATES EXECUTIVE DIRECTOR

SEC. 43.[71] (a) The Congress hereby finds that Communist dictatorships result in severe constraints on labor and capital mobility and other highly inefficient labor and capital supply rigidities which contribute to balance-of-payments deficits in direct contradiction of the goals of the International Monetary Fund. Therefore, the Secretary of the Treasury shall instruct the United States Executive Director of the Fund to actively oppose any facility involving use of Fund credit by any Communist dictatorship, unless the Secretary of the Treasury certifies and documents in writing upon request and so notifies and appears, if requested, before the Foreign Relations and Banking, Housing and Urban Affairs Committees of the Senate and the Banking, Finance and Urban Affairs Committee of the House of Representatives, at least twenty-one days in advance of any vote on such drawing that such drawing:

(1) provides the basis for correcting the balance of payments difficulties and restoring a sustainable balance of payments position:

[71] 22 U.S.C. 286aa. Sec. 43 was added by sec. 804 of Public Law 98-181 (97 Stat. 12701.

(2) would reduce the severe constraints on labor and capital mobility or other highly inefficient labor and capital supply rigidities and advances market-oriented forces in that country; and

(3) is in the best economic interest of the majority of the people in that country.

Should the Secretary not meet a request to appear before the aforementioned Committees at least twenty-one days in advance of any vote on any facility involving use of Fund credit by any communist dictatorship and certify and document in writing that these three conditions have been met, the United States Executive Director shall vote against such program.

(b) The Congress hereby find that the practice of apartheid results in severe constraints on labor and capital mobility and other highly inefficient labor and capital supply rigidities which contribute to balance of payments deficits in direct contradiction of the goals of the International Monetary Fund. Therefore, the President shall instruct the United States Executive Director of the Fund to actively oppose any facility involving use of Fund credit by any country which practices apartheid unless the Secretary of the Treasury certifies and documents in writing, upon request, and so notifies and appears, if requested, before the Foreign Relations and Banking, Housing and Urban Affairs Committees of the Senate and the Banking, Finance and Urban Affairs Committee of the House of Representatives, at least twenty-one days in advance of any vote on such drawing, that such drawing: (1) would reduce the severe constraints on labor and capital mobility, through such means as increasing access to education by workers and reducing artificial constraints on worker mobility and substantial reduction of racially-based restrictions on the geographical mobility of labor; (2) would reduce other highly inefficient labor and capital supply rigidities; (3) would benefit economically the majority of the people of any country which practices apartheid; (4) is suffering from a genuine balance of payments imbalance that cannot be met by recourse to private capital markets. Should the Secretary not meet a request to appear before the aforementioned Committee at least twenty-one days in advance of any vote on any facility involving use of Fund credit by any country practicing apartheid and certify and document in writing that these four conditions have been met, the United States Executive Director shall vote against such program.

TITLE II—TRADE AND BUSINESS RELATIONS

Sec. 201. Policy Under Export Administration Act

FINDINGS

SEC. 2. The Congress makes the following findings:

* * * * * * *

[(11) The acquisition of national security sensitive goods and technology by the Soviet Union and other countries the actions of policies of which run counter to the national security interests of the United States, has led to the significant enhancement of Soviet block military-industrial capabilities. This enhancement poses a threat to the security of the United States, its allies, and other friendly nations, and places additional demands on the defense budget of the United States.]

[(12)] *(11)* Availability to controlled countries of goods and technology from foreign sources is a fundamental concern of the United States and should be eliminated through negotiations and other appropriate means whenever possible.

[(13)] *(12)* Excessive dependence of the United States, its allies, or countries sharing common strategic objectives with the United States, on energy and other critical resources from potential adversaries can be harmful to the mutual and individual security of all those countries.

SEC. 3. The Congress makes the following declarations:

(1) * * *

* * * * * * *

[(15) It is the policy of the United States, particularly in light of the Soviet measure of innocent men, women, and children aboard Korean Air Lines flight 7, to continue to object to exceptions to the International Control List for the Union of Soviet Socialist Republics, subject to periodic review by the President.]

* * * * * * *

Sec. 202. Representation of Countries of Eastern Europe and the Independent States of the Former Soviet Union in Legal Commercial Transactions

Section 951 of Title 18, United States Code

(a) * * *

(e) Notwithstanding paragraph (d)(4), any person engaged in a legal commercial transaction shall be considered to be an agent of a foreign government for purposes of this section if—

(1) such person agrees to operate within the United States subject to the direction or control of a foreign government or official; and

(2) such person—

(A) is an agent of [the Soviet Union, the German Democratic Republic, Hungary, Czechoslovakia, Poland, Bulgaria, Romania, or Cuba] *Cuba or any other country that the President determines (and so reports to the Congress) poses a threat to the national security interest of the United States for purposes of this section*, unless the Attorney General, after consultation with the Secretary of State, determines and so reports to the Congress that the national security or foreign policy interests of the United States requires that the provisions of this section do not apply in specific circumstances to agents of such country; or

* * * * *

Section 203. Procedures Regarding Transfers of Certain Department of Defense-Funded Items

(a) * * *

[SEC. 223. LIMITATION ON TRANSFER OF SDI TECHNOLOGY TO SOVIET UNION.

[Military technology developed with funds appropriated or otherwise made available for the Strategic Defense Initiative may not be transferred, or made available for transfer, to be Soviet Union by the United States (or with the consent of the United States) unless—

[(1) the President determines, and certifies to Congress, that the transfer is in the national interest of the United States and is to be made for the purpose of maintaining peace; and

[(2) Congress approves that determination by a joint resolution.]

SEC. 223. LIMITATION ON TRANSFER OF CERTAIN MILITARY TECHNOLOGY TO INDEPENDENT STATES OF THE FORMER SOVIET UNION.

Military technology developed with funds appropriated or otherwise made available for the Ballistic Missile Defense Program may not be transferred (or made available for transfer) to

Russia or any other independent state of the former Soviet Union by the United States (or with the consent of the United States) unless the President determines and certifies to the Congress at least 15 days prior to any such transfer, that such transfer is in the national interest of the United States and is to be made for the purpose of maintaining peace.

* * * * *

(b) * * *

Section 709 of the Department of Defense Appropriations Authorization Act, 1975.

[Sec. 709. (a) The Congress finds that the defense posture of the United States may be seriously compromised if goods, technology, and industrial techniques which have been developed in whole or in part as a direct or indirect result of research and development programs or procurement programs financed in whole or in part with funds authorized by this or any other Act authorizing funds for the Department of Defense are exported to a controlled country without an adequate and knowledgeable assessment having been made to determine whether the export of such goods, technology, and techniques will significantly increase the present or potential military capability of any such country. It is the purpose of this section, therefore, to provide for such an assessment, to insure notice of proposed exports to the Secretary of Defense, and to authorize the Secretary of Defense to review the proposed export of goods, technology, or industrial techniques to any such country whenever he has reason to believe that the export of such goods, technology, or techniques will significantly increase the military capability of such country.

[(b) Effective upon enactment of this section, any application for the export of any goods, technology, or industrial techniques described in subsection (a) shall, before being eligible for export to a controlled country, be reviewed and assessed by the Secretary of Defense for the purpose of determining whether the export of such goods, technology or techniques will significantly increase the present or potential military capability of such country.

[(c) If the Secretary of Defense determines, after his review and assessment, that the export of such goods, technology or industrial techniques will in his judgment significantly increase the present or potential military capability of any controlled country, he shall recommend to the President that the application for export be disapproved. In any case in which the President disagrees with a recommendation made by the Secretary of Defense to prohibit the export of such goods, technology, or techniques to a controlled country, the President shall submit to the Congress a statement indicating his disagreement with the Secretary of Defense together with the recommendation of the Secretary of Defense. The application for the export of any such goods, technology, or techniques may be approved after submission by the President of his statement and the recommendation of the Secretary of Defense to the Congress and 60 days of continuous session of the Congress has elapsed following such submission unless within such 60 day period Congress has adopted a concurrent resolution disapproving the application for the export of such goods, technology, or techniques.

[(d) As used in this section (1) the term "controlled country" means the Soviet Union, Poland, Romania, Hungary, Bulgaria, Czechoslovakia, the German Democratic Republic (East Germany), and such other countries as may be designated by the Secretary of Defense, and (2) the term "days of continuous session of the Congress" shall not include days on which either House of Congress is not in session because of an adjournment of more than three days.

[(e) The Secretary of Defense shall submit to the Congress a written report on his implementation of this section not later than 30 days after the close of each quarter of each fiscal year. Each such report shall, among other things, identify each instance in which the Secretary recommended to the President that exports be disapproved and the action finally taken by the executive branch on the matter.]

Section 204. Soviet Slave Labor

[SEC. 1906. SENSE OF CONGRESS REQUESTING THE PRESIDENT TO INSTRUCT THE SECRETARY OF THE TREASURY TO ENFORCE SECTION 307 OF THE TARIFF ACT OF 1930 WITHOUT DELAY.

[(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

[(1) its February 1983 report to the Congress on forced labor in the Union of Soviet Socialist Republics, the Department of State confirmed that Soviet forced labor is used "to produce large amounts of primary and manufactured goods for both domestic and Western export markets", and that such labor is used as an integral part of Soviet national economy;

[(2) the Central Intelligence Agency has compiled a list of over three dozen products made by Soviet forced labor and imported by the United States, and that items on the September 27, 1983 list include chemicals, gold, uranium, aluminum, wood products and glassware;

[(3) the International Commission on Human Rights has concluded that the Soviet Union "continues the deplorable practice of forced labor in manufacturing and construction projects" and that prisoners "are forced to work under conditions of extreme hardship including malnutrition, inadequate shelter and clothing, and severe discipline";

[(4) the Congress is on record as opposing forced labor, having enacted a prohibition (in section 307 of the Tariff Act of 1930 (19 U.S.C. 1307)) on the importation of goods made with such labor and having passed in the Ninety-eighth Congress by unanimous vote a resolution calling such practices morally reprehensible and calling upon the President to express to the Soviet Union the opposition of the United States to such policies;

[(5) the prohibition enacted by the Congress declares that "goods, wares, articles, and merchandise mined, produced or manufactured wholly or in part in any foreign country by convict labor or/and forced labor or/and indentured labor under penal sanctions shall not be entitled to entry at any of the ports of the United States, and the importation thereof is hereby prohibited";

[(6) there is ample knowledge of the Soviet forced labor system to require enforcement of the prohibition contained in section 307 of the Tariff Act of 1930 (19 U.S.C. 1307); and

[(7) the delay in enforcing the law brings into question the commitment of the United States to protest the inhumane treatment of prisoners in the Soviet Gulag, an estimated ten thousand of whom are political and religious prisoners according to the Department of State.

[(b) SENSE OF CONGRESS.—It is the sense of the Congress that the President should express to the Soviet in the firmest possible terms the strong moral opposition of the United States to the slave labor policies of the Soviet Union by every means possible, including refusing to permit the importation into the United States of any products made in whole or in part by such labor.

[(c) PRESIDENTIAL ACTION.—The President is hereby requested to instruct the Secretary of the Treasury to enforce section 307 of the Tariff Act of 1930 (19 U.S.C. 1307) without delay.]

* * * * *

TITLE III—CULTURAL, EDUCATIONAL, AND OTHER EXCHANGE PROGRAMS

Section 301. Mutual Educational And Cultural Exchange Act of 1961

(a) * * *

* * * * *

SEC. 112. (a) In order to carry out the purposes of this Act, there is established in the United States Information Agency, or in such appropriate agency of the United States as the President shall determine, a Bureau of Educational and Cultural Affairs (hereinafter in this section referred to as the "Bureau"). The Bureau shall be responsible for managing, coordinating, and overseeing programs established pursuant to this Act, including but not limited to—

(1) * * *

* * * * *

(8) the Samantha Smith Memorial Exchange Program which advances understanding between the United States and the [Soviet Union] *independent states of the former Soviet Union* and between the United States and Eastern European countries through the exchange of persons under the age of 21 years and of students at an institution of higher education (as defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))) who have not received the initial baccalaureate degree or through other programs designed to promote contact between the young peoples of the United States, the [Soviet Union] *independent states of the former Soviet Union*, and Eastern European countries; and

* * * * *

(b) * * *

Sec. 113. [United States-Soviet Exchanges] Exchanges Between the United States and the Independent States of the Former Soviet Union.—(a) The President is authorized to negotiate and implement [an agreement with the union of Soviet Socialist Republics] *agreements with the independent states of the former Soviet Union* under which repayments [made by the Soviet Union] *made by the independent states* on Lend-Lease debts to the United States would be used to finance the exchange of persons between the United States [and the Soviet Union] *and the independent states* for educational, cultural, and artistic purposes. Exchanges authorized pursuant to this section shall be administered subject to the provisions of this Act Part of the funds repaid to the United States shall be in convertible currency for the purpose of paying the expenses associated with study and other exchange activities [by Soviet citizens in the United States] *in the United States by citizens of the independent states.*

* * * * *

Section 302. Soviet-Eastern European Research and Training

[TITLE VIII—SOVIET-EASTERN EUROPEAN RESEARCH AND TRAINING] *TITLE VIII—RESEARCH AND TRAINING FOR EASTERN EUROPE AND THE INDEPENDENT STATES OF THE FORMER SOVIET UNION*

SEC. 801. This title maybe cited as the "[Soviet-Eastern European Research and

Training] *Research and Training for Eastern Europe and the Independent States of the Former Soviet Union* Act of 1983".

FINDINGS AND DECLARATIONS

SEC. 802. The Congress finds and declares that—

(1) factual knowledge, independently verified, about the [Soviet Union and Eastern European countries] *countries of Eastern Europe and the independent states of the former Soviet Union* is of the utmost importance for the national security of the United States, for the furtherance of our national interests in the conduct of foreign relations, and for the prudent management of our domestic affairs;

(2) the development and maintenance of knowledge about the [Soviet Union and Eastern countries] *countries of Eastern Europe and the independent states of the former Soviet Union* depends upon the national capability for advanced research by highly trained and experienced specialists, available for service in and out of Government.

(3) certain essential functions are necessary to ensure the existence of that knowledge and the capability to sustain it, including

(A) * * *

* * * * *

(E) firsthand experience of the [Soviet Union and Eastern Europe countries] *countries of Eastern Europe and the Independent States of the Former Soviet Union* by American specialists, including on site conduct of advanced training and research to the extent practicable; and

* * * * *

DEFINITIONS

SEC. 803. As used in this title—

(1) the term "institution of higher education" has the same meaning given such term in section 1201(a) of the Higher Education Act of 1965; and

(2) the term "Advisory Committee" means the [Soviet-Eastern European Studies Advisory Committee] *Advisory Committee for Studies of Eastern Europe and the Independent States of the Former Soviet Union* established by section 804(a).

* * * * *

ESTABLISHMENT OF [THE SOVIET-EASTERN EUROPEAN STUDIES] ADVISORY COMMITTEE

SEC. 804. (a) There is established within the Department of State the [Soviet-Eastern European Studies Advisory Committee] *Advisory Committee for Studies of Eastern Europe and the Independent States of the Former Soviet Union* which shall be composed of the Secretary of State, the Secretary of Defense, the Secretary of Education, the Librarian of Congress, the President of the American Association for the Advancement of Slavic Studies, and the President of the Association of American Universities. The Secretary of State shall be the Chairman.

* * * * *

(d) The Advisory Committee shall recommend grant policies for the advancement of the objectives of this title. In proposing recipients for grants under this title, the Advisory Committee shall give the highest priority to national organizations with an interest and expertise in conducting research and training concerning [Soviet and Eastern European countries] *the countries of Eastern Europe and the Independent States of the Former Soviet Union* and in disseminating the results of such research. In making its recommendations, the Advisory Committee shall emphasize the development of a stable, long-term research program.

AUTHORITY TO MAKE PAYMENTS

SEC. 805. (a) * * *

(b)(1) * * *

(2) One part of the payments made in each fiscal year shall be used—

(A) to establish and carry out a program of graduate, post-doctoral, and teaching fellowships for advanced training in [Soviet and Eastern European studies] *studies on the countries of Eastern Europe and the Independent States of the Former Soviet Union* and related studies, such program—

(i) to be coordinated with the research program described in paragraph (1);

(ii) to be conducted, on a shared-cost basis, at American institutions of higher education; and

(iii) to include—

(I) the dissemination of information on the fellowship program and the solicitation of applications for fellowships from qualified institutions of higher education and qualified individuals; and

(II) the awarding of such fellowships as the respective institution determines will best serve to carry out the purposes of this title after reviewing applications submitted under subclause (I); and

(B) to disseminate research, data, and findings on [Soviet and Eastern European studies] *studies on the countries of Eastern Europe and the independent states of the former Soviet Union* and related fields in such a manner and to such extent as the respective institution determines will best serve to carry out the purposes of this title.

(3) One part of the payments made in each fiscal year shall be used—

(A) to provide fellowship and research support for American specialists in the [field of Soviet and Eastern European studies and related studies] *independent states of the former Soviet Union and the countries of Eastern Europe and related fields* to conduct advanced research with particular emphasis upon the use of the data on [the Soviet Union and Eastern European counties] *those states and countries;* and

(B) to conduct seminars, conferences, and other similar workshops designed to facilitate research collaboration between Government and private specialists in the [fields of Soviet and Eastern European studies and related studies] *independent states of the former Soviet Union and the countries of Eastern Europe and related fields.*

(4) One part of the payments made in each fiscal year shall be used to conduct specialized programs in advanced training and research on a reciprocal basis in the [Union of Soviet Socialist Republics] *independent states of the former Soviet Union* and the countries of Eastern Europe designed to facilitate access for American specialists to research institutes, personnel, archives, documentation, and other research and training resources located in [the Union of Soviet Socialist Republics and Eastern European countries] *those states and countries.*

(5) One part of the payments made in each fiscal year shall be used to support [language training in Russian and Eastern European languages.] *training in the languages of the independent states of the former Soviet Union and the countries of Eastern Europe.* Such payments shall include grants to individuals to pursue such training and to summer language institutes operated by institutions of higher education. Preference shall be given for Russian language studies *and, as appropriate, studies of other languages of the independent states of the former Soviet Union.*

(6) Payments may be made to carry out other research and training in [Soviet and Eastern European studies] *studies on the countries of Eastern Europe and the independent states of the former Soviet Union* not otherwise described in this section.

* * * * *

Section 303. Fascell Fellowship Act

SEC. 1002. FELLOWSHIP PROGRAM FOR TEMPORARY SERVICE AT UNITED STATES MISSIONS [IN THE SOVIET UNION AND EASTERN EUROPE] *ABROAD.*

(a) ESTABLISHMENT.—There is hereby established a fellowship program pursuant to which the Secretary of State will provide fellowships to United States citizens while they serve, for a period of between one and two years, in positions which would otherwise be held by foreign national employees at United States diplomatic or consular missions abroad.

* * * * *

Section 304. Board For International Broadcasting

(a) * * *

[BALTIC DIVISION

[SEC. 307. None of the funds authorized to be appropriated by the amendments made by section 302 of this Act may be used for a grant to RFE/RL, Incorporated unless—

[(1) the Estonian, Latvian, and Lithuanian radio services of RFE/RL, Incorporated, are organized as a separate division within Radio Liberty; and

[(2) Those radio services begin broadcasts under a name which would accurately reflect United States policy of not recognizing the illegal incorporation of Estonia, Latvia, and Lithuania into the Soviet Union.]

(b) * * *

Policy on the jamming by the Soviet Union of broadcasts of the Voice of America and RFE/RL

SEC. 308. [(a) The Congress finds that—

(1) the permanent unrestrained flow of accurate information would greatly facilitate mutual understanding and world peace;

(2) the Soviet Union and its allies are at present electronically jamming the broadcasts of the Voice of America and RFE/RL, Incorporated (commonly known as Radio Free Europe and Radio Liberty); and

(3) electronic jamming of international broadcasts violates at least four international agreements: Article 35(1) of the International Telecommunications Union Convention, Article 19 of the Universal Declaration of Human Rights, Article 19 of the International Covenant on Civil and Political Rights, and the Final Act of the Conference on Security and Cooperation in Europe (commonly known as the Helsinki Accords).

(b) it] *It* is the sense of the Congress that the President should urge the [Government of the Soviet Union] *government of any country engaging in such activities* to terminate its jamming of the broadcasts of the Voice of America and RFE/RL, Incorporated].

Section 305. Scholarship Programs for Developing Countries

SEC. 602. FINDINGS AND DECLARATIONS OF POLICY.

The Congress finds and declares that—

(1) * * *

[(6) the number of United States Government-sponsored scholarships for students in developing countries has been exceeded as much as twelve times in a given year by the number of scholarships offered by Soviet-bloc governments to students in developing countries, and this disparity entails the serious long-run cost of having so many of the

potential future leaders of the developing world educated in Soviet-bloc countries;

[(7) from 1972 through 1982 the Soviet Union and Eastern European governments collectively increased their education exchange programs to Latin America and the Caribbean by 205 percent while those of the United States declined by 52 percent;]

[(8)] *(6)* an undergraduate scholarship program for students of limited financial means from developing countries to study in the United States would complement current assistance efforts in the areas of advanced education and training of people of developing countries in such disciplines as are required for planning and implementation of public and private development activities;

[(9)] *(7)* the National Bipartisan Commission on Central America has recommended a program of 10,000 United States Government-sponsored scholarships to bring Central American students to the United States, which program would involve careful targeting to encourage participation by young people from all social and economic classes, would maintain existing admission standards by providing intensive English and other training, and would encourage graduates to return to their home countries after completing their education; and

[(10)] *(8)* it is also in the interest of the United States as well as peaceful cooperation in the Western Hemisphere, that particular attention be given to the students of the Caribbean region.

* * * * *

Section 306. Report on Soviet Participants in Certain Exchange Programs

SECTION 126 OF THE DEPARTMENT OF STATE AUTHORIZATION ACT, FISCAL YEARS 1982 AND 1983

[Scientific Exchange Activities with the Soviet Union

[SEC. 126. (a) Not later than 90 days after the date of enactment of this Act, the Secretary of State shall submit to the Congress a report with respect to the individual exchange activities conducted pursuant to the 11 agreements for cooperation in specialized fields which were entered into by the United States and the Union of Soviet Socialist Republics between 1972 and 1974. This report shall include—

[(1) an assessment of the risk of the transfer to the Soviet Union of military significant technology through research, exchanges, and other activities conducted pursuant to those agreements; and

[(2) a detailed description on the exchanges and other activities conducted pursuant to those agreements during fiscal year 1981 and fiscal year 1982, including—

[(A) the areas of cooperation,

[(B) the specific research and projects involved,

[(C) the man-hours spent in short-term (less than 60 days) and long-term exchanges,

[(D) the level of United States and Soviet funding in each such fiscal year, and

[(E) an assessment of the equality or inequality in value of the information exchanged.

[(b) The Secretary of State shall prepare the report required by subsection (a) in consultation and cooperation with the heads of the other agencies involved in the exchange and other cooperative activities conducted pursuant to the agreements described in that subsection.

[(c) Not later than July 1 of each year, the Secretary of State shall submit to the Congress a list of the Soviet nationals participating during the upcoming academic year in the United States-Union of Soviet Socialist Republics graduate student/young faculty exchange or in the United States-Union of Soviet Socialist Republics senior scholar exchange, their topics of study, and where they are to study. This report shall also include a determination by the Secretary of State, in consultation with the heads of the other agencies involved in these exchange programs, that these exchange programs will not jeopardize United States national security interests.]

TITLE IV—ARMS CONTROL

Section 401. Arms Control and Disarmament Act.

(a) * * *

REPORTS ON STANDING CONSULTATIVE COMMISSION ACTIVITIES

SEC. 38. The President shall submit, not later than January 31 of each year, to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report prepared by the United States Commissioner on the activities of the [United States-Union of Soviet Socialist Republics] Standing Consultative Commission established under Article XIII of the Treaty on the Limitation of Anti-Ballistic Missile Systems. In preparing this report, the Commissioner should consult with former United States Commissioners and other experts. Such annual report shall include detailed information on all substantive issues raised by either party to the Treaty and the response of the other party with regard to such issues. Such annual report shall be transmitted under an injunction of secrecy, but shall be accompanied by an unclassified addendum containing such information with respect to the activities of the Commission as can be made public consistent with the need for confidentiality of Commission proceedings and the national security of the United States.

* * * * *

(b) * * *

[Specialists fluent in Russian language] *specialists fluent in Russian or other languages of the independent states of the former Soviet Union*

SEC. 51. The Director is authorized to create up to eight additional permanent personnel positions at both junior and more senior levels for specialists in [Soviet foreign and military policies] *the foreign and military policies of the independent states of the former Soviet Union*, arms control, or strategic affairs, who also demonstrate fluency in the Russian language *or another language of the independent states of the former Soviet Union.*

(c) * * *

REPORTS ON ADHERENCE TO AND COMPLIANCE WITH AGREEMENTS

SEC. 52. The Congress determines that the achievement and maintenance of successful controls upon armaments requires official and public confidence that the parties are expected to adhere to their commitments and that the parties will be held accountable for failure to meet obligations. Without such confidence, existing arms control accords are eroded, and the prospects are jeopardized for new agreements which can place further controls on the competition in nuclear and conventional weapons and which can increase international stability. In accordance with this determination—

(1) the President shall submit, not later than January 31 of each year, to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report prepared by the Director, in coordination with the Secretary of State, the Secretary of Defense, the Secretary of Energy, the Chairman of the Joint Chiefs of Staff, and the Director of Central Intelligence, on the adherence of the United States [the Soviet Union] *Russia*, and other nations to obligations undertaken in arms control agreements and on any problems related to compliance by [the Soviet Union] *Russia* and other nations with the provisions of bilateral and multilateral arms control agreements to which the United States is a party;

* * * * *

(3) the section of the report dealing with [Soviet] *Russian* adherence shall include information on actions taken by [the Soviet Union] *Russia* with regard to the size, structure, and disposition of its military forces in order to comply with arms control agreements;

* * * * *

(5) the section of the report dealing with problems of compliance by [the Soviet Union] *Russia* and other nations shall include, in the case of each treaty or agreement about which compliance questions exist—

(A) a description of each significant issue raised and efforts made and contemplated with the other party to seek a resolution of the difficulty;

(B) an assessment of damage, if any, to United States security and other interests; and

(C) recommendations as to any steps which should be considered to redress any damage to United States National security and to reduce compliance problems.

The report required by this section shall be provided in unclassified form, with classified annexes, as appropriate

* * * * *

(d) * * *

ON-SITE INSPECTION ACTIVITIES

Findings

SEC. 61. The Congress finds that—

(1) * * *

* * * * *

(4) on-site inspection activities under the INF Treaty include—

(A) inspection in [the Soviet Union, Czechoslovakia, and the German Democratic Republic] *Russia, Ukraine, Kazakhstan, Belarus, Turkmenistan, Uzbekistan, the Czech Republic, and Germany*

(B) escort duties for [Soviet] teams visiting the United States and the Basing Countries,

(C) establishment and operation of the Portal Monitoring Facility in [the Soviet Union] *Russia, and*

(D) support for the [Soviet] *Russian* inspectors at the Portal Monitoring Facility in Utah;

* * * * *

Section 402. Arms Export Control Act

CHAPTER 9—TRANSFER OF CERTAIN CFE TREATY-LIMITED EQUIPMENT TO NATO MEMBERS

* * * * *

SEC. 94. NOTIFICATIONS AND REPORTS TO CONGRESS.

(a) * * *

(b) ANNUAL REPORTS.—Not later than February 1 each year, the President shall submit to the Committee on Foreign Affairs and the Committee on Armed Services of the House of Representatives and the Committee on Foreign Relations and the Committee on Armed Services of the Senate a report that—

(1) * * *

* * * * *

(3) lists, on a country-by-country basis, all transfers to another country of convention armaments and equipment limited by the CFE Treaty—

(A) * * *

(B) by each [Warsaw Pact country] *country of the Eastern Group of States Parties* in implementing the CFE Treaty

SEC. 95. DEFINITIONS.

As used in this chapter—

(1) * * *

* * * * *

(5) the term [Warsaw Pact country] *country of the Eastern Group of States Parties* means a country that is listed in paragraph 1(A) of article II of the CFE Treaty within the group of States Parties that signed the Treaty of Warsaw of 1955 *or a successor state to such a country*.

Section 403. Annual Reports on Arms Control Matters

(a) * * *

SEC. 1002. ANNUAL REPORT ON SOVIET COMPLIANCE WITH ARMS CONTROL COMMITMENTS.

[(a) ANNUAL REPORT.—Not later than December 1 of each year, the President shall submit to Congress a report containing the findings of the President with respect to the compliance of the Soviet Union with its arms control commitments and any additional information necessary to keep Congress currently informed.

[(b) MATTER TO BE INCLUDED.—The President shall specifically include in each such report the following:

[(1) A summary of the current status of all arms control agreements in effect between the United States and the Soviet Union.

[(2) An assessment of all violations by the Soviet Union of such agreements and risks such violations pose to the national security of the United States and its allies.

[(3) A net assessment of the aggregate military significance of all such violations.

[(4) A statement of the compliance policy of the United States with respect to violations by the Soviet Union of those agreements.

[(5) What actions, if any, the President has taken or proposes to take to bring the Soviet union into compliance with its commitments under those agreements.

[(c) CONTINGENT ADDITIONAL INFORMATION.—If the President in any second consecutive report submitted to Congress under this section reports that the Soviet Union is not in full compliance with all arms control agreements between the United States and the Soviet Union, the President shall include in such report an assessment of what actions are necessary to compensate for such violations.

[(d) CLASSIFICATION OF REPORTS.—Each report under this section shall be submitted in both classified and unclassified versions.]

* * * * *

(b) * * *

[SEC. 906. ANNUAL REPORT ON ARMS CONTROL STRATEGY.

[(a) IN GENERAL.—The President shall submit to Congress each year, not later than December 1, a report containing a comprehensive discussion and analysis of the arms control strategy of the United States. The President shall include in each such report the following:

[(2) A net assessment of the current effects of arms control agreements on the status of, and trends in, the military balance between the United States and the Soviet Union and between the North Atlantic Treaty Organization (NATO) and the Warsaw Pact.

[(3) A comprehensive data base on the military balance of forces of the United States and the Soviet Union, and the balance of forces of NATO and the Warsaw Pact countries, that are affected by arms control agreements in existence as of the time of the report between the United States and the Soviet Union and between NATO and the Warsaw Pact, including an explanation of the methodology used to analyze the effects on such forces.

[(4) A net assessment of the effect that proposed arms control agreements between the United States and the Soviet Union and between NATO and the Warsaw Pact would likely have on United States force plans and contingency plans, including an assessment of the effect that such proposal agreements would have on the risks and costs of the United States.

[(5) An assessment of the effect that proposed treaty subceilings, asymmetries, and other factors or qualifications affecting a treaty or arms control proposal would have on the military balance between the United States and the Soviet Union and between NATO and the Warsaw Pact, including an assessment of how such factors increase deterrence and reduce the risk and cost of war.

[(6) A statement of the strategy the United States and NATO will use to verify and deter noncompliance with proposed arms control treaties between the United States and the Soviet Union and between NATO and the Warsaw Pact

[(7) A discussion of the extent to which and the manner in which the United States intends to consult with its allies regarding proposed arms control agreements between the United States and the Soviet Union and between NATO and the Warsaw Pact.

[(8) A discussion of how the United States proposes to tailor its defense structure in order to ensure that the national security can be preserve with or without arms control agreements.

[(b) Explanation of Methodology.—In reporting on the current effect of arms control agreements on the status of, and trends in, the military balance of power between the United States and the Soviet Union and between NATO and the Warsaw Pact (required under paragraphs (2) and (3) of subsections (a)), the President shall—

[(1) specify the methodology used in analyzing the military balance between the United States and the Soviet Union and express the results of such analysis in terms of (A) static comparisons, and (B) comparisons that include dynamic factors; and

[(2) discuss all major scenarios, assumptions, and contingencies, including political confrontation, full-scale war, and serious confrontations not involving full-scale war.

[(c) FORM OF REPORT.—The President shall submit such report in both classified and unclassified form.

(c) * * *

[SEC. 907. REPORT ON ANTIBALLISTIC MISSILE CAPABILITIES AND ACTIVITIES OF THE SOVIET UNION

[(a) STUDY.—The President shall conduct a study regarding the antiballistic missile capability and activities of the Soviet Union. In conducting the study, the President shall assess each of the following:

[(1) The military capabilities and significance of the extensive network of large-phased array radars of the Soviet Union.

[(2) Whether the Soviet Union is developing or producing mobile or transportable engagement radar in violation of the 1972 Antiballistic Missile Treaty.

[(3) The ability of the Soviet Union to develop an effective exoatmospheric missile defense without using widespread deployments of traditional engagement radars.

[(4) The ability of air defense interceptor missiles of the Soviet Union, now and in the future, to destroy warheads of ballistic missiles in flight.

[(5) Whether silos or other hardened facilities of the Soviet Union located outside of the existing antiballistic missile site permitted near Moscow under the terms of the 1972 Antiballistic Missile Treaty are or could be associated with antiballistic missile defenses not permitted under that Treaty.

[(6) Whether the Soviet Union is developing terminal antiballistic missile defenses.

[(7) Whether the existing antiballistic missile site near Moscow that is permitted under the terms of that Treaty conceals or could conceal development, testing, or deployment by the Soviet Union of a widespread antiballistic missile system.

[(8) Activities of the Soviet Union regarding boost-phase intercepts of ballistic missiles.

[(9) The status of laser programs, particle-beam programs, and other advanced technology programs of the Soviet Union comparable to programs conducted by the United States under the Strategic Defense Initiative.

[(10) The consequences for the United States of a successful effort by the Soviet Union to deploy an effective nationwide or limited antiballistic missile system.

[(b) Assessment of Ability of United States To Counter a Soviet ABM System.—In conducting the study required by subsection (a), the President shall also assess the ability of the United States to counter effectively an effective antiballistic missile system deployed by the Soviet Union. Such assessment shall consider both the deployment by the Soviet Union of a nationwide, and of a limited, antiballistic missile system. In assessing the ability of the United States to counter effectively such a system, the President—

[(1) shall consider the ability of the United States to modify (A) existing strategic offensive forces (including modifications involving the development of additional penetration aids), and (B) current strategic doctrine and tactics; and

[(2) shall consider whether the actions of the United States described in paragraph (1) could be accomplished over the same period of time that the Soviet Union would require to deploy such an antiballistic missile system.

[(c) Report.—Not later than January 1, 1989, the President shall submit to Congress a report, in both a classified and an unclassified version, specifying the results of the study conducted pursuant to this section. The report shall include such recommendations as the President considers appropriate, including recommendations with regard to maintaining the deterrent value of the strategic forces of the United States in light of the antiballistic missile capability and activities of the Soviet Union described in the report.]

* * * * *

Section 404. United States/Soviet Direct Communications Link

Joint Resolution Authorizing the Secretary of Defense To Provide to the Soviet Union, on a Reimbursable Basis, Equipment and Services Necessary for an Improved

United States/Soviet Direct Communication Link for Crisis Control

Whereas section 1123(a) of the Department of Defense Authorization Act, 1983 (Public Law 97-252), directed the Secretary of Defense "to conduct a full and complete study and evaluation of possible initiatives for improving the containment and control of the use of nuclear weapons, particularly during crises;

Whereas the Congress directed that the same study should address several specific measures for building confidence between the United States and the Soviet Union, including an improved Direct Communications Link for crisis control;

Whereas the Secretary of Defense responded to that congressional mandate with a report entitled "Report to the Congress on Direct Communications Links and Other Measures to Enhance Stability" in which the Secretary proposed several improvements to existing United States-Soviet mechanisms for the prevention and resolution of crises, including the addition of a facsimile capability to the United States/Soviet Union Direct Communications Link;

Whereas the President of the United States presented the recommendations of the Secretary of Defense to the Government of the Soviet Union in May 1983;

Whereas the United States and the Soviet Union commenced negotiations on bilateral communications improvements in August 1983, and on July 17, 1984, concluded the Exchange of Notes Between the United States of America and the Union of Soviet Socialist Republics Concerning the Direct Communications Link Upgrade in which the two governments agreed to add a facsimile capability to the Direct Communications Link;

Whereas the Congress endorses that agreement and remains committed to all possible measures to facilitate the resolution of international crises and to limit the danger of conflict;

Whereas the Secretary of Defense is responsible for the installation, maintenance, and operation of the Direct Communications Link equipment for the United States; and

Whereas the Exchange of Notes Between the United States of America and the Union of Soviet Socialist Republics Concerning the Direct Communications Link Upgrade provides that the United States Government will provide to the Union of Soviet Socialist Republics, at cost, the equipment and services necessary for the Soviet Union part of the improved direct Communications Link: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Defense may provide [to the Soviet Union] *to Russia*, as provided in the Exchange of Notes Between the United States of America and the Union of Soviet Socialist Republics Concerning the Direct Communications Link Upgrade, concluded on July 17, 1984, such equipment and services as may be necessary to upgrade or maintain the [Soviet Union part] *Russian part* of the Direct Communications Link agreed to in the Memorandum of Understanding between the United States and the Soviet Union signed June 20, 1963. The Secretary shall provide such equipment and services [to the Soviet Union] *to Russia* at the cost thereof to the United States.

SEC. 2. (a) The Secretary of Defense may use any funds available to the Department of Defense for the procurement of the equipment and providing the services referred to in the first section.

(b) Funds received from [the Soviet Union] *Russia* as payment for such equipment and services shall be credited to the appropriate account of Department of Defense.

TITLE V—DIPLOMATIC RELATIONS

Section 501. Personnel Levels and Limitations

(a) * * *

[Personnel Ceiling on United States and Soviet missions

[SEC. 602. It is the sense of the Congress that the ceiling on permanent positions at the United States Mission to the Soviet Union and the Soviet Mission to the United States should not be increased unless—

[(a) the President determines that such increase is essential to the effective functioning of the United States Mission to the Soviet Union; and

[(b) the FBI is provided sufficient additional resources to fulfill its responsibilities resulting from the increased number of permanent positions at the Soviet Mission to the United States.]

(b) * * *

[SEC. 154. REPORT ON PERSONNEL OF SOVIET STATE TRADING ENTERPRISES.

[Not later than 60 days after the date of enactment of this Act, the Secretary of State shall submit to the Congress a report discussing whether the number of personnel of Soviet state trading enterprises in the United States should be reduced.]

* * * * *

(c) * * *

REPORT ON ADMISSION OF CERTAIN ALIENS

[SEC. 501. The Attorney General shall report annually to the House Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence regarding the circumstances of any admission to the United States over the objections of the Federal Bureau of Investigation, of any Soviet national employed by or assigned to a foreign mission or international organization in the United States.]

* * * * *

(d) * * *

SECTION 702 OF THE INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1987

[Soviet Mission at the United Nations

[Sec. 702(a)(1). It is the policy of the Congress that the number of nationals of the Soviet Union admitted to the United States to serve as members of the Soviet mission at the United Nations headquarters shall not substantially exceed the number of United States nationals who serve as members of the United States mission at the United Nations headquarters, unless the President determines that the admission to the United States of additional Soviet nationals be serve as members of the Soviet mission at the United Nations headquarters would be in the interest of the United States.

[(2) Beginning six months after the date of enactment of this section, and every six months thereafter, the Secretary of State shall prepare and transmit to the Committee on Foreign Relations and the Select Committee on Intelligence of the Senate and to the Committee on Foreign Affairs and the Permanent Select Committee on Intelligence of the House of Representatives a report setting forth the number of Soviet nationals admitted during the preceding six-month period to the United States pursuant to a determination of the President under paragraph (1) and their duties with the Soviet mission at the United Nations headquarters.

[(3) Nothing in this subsection may be construed as including any dependent or spouse who is not a member of a mission at the United Nations headquarters in the calculation of the number of members of a mission at the United Nations headquarters.

[(b) It is the sense of the Congress that the Secretary of State and the Attorney General should, not later than six months after the date of enactment of this section, prepare and transmit to the Committee on Foreign Relations and the Select Committee on Intelligence of the Senate and to the Committee on Foreign Affairs and the Permanent Select Committee on Intelligence of the House of Representatives a report setting forth a plan for ensuring that the number of Soviet national described in paragraph (a)(1) does not exceed the limitation described in that paragraph.

[(c) For purposes of this section—

[(1) the term "members of the Soviet mission" and "members of the United States mission" are used within the meaning of the term "members of the mission", as defined by article 1(b) of the Vienna Convention on Diplomatic Relations, done April 18, 1961; and

[(2) the term "mission at the United Nations headquarters" of a country includes all the missions of such country to the United Nations in New York City and includes missions in New York City to specialize agencies of the United Nations, as defined in article 57 of the charter of the United Nations.]

(e) * * *

[SEC. 813. DIPLOMATIC EQUIVALENCE AND RECIPROCITY.

[(a) STATEMENT OF CONGRESSIONAL POLICY.—(1) It is the policy of the Congress that the number of nationals of the Soviet Union admitted to the United States who serve as diplomatic or consular personnel of the Soviet Union to the United States shall be substantially equivalent to the number of United States nationals admitted to the Soviet Union who serve as diplomatic or consular personnel of the United States in the Soviet Union unless the President determines that the admission of additional Soviet diplomatic and consular personnel would be in the best interests of the United States.

[(2) The policy expressed in paragraph (1) does not apply to dependents or spouses who do not serve as diplomatic or consular personnel.

[(b) REPORTING REQUIREMENT.—The Secretary of State and the Attorney General shall prepare and, not later than 6 months after the date of the enactment of this Act, shall transmit to the Committee on Foreign Relations and the Select Committee on Intelligence of the Senate, and to the Committee on Foreign Affairs and the Permanent Select Committee on Intelligence of the House of Representatives, a report setting forth a plan for ensuring that the number of Soviet nationals described in subsection (a) does not exceed the limitation described in that section.

[(c) DEFINITIONS.—For purposes of this section—

[(1) the term "diplomatic or consular personnel" means the numbers of the diplomatic mission or the members of the consular post, as the case may be;

[(2) the term "members of the diplomatic mission" is used within the meaning of Article 1(b) of the Vienna Convention on Diplomatic Relations (done April 18, 1961), and

[(3) the term "members of the consular post" is used within the meaning of Article 1(g) of the Vienna Convention on Consular Relations (done April 24, 1963).]

* * * * *

Section 502. Other Provisions Related to Operation of Embassies and Consulates

(a) * * *

SEC. 132. CONSTRUCTION OF DIPLOMATIC FACILITIES.

[(a) LIMITATION.—Amounts appropriated pursuant to section 101(a)(7) shall be available for obligation and expenditure subject to the provisions of this section.

[(b) COMPREHENSIVE PLAN.—(1) Not later than 180 days after the date of enactment of this Act, the Secretary of State, in coordination with the heads of other appropriate Government agencies, shall prepare and submit to the appropriate committees of the Congress, comprehensive plan which sets forth current and future space requirements for the United States Mission in Moscow and how such requirements will be met.

[(2) In addition to such other information as the Secretary of State considers necessary and appropriate, such plan shall include detailed information concerning requirements for—

[(A) United States constructed and secure office space to house all classified or sensitive activities from the most secure to unclassified but sensitive functions;

[(B) unclassified nonsensitive office functions;

[(C) staff housing that is physically safe, secure, and adequate for the needs of the entire United States Mission, both permanent and transient;

[(D) secure and unsecured warehousing;

[(E) recreational facilities;

[(F) expanded activities of the United States Information Agency, including offices and cultural activities;

[(G) expanded consular activities of the Mission;

[(H) expanded activities of the Foreign Commercial Service of the Department of Commerce;

[(I) activities of the Immigration and Naturalization Service; and

[(J) all other anticipated United States Government space requirements.

[(3) In the preparation of such plan, the Secretary shall ensure that detailed consideration be given to at least three construction options for the new chancery building at the United States Embassy in Moscow: (A) full teardown and rebuild; (B) four floor "top hat" in which two floors are removed from the unfinished New Office Building and four floors added; and (C) a two floor "top hat" in which no floors are removed but two are added.

[(c) IMPLEMENTING DOCUMENTS.—The Secretary of State shall make available to the appropriate committees of Congress copies of all agreements, including memoranda of understanding, exchanges of letters, and all other written agreements with the governments of the Soviet Union, the Russian Republic, and the City of Moscow necessary to implement the comprehensive plan under subsection (b).

[(d) REPORT.—

[(1) Not later than 60 days before the obligation or expenditure of any funds authorized to be appropriated under section 101(a)(7), the Secretary of State and the Director of Central Intelligence shall submit to the appropriate committees of the Congress a joint written report on alternative approaches to the reconstruction of the new chancery building at the United States Embassy in Moscow (as authorized under section 101(a)(7)).

[(2) CONTENTS OF REPORT.—The report under paragraph (1) shall contain detailed comparison of the relative advantages and disadvantages of all alternatives considered with respect to the new chancery building at the United States Embassy in Moscow and shall identify the alternative selected for implementation. Such report shall include an analysis of the following factors:

[(A) Estimated cost of completion, based on comparable levels of fit, finish, and equipment.

[(B) Estimated time to completion.

[(C) Total amount of secure and nonsecure space available for office and other functions.

[(D) Whether classified or sensitive functions would be conducted in nonsecure ares, and, if so, how the conduct of such functions would be made secure.

[(E) Whether, and to what extent, Embassy functions or normal work practices would have to be rearranged in order to accommodate limitations on secure space.

[(e) EXTRAORDINARY SECURITY SAFEGUARDS.—]

[(1) In] *(a) Extraordinary Security Safeguards.—In* carrying out the reconstruction project for the new chancery building at the United States Embassy in Moscow, the Secretary of State shall ensure that extraordinary security safeguards are implemented with respect to all aspects of security, including materials, logistics, construction methods, and site access.

[(2) Such] *(b) Safeguards To Be Included.—Such* extraordnary security safeguards under [paragraph (1)] subsection (a) shall include the following:

[(A)] *(1)* Exclusive United States control over the site during reconstruction.

[(B)] *(2)* Exclusive use of United States or non-Soviet materials with respect to the new chancery structure.

[(C)] *(3)* Exclusive use of United States workmanship with respect to the new chancery structure.

[(D)] *(4)* To the extent feasible, prefabrication in the United States of major portions of the new chancery.

[(E)] *(5)* Exclusive United States control over construction materials during the entire logistical process of reconstruction.

[(h) CONFORMING AMENDMENTS.—

[(1) Section 304 of Public Law 100–202 (The Department of Commerce, Justice, and State, the Judiciary and Related Agencies Appropriations Act, 1988) is repealed.

[(2) Section 154 of Public Law 99–93 (The Foreign Relations Authorization Act, Fiscal Years 1986 and 1987) is repealed.

[(3) The Supplement Appropriations Act 1985 (P.L. 99–88) is amended under the heading "ACQUISITION, OPERATION, AND MAINTENANCE OF BUILDING ABROAD" for the Department of State by striking out ": *Provided,*" and all that follows before the period at the end of subsection (d).

[(i) DEFINITIONS.—For the purpose of this section, the term "appropriate committee of Congress", means the Committee on Foreign Affairs, the Committee on Appropriations, and the Select Committee on Intelligence of the House of Representatives and the Committee on Foreign Relations, the Committee on Appropriations, and the Select Committee on Intelligence of the Senate.

[(j) Establishment of Additional United States Missions in the Soviet Union.—Not later than 120 days after the date of enactment of this Act, the Secretary of State shall prepare and submit a report to the Congress outlining plans for the establishment of additional United States missions in the former Soviet Union. Particular priority should be placed on establishing an appropriate United States presence in Tbilisi, Georgia; Kishinev, Moldavia; Yerevan, Armenia; and Khabarovsk, Russia or another suitable nearby location in the Russian Far East. Such report shall include the number of missions and personnel, projected costs, and the ramifications regarding reciprocity for Soviet missions in the United States.

(b) * * *

[SEC. 133. POSSIBLE MOSCOW EMBASSY SECURITY BREACH.

[Not later than 90 days after the date of the enactment of this Act, the Secretary of State shall prepare and submit to the Congress a report on the extent to which United States assets were compromised by Soviet "firefighters" in the March 1991 fire at the United States Embassy complex in Moscow. Such report shall include an accounting of the Embassy's political, military, communications, and intelligence capabilities, and shall be submitted in classified, as well as unclassified, form.]

* * * * *

(c) * * *

[SEC. 134. UNITED STATES-SOVIET RECIPROCITY IN MATTERS RELATING TO EMBASSIES.

(a) WAIVER OF RESTRICTION REGARDING SOVIET CONSULATES IN THE UNITED STATES.—(1) Notwithstanding section 153(b) of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100–204) and subject to paragraph (2), the Secretary of State may allow the Soviet mission to the United States to occupy, on the basis of reciprocity, a consulate facility in the United States.

[(2) Paragraph (1) shall apply only after the Secretary of State certifies to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate that the United States mission in Kiev is able to occupy an interim facility intended from the conduct of unclassified activities.

[(b) Reports to Congress.—Not later than January 30, 1991, the Secretary of State shall develop and submit to the Congress a long term plan for acquiring secure permanent facilities for the United States mission in Kiev, together with a budget proposal to implement such plan.]

* * * * *

(d) * * *

[SEC. 1232. REASSESSMENT OF SOVIET ELECTRONIC ESPIONAGE CAPABILITY FROM MOUNT ALTO EMBASSY SITE.

[(a) FINDING.—The Congress finds that the report submitted by the Secretary of Defense pursuant to section 1122 of the National Defense authorization Act for Fiscal Years 1988 and 1989 (Public Law 100–180)—

[(1) contains insufficient detail (even in the classified portion) for a review and assessment of the present and potential capabilities of the Government of the Soviet Union to intercept United States communications involving diplomatic, military, and intelligence matters from facilities on Mount Alto in the District of Columbia, as required by subsection (a) of that section; and

[(2) does not contain a determination of the Secretary of Defense as to whether or not the present and proposed occupation of facilities on Mount Alto by the Soviet Union is consistent with the national security of the United States, as required by subsection (b) of that section.

[(b) SUBMISSION OF NEW REPORT.—Not later than 60 days after the date of the enactment of this Act, the President shall submit a report to Congress which meets the requirements of section 1122 of the National Defense Authorization Act for Fiscal Years 1988 and 1989.]

* * * * *

(e) * * *

Diplomatic Reciprocity and Security * * *

[SEC. 151. UNITED STATES-SOVIET EMBASSY AGREEMENT: PROHIBITION ON USE OF MT. ALTO SITE.

[(a) FINDINGS.—The Congress finds that—

[(1) the Government of the Union of Soviet Socialist Republics has intentionally and substantially violated international agreements with the United States concerning the establishment and operation of the new United States Embassy complex in Moscow by significantly delaying progress and by constructing the premises of that Embassy so as to compromise the security of United States operations, thus rendering the premises unusable for the primary purpose intended under those agreements;

[(2) the Soviet Government's actions constitute a material violation of international law and a substantial default in performance under the contract for construction of the new United States Embassy complex, and the United States is entitled to claim appropriate compensation;

[(3) due to actions of the Government of the Union of Soviet Socialist Republics, United States Government personnel cannot pursue their official duties in confidence, as the national security and diplomatic relations of the United States requires, within the new United States Embassy being constructed in Moscow;

[(4) the Government of the Union of Soviet Socialist Republics has similarly taken steps to impair the full and proper use of the present United States Embassy in Moscow, to the detriment of the national security of the United States and its ability to conduct diplomatic relations;

[(5) as a result of the substantial violations by the Soviet Union of these international agreements with the United States and other Soviet violations of international law, the United States is entitled to terminate, in whole or in part, those agreements;

[(6) termination of such agreements may include withdrawal of rights and privileges otherwise granted to the Soviet Union concerning the establishment of a new Soviet Embassy complex in Washington, District of Columbia;

[(7) the location of the new Soviet Embassy on Mount Alto creates serious concerns with respect to electronic surveillance and potential damage to the national security of the United States; and

[(8) to protect the national security of the United States, therefore, the United States should exercise its right to terminate the Embassy agreements in view of the substantial and intentional Soviet breaches thereof, unless the threat to the national security posed by adherence to those agreements can be overcome.

[(b) WITHDRAWAL FROM EMBASSY AGREEMENT.—The United States shall withdraw from the Agreement between the Government of the United States and the Government of the Union of Soviet Socialist Republics on the Reciprocal Allocation for Use Free of Charge of Plots of Land in Moscow and Washington (signed at Moscow, May 16, 1969) and related agreements, notes, and understandings unless the President makes the determinations and waiver under subsection (c).

[(c) WAIVER.—

[(1) PRESIDENTIAL DETERMINATIONS REQUIRED.—The President may waive subsection (b) if he determines that—

[(A) it is vital to the national security of the United States that the United States not withdraw from the agreement (and related agreements, notes, and understanding) referred to in subsection (b);

[(B) steps have been or will be taken that will ensure that the new chancery building to be occupied by the United States Embassy in Moscow can be safely and securely used for its intended purposes; and

[(C) steps have been or will be taken to eliminate, no later than 2 years after the date of enactment of this Act, the damage to the national security of the United States due to electronic surveillance for Soviet facilities on Mount Alto.

[(2) WHEN DETERMINATIONS MAY BE MADE.—The President may not make the determination and waiver permitted by paragraph (1) before the end of the 6-month period beginning on the date of enactment of this Act.

[(3) REPORT TO CONGRESS.—The waiver permitted by paragraph (1) shall not be effective until 30 days after the determinations and waiver are reported to the Congress. Any such report shall include—

[(A) a detailed justification for each of the determinations;

[(B) an assessment of the impact on national security of the removal of the Soviet Embassy from Mt. Alto; and

[(C) specify the steps that have been or will be taken to achieve the requirements of paragraphs (1)(B) and (C).

[(4) NONDELEGATABILITY.—The President may not delegate the responsibility for making the determination and waiver permitted by paragraph (1).

[(d) NOTIFICATION OF UNAVAILABILITY OF MOUNT ALTO.—If the President does not waive subsection (b), the Secretary of State shall notify the Government of the Union of Soviet Socialist Republics that the Mount Alto site will cease to be available to that Government for any purpose as of the date which is 1 year and 10 days after the earliest date on which the President could make the waiver under subsection (c).

[(e) PROHIBITION ON FUTURE USE OF MOUNT ALTO SITE BY FOREIGN MISSIONS.—If subsection (b) takes effect, the Mount Alto site may not be made available for use thereafter by a foreign mission for any purpose.

[SEC. 152. RECOVERY OF DAMAGES INCURRED AS A RESULT OF SOVIET INTELLIGENCE ACTIVITIES DIRECTED AT THE NEW UNITED STATES EMBASSY IN MOSCOW.

[It is the sense of the Congress that the arbitration process between the United States and the Union of Soviet Socialist Republics, which is currently under way with respect to damages arising from delays in the construction of the new United States Embassy in Moscow, should include Soviet reimbursement of the full costs incurred by the United States as a result of the intelligence activities of the Soviet Union directed at the new United States Embassy in Moscow.

[SEC. 153. UNITED STATES-SOVIET RECIPROCITY IN MATTERS RELATING TO EMBASSIES.

[(a) REQUIREMENT FOR RECIPROCITY IN CERTAIN MATTERS.—The Secretary of State shall exercise the authority granted in title II of the State Department Basic Authorities Act of 1956 (relating to foreign missions) to obtain the full cooperation of the Soviet Government in achieving the following objectives by October 1, 1989:

[(1) FINANCE.—United States diplomatic and consular posts in the Soviet Union not pay more than fair value for goods or services as a result of the Soviet Government's control over Soviet currency valuation and over the pricing of goods and services.

[(2) ACCESS TO GOODS AND SERVICES.—United States diplomatic and consular posts in the Soviet Union have full access to goods and services, including utilities.

[(3) REAL PROPERTY.—The real property used for office purposes, the real property used for residential purposes, and the real property used for all other purposes by United States diplomatic and consular posts in the Soviet Union is comparable in terms of quantity and quality to the real property used for each of those purposes by diplomatic and consular posts of the Soviet mission to the United States.

[(b) SOVIET CONSULATES IN THE UNITED STATES.—The Secretary of State shall not allow the Soviet mission to the United States to occupy any new consulate in the United States until the United States mission in Kiev is able to occupy secure permanent facilities.

[(c) SECRETARY OF THE TREASURY.—The Secretary of the Treasury shall provide to the Secretary of State such assistance with respect to the implementation of paragraph (1) of subsection (a) as the Secretary of State may request.

[(d) REPORTS TO CONGRESS.—Not later than 60 days after the date of enactment of this Act and annually thereafter, the Secretary of State shall submit to the Congress a report setting forth the actions taken and planned to be taken in carrying out subsection (a)

[(e) DEFINITION OF BENEFIT.—Paragraph (1) of section 202(a) of title II of the State Department Basic Authorities Act of 1956 (22 U.S.C. 4302(a)(1); commonly referred to as the Foreign Missions Act) is amended—

[(1) by striking out "and" at the end of subparagraph (E);

[(2) in subparagraph (F), by inserting "and" after "services,"; and

[(3) by inserting after subparagraph (F) the following new subparagraph:

["(G) financial and currency exchange services,".

(f) * * *

[SEC. 1122. ASSESSMENT OF SOVIET ELECTRONIC ESPIONAGE CAPABILITY FROM MOUNT ALTO EMBASSY SITE

[(a) REVIEW AND ASSESSMENT.—The Secretary of Defense shall review and assess the present and potential capabilities of the Government of the Soviet Union to intercept United States communications involving diplomatic, military, and intelligence matters from facilities on Mount Alto in the District of Columbia. The Secretary shall submit to Congress a report on such review and assessment not later than 90 days after the date of the enactment of this Act.

[(b) DETERMINATION OF CONSISTENCY WITH NATIONAL SECURITY.—The report required by subsection (a) shall include a determination by the Secretary of Defense as to whether or not the present and proposed occupation of facilities on Mount Alto by the Government of the Soviet Union is consistent with the national security of the United States.

[(c) CLASSIFICATION OF REPORT.—The report required by subsection (a) shall be submitted in both a classified and unclassified form, except that the determination required by subsection (b) shall be submitted in an unclassified form.

[(d) LIMITATION ON DELEGATION.—The Secretary of Defense may not delegate the duty to make the determination required by subsection (b).]

* * * * *

(g) * * *

[ASSESSMENT OF SOVIET ELECTRONIC ESPIONAGE CAPABILITY

[SEC. 901. (a) REVIEW AND ASSESSMENT.—The Secretary of Defense shall review and

assess the present and potential capabilities of the Government of the Soviet Union to intercept United States communications involving diplomatic, military, and intelligence matters from facilities on Mount Alto in the District of Columbia. The Secretary shall submit to Congress a report on such review and assessment not later than ninety days after the date of the enactment of this Act.

[(b) DETERMINATION OF CONSISTENCY WITH NATIONAL SECURITY.—The report required by subsection (a) shall include a determination by the Secretary of Defense as to whether or not the present and proposed occupation of facilities on Mount Alto by the Government of the Soviet Union is consistent with the national security of the United States.

[(c) CLASSIFICATION OF REPORT.—The report required by subsection (a) shall be submitted in both classified and unclassified form, and the determination required by subsection (b) shall be submitted in an unclassified form.

[(d) LIMITATION OF DELEGATION.—The Secretary of Defense may not delegate the duty to make the determination required by subsection (b).]

(h) * * *

SEC. 1364. FOREIGN ESPIONAGE ACTIVITIES IN THE UNITED STATES.

[(a) CONGRESSIONAL FINDINGS AND POLICIES.—The Congress makes the following findings:

[(1) The conduct of espionage activities (including the collection of classified and unclassified technological information) by the diplomatic and consular missions of the Soviet Union and certain other foreign diplomatic and consular missions within the United States (as well as by certain employees of international organizations acting on behalf of the Soviet Union or certain other foreign countries) represents a grave threat to the security of the United States.

[(2) The conduct of such activities constitutes a gross abuse of the rights, privileges, and immunities accorded to persons assigned to such missions, including the right to enter and reside within the United States (or any particular area thereof).

[(3) The Soviet Union and certain other countries take advantage of the free and open society of the United States to carry out espionage against the United States.

[(4) The United States should take immediate and effective action to counteract espionage by the Soviet Union and certain other countries.

[(5) It is fully consistent with international law and the international obligations of the united States to take reasonable measures to prevent such activities, including measures which would (A) impose restrictions on the travel of such foreign officials within the United States, and (B) close to such officials certain areas of the United States.

[(b) CONGRESSIONAL POLICY.—] The Congress declares that it is the policy of the United States to impose appropriate restrictions (including travel restrictions) on the official representatives of any foreign country, as well as upon the nationals of such country who are employed by international organizations, when the President determines that a pattern of abuses by that nation exists.

[(c) REPORT ON FOREIGN ESPIONAGE.—(1) The President shall submit to the Committee on Foreign Relations and the Select Committee on Intelligence of the Senate and to the Committee on Foreign Affairs and the Permanent Select Committee on Intelligence of the House of Representatives a report on foreign espionage in the United States. Such report shall include the following:

[(A) An assessment of the effect of espionage activities in the United States conducted by the Soviet Union and certain other countries whose intelligence activities pose a threat to the national security of the United States.

[(B) An assessment of how such countries use the freedom to travel within the United States, accorded to the officials of such countries, to engage in espionage activities against the United States.

[(C) An assessment of the advantage and disadvantages of the principle of diplomatic reciprocity and the consequences of such reciprocity on the national security of the United States.

[(D) Recommendations for measures to curtail espionage against the United States, including the following:

[(i) Prohibiting the personnel of certain foreign governments and certain international organizations from traveling in designated areas of the United States.

[(ii) Identifying the governments to whose nationals such restrictions are to apply.

[(iii) Identifying those foreign governments which have closed certain areas of their countries to United States diplomatic and consular personnel and, in the case of each such country, the number of such closed areas and the size of such areas in relation to the total area of the country.

[(2) The report shall be prepared under the direction of the Secretary of State and in close cooperation with the Secretary of Defense, the Director of Central Intelligence, and the Director of the Federal Bureau of Investigation.

[(3) The report required by paragraph (1) shall be submitted in both a classified and unclassified version.

[(4) Such report shall be submitted not later than March 1, 1987.]

Section 503. Foreign Service Buildings Act

SEC. 4. (a) * * *

* * * * *

[(j) For the purpose of carrying into effect the provisions of this Act in the Union of Soviet Socialist Republics, there is authorized to be appropriated, in addition to amounts authorized prior to the enactment of this subsection, $30,000,000, which amount is authorized to remain available until expended.]

TITLE VI—OCEANS AND THE ENVIRONMENT

Section 601. Arctic Research and Policy Act.

Section 102 of the Arctic Research and Policy Act of 1984

FINDINGS AND PURPOSES

SEC. 102. (a) The Congress finds and declares that—

(1) the Arctic, onshore and offshore, contains vital energy resources that can reduce the Nation's dependence on foreign oil and improve the national balance of payments;

(2) [as the Nation's only common border with the Soviet Union,] the Arctic is critical to national defense;

* * * * *

(10) most Arctic-rim countries, [particularly the Soviet Union,] possess Arctic technologies far more advanced than those currently available in the United States;

* * * * *

Section 602. Fur Seal Management

THE ACT OF NOVEMBER 2, 1966[1] (POPULARLY KNOWN AS THE FUR SEAL ACT OF 1966)

SEC. 101. (a) * * *

* * * * *

(h) "Party" or "parties" means the United States of America, Canada, Japan, and [the Union of Soviet Socialist Republics] *Russia (except that as used in subsection (b) of this section, "party" and "parties" refer to the Union of Soviet Socialist Republics).*

* * * * *

SEC. 102. It is unlawful, except as provided in this Act or by regulation of the Secretary, for any person or vessel subject to the jurisdiction of the United States to engage in the taking of fur seals in the North pacific Ocean or on lands or waters under the jurisdiction of the United States, or to use any port or harbor or other place under the jurisdiction of the United States for any purpose connected in any way with such taking, or for any person to transport, import, offer for sale, or possess at any port or place or on any vessel, subject to the jurisdiction of the United States, fur seals or the parts thereof, including, but not limited to, raw, dressed, or dyed fur seal skins, taken contrary to the provisions of this Act or the Convention, or for any person subject to the jurisdiction of the United States to refuse to permit, except within the Exclusive Economic Zone of the United States, a duly authorized official of Canada, Japan, or [the Union of Soviet Socialist Republics] *Russia* to board and search any vessel which is outfitted for the harvesting of living marine resources and which is subject to the jurisdiction of the United States to determine whether such vessel is engaged in sealing contrary to the provisions of said Convention.

* * * * *

Section 603. Global Climate Protection.

SEC. 1106. CLIMATE PROTECTION AND [UNITED STATES-SOVIET RELATIONS] *UNITED STATES RELATIONS WITH THE INDEPENDENT STATES OF THE FORMER SOVIET UNION*

In recognition of the respective leadership roles in the United States and the [Soviet Union] *independent states of the former Soviet Union* in the international arena, and of [their joint role as the world's two major] *the extent to which they are* producers of atmospheric pollutants, the Congress urges that the President accord the problem of climate protection a high priority on the agenda of [United States-Soviet relations] *United States relations with the independent states.*

* * * * *

TITLE VII—REGIONAL AND GENERAL DIPLOMATIC ISSUES

Section 701. United Nations Assessments

Section 717 of the International Security and Development Cooperation Act of 1981

Sec. 717. (a) The Congress finds and declares that—

(1) the financing of the United Nations is the collective responsibility of all member nations;

(2) the International Court of Justice has determined that the expenses of the United Nations incurred in its peacekeeping operations are properly included as a part of the regular expenses of the United Nations; *and*

(3) peacekeeping operations are vital to the mission of the United Nations and must be adequately financed if such operations are to continue[; and].

[(4) the Government of the Union of Soviet Socialist Republics is currently $180,000,000 in arrears on its payments to the United Nations, primarily as a result of its refusal to pay for the peacekeeping operations of the United Nations.]

(b) It is the sense of the Congress that the President, acting through the Permanent

Representatives of the United States to the United Nations, should undertake [a diplomatic initiative to obtain payment by the Government of the Union of Soviet Socialist Republics of all its outstanding financial obligations to the United Nations, including its] *appropriate diplomatic initiatives to ensure that members of the United Nations make payments of all their outstanding financial obligations to the United Nations, including their* assessments with respect to the peacekeeping operations of the United Nations.

Section 702. Soviet Occupation of Afghanistan.

[SEC. 1241. SOVIET OCCUPATION OF AFGHANISTAN.

[(a) FINDINGS ON SOVIET ACTIONS IN AFGHANISTAN.—The Congress finds that—

[(1) the Soviet Union has been waging war against the people of Afghanistan since the invasion of Decmber 25, 1979;

[(2) the victims of the Soviet invasion and occupation include more than 1,000,000 dead and more than 3,000,000 Afghans forced to find refuge in neighboring countries;

[(3) Soviet military tactics have included the bombing and napalming of villages without regard to the human toll, the destruction of crops, agricultural land, and orchards so as to create famine conditions, and the massacre of hostages and other innocent civilians;

[(4) children have been particular victims of Soviet aggression, with some being targeted for death by the dropping of booby-trapped toys while other children have been transported to the Soviet Union for indoctrination;

[(5) the Soviet-installed puppet regime has engaged in a consistent pattern of gross violations of the human rights of its own citizens, including torture and summary execution, for which its Soviet sponsors must also be held accountable; and

[(6) Soviet actions in Afghanistan constitute a violation of international law and of accepted norms of human decency and, therefore, must be condemned by civilized people everywhere.

[(b) FINDINGS ON THE AFGHAN RESISTANCE.—The Congress further finds that—

[(1) The Afghan people have heroically resisted the Soviet invaders in spite of the tremendous cost of so doing and now control most of their homeland;

[(2) the provision of effective assistance to the Afghan people is an obligation of those who cherish freedom;

[(3) a total and prompt withdrawal of all Soviet forces from Afghanistan is essential in order for the Afghan people to exercise their inalienable human right to self-determination; and

[(4) a negotiated settlement providing for the total and prompt withdrawal of Soviet forces offers the best prospect for an early end to the suffering of the Afghan people.

[(c) DECLARATION OF POLICY.—The Congress, therefore, declares it to be the policy of the United States—

[(1) to provide such assistance to the Afghan people as will most effectively help them resist the Soviet invaders;

[(2) to support a negotiated settlement to the Afghanistan war providing for the prompt withdrawal of all Soviet forces from Afghanistan within a time frame based solely on logistical criteria; and

[(3) to communicate clearly to the Government and people of the Soviet Union the necessity of a Soviet withdrawal from Afghanistan as a condition for better relations between the United States and the Soviet Union.

[(d) PROVISION OF ASSISTANCE.—The President and Secretary of State are directed to adopt policies and program to ensure that all assistance intended for the Afghan people reaches its intended recipients and that theft or diversion of such assistance not be tolerated.]

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Section 703. Angola

Section 405 of the International Security Assistance and Arms Export Control Act of 1976

[SOVIET INTERVENTION IN ANGOLA

[SEC. 405. The Congress views the large-scale and continuing Soviet intervention in Angola, including active sponsorship and support of Cuban armed forces in Angola, as being completely inconsistent with any reasonably defined policy of detente, as well as with Article 1 and 2 of the United Nations Charter, the principle of noninterference in the affairs of other countries agreed to at Helsinki in 1975, and with the spirit of recent bilateral agreements between the United States and the Union of Soviet Socialist Republics. Such intervention should be taken explicitly into account in United States foreign policy planning and negotiations.]

Section 704. Self Determination of the People from the Baltic States

SEC. 1206. SELF-DETERMINATION OF THE PEOPLE FROM THE BALTIC STATES OF ESTONIA, LATVIA, AND LITHUANIA.

It is the sense of the Congress that—

(1) the continuing desire and right of the people of the Baltic States of Estonia, Latvia, and Lithuania for freedom and independence [from the Soviet Union] should be recognized; and

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Section 705. Obsolete references in Foreign Assistance Act

Foreign Assistance Act of 1961.

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PART II

CHAPTER 1—POLICY

SEC. 501. STATEMENT OF POLICY.—The Congress of the United States reaffirms the policy of the United States to achieve international peace and security through the United Nations so that armed force shall not be used except for individuals or collective self-defense. The Congress hereby finds that the efforts of the United States and other friendly countries to promote peace and security continue to require measures of support based upon the principle of effective self-help and mutual aid. It is the purpose of this part to authorize measures in the common defense against internal and external aggression, including the furnishing of military assistance, upon request, to friendly countries and international organizations. In furnishing such military assistance, it remains the policy of the United States to continue to exert maximum efforts to achieve universal control of weapons of mass destruction and universal regulation and reduction of armaments, including armed forces, under adequate safeguards to protect complying countries against violation and invasion.

The Congress recognizes that the peace of the world and the security of the United States are endangered so long as [international communism and the countries it controls] *hostile countries* continue by threat of military action, by the use of economic pressure, and by internal subversion, or other means to attempt to bring under their domination peoples now free and independent and continue to deny the rights of freedom and self-government to peoples and countries once free but now subject to such domination.

It is the sense of the Congress that an important contribution toward peace would be made by the establishment under the Organization of American States of an international military force.

In enacting this legislation, it is therefore the intention of the Congress to promote the peace of the world and the foreign policy, security, and general welfare of the United States by fostering an improved climate of political independence and individual liberty, improving the ability of friendly countries and international organizations to deter or, if necessary, defeat [Communist or Communist-supported] aggression, facilitating arrangements for individual and collective security, assisting friendly countries to maintain internal security, and creating an environment of security and stability in the developing friendly countries essential to their more rapid social, economic, and political progress. The Congress urges that all other countries able to contribute join in a common undertaking to meet the goals in this part.

It is the sense of the Congress that in the administration of this part priority shall be given to the needs of those countries in danger of becoming victims of [active Communist or Communist-supported aggression or those countries in which the internal security is threatened by Communist-inspired or Communist-supported internal subversion.] *aggression or in which the internal security is threatened by internal subversion inspired or supported by hostile countries.*

Finally, the Congress reaffirms its full support of the progress of the members of the North Atlantic Treaty Organization toward increased cooperation in political, military, and economic affairs. In particular, the Congress welcomes the steps which have been taken to promote multilateral programs of coordinated procurement, research, development, and production of defense articles and urges that such programs be expanded to the fullest extent possible to further the defense of the North Atlantic area.

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PART III

CHAPTER 1—GENERAL PROVISIONS

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SEC. 614. SPECIAL AUTHORITIES—(a)(1) * * *

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(4)(A) * * *

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(C) Not more than $50,000,000 of the $250,000,000 limitation provided in subparagraph (A)(ii) may be allocated to any one country in any fiscal year unless that country is a victim of active [Communist or Communist-supported] aggression, and not more than $500,000,000 of the aggregate limitation of $1,000,000,000 provided in subparagraphs (A)(i) and (A)(ii) may be allocated to any one country in any fiscal year.

* * * * *

SEC. 620. PROHIBITIONS AGAINST FURNISHING ASSISTANCE.—

(a) * * *

* * * * *

(h) The President shall adopt regulations and establish procedures to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of [the Communist-bloc countries] *any country that is a*

Communist country for purposes of subsection (f).

Section 706. Review of United States Policy Toward the Soviet Union

Section 24 of the International Security Assistance Act of 1978

[UNITED STATES RELATIONS WITH THE SOVIET UNION.

[SEC. 24. (a) The Congress finds and declares that a sound and stable relationship with the Soviet Union will help achieve the objectives of the Foreign Assistance Act of 1961 and the Arms Export Control Act, strengthen the security of the United States, and improve the prospects for world peace.

[(b) Therefore, it is the sense of the Congress that the President, in cooperation with the Congress and knowledgeable members of the public, should make a full review of United States policy toward the Soviet Union. This review should cover, but not be limited to—

[(1) an overall reevaluation of the objectives and priorities of the United States in its relations with the Soviet Union,

[(2) the evolution of and sources of all bargaining power of the United States with respect to the Soviet Union and how that bargaining power might be enhanced;

[(3) what linkages do exist and what linkages should or should not exist between various elements of United States-Soviet relations such as arms control negotiations, human rights issues, and economic and cultural exchanges;

[(4) the policies of the United States toward human rights conditions in the Soviet Union and how improved Soviet respect for human rights might be more effectively achieved;

[(5) the current status of strategic arms limitations talks and whether such talks should be continued in their present framework or terminated and renewed in some other forum;

[(6) the current status of other arms control negotiations between the United States and the Soviet Union;

[(7) the challenges posed by Soviet and Cuban involvement in developing countries and a study of appropriate policy responses and instruments to meet those challenges more effectively;

[(8) the impact of our relations with the People's Republic of China on our relations with the Soviet Union;

[(9) the impact of strategic parity on relations between the United States and the Soviet Union and on the ability of the United States to meet its obligations under the North Atlantic Treaty;

[(10) United States economic, technological, scientific, and cultural relations with the Soviet Union and whether those relations are desirable and should be continued, expanded, restricted, or linked to other aspects of relations between the United States and the Soviet Union;

[(11) the evolution of Soviet domestic policies and the relationship between Soviet domestic politics and its foreign policy behavior, especially toward the United States; and

[(12) what improvements should be made in the institutions and procedures of United States foreign policy in order to ensure a coherent and effective policy towards the Soviet Union.

[(c) The President should report the results of the review called for by subsection (b) to the Congress not later than December 31, 1978.]

TITLE VIII—INTERNAL SECURITY; WORLDWIDE COMMUNIST CONSPIRACY

Section 801. Civil Defense

Section 501 of the Federal Civil Defense Act of 1950

SENSE OF CONGRESS

SEC. 501. (a) * * *

(b) It is further the sense of Congress that an improved civil defense program should be implemented which—

(1) enhances the survivability of the American people and its leadership in the event of nuclear war and thereby improves the basis for eventual recovery and reduces the Nation's vulnerability to a major attack;

(2) enhances deterrence[, contributes to perception of the United States-Soviet strategic balance and crisis stability,] and reduces the possibility that the United States might be susceptible to coercion by an enemy in times of increased tension;

* * * * *

Section 802. Report on Soviet Press Manipulation in the United States

[SEC. 147. SOVIET AND COMMUNIST DISINFORMATION AND PRESS MANIPULATION.

[Not later than one year after the date of the enactment of this Act, the Secretary of State shall prepare, in consultation with the heads of relevant Federal departments and agencies, and shall transmit to the Speaker of the House of Representatives, and to the Chairman of the Committee on Foreign Relations of the Senate, an unclassified report on Soviet and Communist disinformation and press manipulation with respect to the United States. Such report shall include a recommendation by the President on the advisability of establishing within the Department of State, a permanent office of Soviet disinformation and press manipulation. In conducting the study required by this section the Secretary may make use of suitability qualified scholars and journalists.

Section 803. Subversive Activities Control Act.

Subversive Activities Control Act of 1950

* * * * *

TITLE I—SUBVERSIVE ACTIVITIES CONTROL

[SECTION 1. (a) This title may be cited as the "Subversive Activities Control Act of 1950". (50 U.S.C. 781 note).

[(b) Nothing in this Act shall be construed to authorize, require, or establish military or civilian censorship or in any way to limit or infringe upon freedom of the press or of speech as guaranteed by the Constitution of the United States and no regulation shall be promulgated hereunder having that effect.

[NECESSITY FOR LEGISLATION

[SEC. 2. As a result of evidence adduced before various committees of the Senate and House of Representatives, the Congress hereby finds that—

[(1) There exists a world Communist movement which, in its origins, its development, and its present practice, is a world-wide revolutionary movement whose purpose it is, by treachery, deceit, infiltration into other groups (governmental and otherwise), espionage, sabotage, terrorism, and any other means deemed necessary, to establish a Communist totalitarian dictatorship in the countries throughout the world through the medium of a world-wide Communist organization. (50 U.S.C. 781(1))

[(2) The establishment of a totalitarian dictatorship in any country results in the suppression of all opposition to the party in power, the subordination of the rights of individuals to the state, the denial of fundamental rights and liberties which are characteristic of a representative form of government, such as freedom of speech, of the press, of assembly, and of religious worship, and results in the maintenance of control over the people through fear, terrorism, and brutality. (50 U.S.C. 781(2))

[(3) The system of Government known as a totalitarian dictatorship is characterized by the existence of a single political party, organized on a dictatorial basis, and by substantial identity between such party and its policies and the government and governmental policies of the country in which its exists. (50 U.S.C. 781(3))

[(4) The direction and control of the world Communist movement is vested in and exercised by the Communist dictatorship of a foreign country.

[(5) The Communist dictatorship of such foreign country, in exercising such direction and control and in furthering the purposes of the world Communist movement, establishes or causes the establishment of, and utilizes, in various countries, action organizations which are not free and independent organizations, but are sections of a world-wide Communist organization and are controlled, directed, and subject to the discipline of the Communist dictatorship of such foreign country.

[(6) The Communist action organizations so established and utilized in various countries, acting under such control, direction, and discipline, endeavor to carry out the objectives of the world Communist movement by bringing about the overthrow of existing governments by any available means, including force if necessary, and setting up Communist totalitarian dictatorships which will be subservient to the most powerful existing Communist totalitarian dictatorship. Although such organizations usually designate themselves as political parties, they are in fact constituent elements of the world-wide Communist movement and promote the objectives of such movement by conspiratorial and coercive tactics, instead of through the democratic processes of a free elective system or through the freedom-preserving means employed by a political party which operates as an agency by which people govern themselves.

[(7) In carrying on the activities referred to in paragraph (6), such Communist organizations in various countries are organized on a secret, conspiratorial basis and operate to a substantial extent through organizations, commonly known as "Communist fronts", which in most instances are created and maintained, or used, in such manner as to conceal the facts as to their true character and purposes and their membership. One result of this method of operation is that such affiliated organizations are able to obtain financial and other support from persons who would not extend such support if they knew the true purposes of, and the actual nature of the control and influence exerted upon, such "Communist fronts".

[(8) Due to the nature and scope of the world Communist movement, with the existence of affiliated constituent elements working toward common objectives in various countries of the world, travel of Communist members, representatives, and agents from country to country facilitates communication and is a prerequisite for the carrying on of activities to further the purpose of the Communist movement.

[(9) In the United States those individuals who knowingly and willfully participate in

the world Communist movement, when they so participate, in effect repudiate their allegiance to the United States, and in effect transfer their allegiance to the foreign country in which is vested the direction and control of the world Communist movement.

[(10) In pursuance of communism's stated objectives, the most powerful existing Communist dictatorship has, by the methods referred to above, already caused the establishment in numerous foreign countries of Communist totalitarian dictatorships, and threatens to establish similar dictatorships in still other countries.

[(11) The agents of communism have devised clever and ruthless espionage and sabotage tactics which are carried out in many instances in form or manner successfully evasive of existing law.

[(12) The Communist network in the United States is inspired and controlled in large part by foreign agents who are sent into the United States ostensibly as attaches of foreign legations, affiliates of international organizations, members of trading commissions, and in similar capacities, but who use their diplomatic or semidiplomatic status as a shield behind which to engage in activities prejudicial to the public security.

[(13) There are, under our present immigration laws, numerous aliens who have been found to be deportable, many of whom are in the subversive, criminal, or immoral classes who are free to roam the country at will without supervision or control.

[(14) One device for infiltration by Communists is by procuring naturalization for disloyal aliens who use their citizenship as a badge for admission into the fabric of our society.

[(15) The Communist movement in the United States is an organization numbering thousands of adherents, rigidly and ruthlessly disciplined. Awaiting and seeking to advance at a moment when the United States may be so far extended by foreign engagements, so far divided in counsel, or so far in industrial or financial straits, that overthrow of the Government of the United States by force and violence may seem possible of achievement, it seeks converts far and wide by an extensive system of schooling and indoctrination. Such preparations by Communist organizations in other countries have aided in supplanting existing governments. The Communist organization in the United States, pursuing its stated objectives, the recent successes of Communist methods in other countries, and the nature and control of the world Communist movement itself, present a clear and present danger to the security of the United States and to the existence of free American institutions, and make it necessary that Congress, in order for the common defense, to preserve the sovereignty of the United States as an independent nation, and to guarantee to each State a republican form of government, enact appropriate legislation recognizing the existence of such worldwide conspiracy and designed to prevent it from accomplishing its purpose in the United States.

[(16) The findings of fact contained in paragraphs (1) through (5) of this section are reiterated. Recent court decisions involving the registration provisions of this Act make it necessary to enact legislation to accomplish the purposes of such Act without the requirements of registration. Disclosure of Communist organizations and of the members of Communist-action organizations as provided in this Act is essential to the protection of the national welfare.

[DEFINITIONS

[Sec. 3. For the purposes of this title—

[(1) The term "person" means an individual or an organization.

[(2) The term "organization" means an organization, corporation, company, partnership, association, trust, foundation, or fund; and includes a group of persons, whether or not incorporated, permanently or temporarily associated together for joint action on any subject or subjects.

[(3) The term "Communist-action organization" means any organization in the United States (other than a diplomatic representative or mission of a foreign government accredited as such the Department of State) which (i) is substantially directed, dominated, or controlled by the foreign government or foreign organization controlling the world Communist movement referred to in section 2 of this title, and (ii) operates primarily to advance to objectives of such world Communist movement referred to in section 2 of this title.

[(4) The term "Communist-front organization" means any organization in the United States (other than a Communist-action organization as defined in paragraphs (3) of this section) which (A) is substantially directed, dominated, or controlled by a Communist-action organization, or (B) is substantially directed, dominated, or controlled by one or more members of a Communist-action organization, and (C) is primarily operated for the purpose of giving aid and support to a Communist-action organization, a Communist foreign government, or the world Communist movement referred to in section 2 of this title.

[(4A) The term "Communist-infiltrated organization" means any organization in the United States (other than a Communist-action organization or a Communist-front organization) which (A) is substantially directed, dominated, or controlled by an individual or individuals who are, or who within three years have been actively engaged in, giving aid or support to a Communist-action organization, a Communist foreign government, or the world Communist movement referred to in section 2 of this title, and (B) in serving, or within three years has served, as a means for (i) the giving of aid or support to any such organization, government, or movement, or (ii) the impairment of the military strength of the United States or its industrial capacity to furnish logistical or other material support required by its Armed Forces: *Provided, however*, That any labor organization which is an affiliate in good standing of a national federation or other labor organization whose policies and activities have been directed to opposing Communist organizations, any Communist foreign government, or the world Communist movement, shall be presumed prima facie not to be a "Communist-infiltrated organization"

[(5) The term "Communist organization" means any Communist-action organization, Communist-front organization, or Communist-infiltrated organization.

[(6) The term "to contribute funds or services" includes the rendering of any personal service and the making of any gift, subscription, loan, advance, or deposit, of money or of anything of value, and also the making of any contract, promise, or agreement to contribute funds or services, whether or not legally enforceable.

[(7) The term "facility" means any plant, factory or other manufacturing, producing or service establishment, airport, airport facility, vessel, pier, water-front facility, mine, railroad, public utility, laboratory, station, or other establishment or facility, or any part, division, or department of any of the foregoing. The term "defense facility" means any facility designated by the Secretary of Defense pursuant to section 5(b) of this title and which is in compliance with the provisions of such subsection respecting the posting of notice of such designation.

[(8) The term "publication" means any circular, newspaper, periodical, pamphlet, book, letter, post card, leaflet, or other publication.

[(9) The term "United States," when used in a geographical sense includes the several States, Territories, and possessions of the United States, the District of Columbia, and the Canal Zone.

[(10) The term "interstate or foreign Commerce" means trade, traffic, commerce, transportation, or communication (A) between any State, Territory, or possession of the United States (including the Canal Zone), or the District of Columbia, and any place outside thereof, or (B) within any Territory or possession of the United States (including the Canal Zone), or within the District of Columbia.

[(11) The term "Board" means the Subversive Activities Control Board created by section 12 of this title.

[(12) The term "final order of the Board" means an order issued by the Board under section 13 or 13A of this title, which has become final as provided in section 14 of this title.

[(13) The term "advocates" includes advises, recommends, furthers by overt act, and admits belief in; and the giving, loaning, or promising of support or of money or anything of value to be used for advocating any doctrine shall be deemed to constitute the advocating of such doctrine.

[(14) The term "world communism" means a revolutionary movement, the purpose of which is to establish eventually a Communist totalitarian dictatorship in any or all the countries of the world through the medium of an internationally coordinated Communist movement.

[(15) The terms "totalitarian dictatorship" and "totalitarianism" mean and refer to systems of government not representative in fact, characterized by (A) the existence of a single political party, organized on a dictatorial basis, with so close an identity between such a party and its policies and the governmental policies of the country in which it exists, that the party and the government constitute an indistinguishable unit, and (B) the forcible suppression of opposition to such party.

[(16) The term "doctrine" includes, but is not limited, to policies, practices, purposes, aims, or procedures.

[(17) The giving, loaning, or promising of support or of money or any other thing of value for any purpose to any organization shall be conclusively presumed to constitute affiliation therewith; but nothing in this paragraph shall be construed as an exclusive definition of affiliation.

[(18) "Advocating the economic, international, and governmental doctrines of world communism" means advocating the establishment of a totalitarian Communist dictatorship in any or all of the countries of the world through the medium of an internationally coordinated Communist movement.

[(19) "Advocating the economic and governmental doctrines of any other form of totalitarianism" means advocating the establishment of totalitarianism (other than world communism) and includes, but is not limited to, advocating the economic and governmental doctrines of fascism and nazism.

CERTAIN PROHIBITED ACTS

SEC. 4. [(a) It shall be unlawful for any person knowingly to combine, conspire, or agree with any other person to perform any act which would substantially contribute to the establishment within the United States of a totalitarian dictatorship, as defined in paragraph (15) of section 3 of this title, the direction and control of which is to be vested in, or exercised by or under the domination or control of, any foreign government, foreign organization, or foreign individual: *Provided, however*, That this subsection shall not apply to the proposal of a constitutional amendment.]

[(b)] *(a)* It shall be unlawful for any officer or employee of the United States or of any department or agency thereof, or of any corporation the stock of which is owned in whole or in major part by the United States or any department or agency thereof, to communicate in any manner or by any means, to any other person whom such officer or employee knows or has reason to believe to be an agent or representative of any foreign government[or an officer or member of any Communist organization as defined in paragraph (5) of section 3 of this title] any information of a kind which shall have been classified by the President (or by the head of any such department, agency, or corporation with the approval of the President) as affecting the security of the United States, knowing or having reason to know that such information has been so classified, unless such officer or employees shall have been specifically authorized by the President, or by the head of the department, agency, or corporation by which this officer or employee is employed, to make such disclosure of such information.

[(c)] *(b)* It shall be unlawful for any agent or representative of any foreign government[, or any officer or member of any Communist organization as defined in paragraph (5) of section 3 of this title,] knowingly to obtain or receive, or attempt to obtain or receive, directly or indirectly, from any officer or employee of the United States or of any department or agency thereof or of any corporation the stock of which is owned in whole or in major part by the United States or any department or agency thereof, any information of a kind which shall have been classified by the President (or by the head of any such department, agency, or corporation with the approval of the President) as affecting the security of the United States, unless special authorization for such communication shall first have been obtained from the head of the department, agency, or corporation having custody of or control over such information.

[(d)] *(c)* Any person who violates any provision of this section shall, upon conviction thereof, be punished by a fine of not more than $10,000, or imprisonment for not more than ten years, or by both such fine and such imprisonment, and shall, moreover, be thereafter ineligible to hold any office, or place of honor, profit, or trust created by the Constitution or laws of the United States.

[(e)] *(d)* Any person may be prosecuted, tried, and punished of any violation of this section at any time within ten years after the commission of such offense, notwithstanding the provisions of any other statute of limitations: *Provided*, That if at the time of the commission of the offense such person is an officer or employee of the United States or of any department or agency thereof, or of any corporation the stock of which is owned in whole or in major part by the United States or any department or agency thereof, such person may be prosecuted, tried, and punished for any violation of this section at any time within ten years after such person has ceased to be employed as such officer or employee.

[(f)] *(e)* Neither the holding of office nor membership in any communist organization by any person shall constitute per se a violation of subsection (a) or subsection (c) of this section or of any other criminal statute.

[EMPLOYMENT OF MEMBERS OF COMMUNIST ORGANIZATIONS

[SEC. 5. (a) When there is in effect a final order of the Board determining any organization to be a Communist-action organization or a Communist-front organization, it shall be unlawful—

[(1) For any member of such organization, with knowledge or notice of such final order of the Board—

[(A) in seeking, accepting, or holding any nonelective office or employment under the United States, to conceal or fail to disclose the fact that he is a member of such organization; or

[(B) to hold any nonelective office or employment under the United States; or

[(C) in seeking, accepting, or holding employment in any defense facility, to conceal or fail to disclose the fact that he is a member of such organization; or

[(D) if such organization is a Communist-action organization, to engage in any employment in any defense facility; or

[(E) to hold office or employment with any labor organization, as that term is defined in section 2(5) of the National Labor Relations Act, as amended (29 U.S.C. 152), or to represent any employer in any matter or proceeding arising or pending under that Act.

[(2) For any officer or employee of the United States or of any defense facility, with knowledge or notice of such final order of the Board—

[(A) to contribute funds or services to such organization; or

[(B) to advise, counsel or urge any person, with knowledge or notice that such person is a member of such organization, to perform, or to omit to perform, any act if such act or omission would constitute a violation of any provision of paragraph (1) of this subsection.

[(b) The Secretary of Defense is authorized and directed to designate facilities, as defined in paragraph (7) of section 3 of this title, with respect to the operation of which he finds and determines that the security of the United States requires the application of the provisions of subsection (a) of this section. The Secretary shall promptly notify the management of any facility so designated, whereupon such management shall immediately post conspicuously notice of such designation in such form and in such place or places as to give notice thereof to all employees of, and to all applicants for employment in such facility. Such posting shall be sufficient to give notice of such designation to any person subject thereto or affected thereby. Upon the request of the Secretary, the management of any facility so designated shall require such employee of the facility, or any part thereof, to sign a statement that he knows that the facility has, for the purposes of this title, been designated by the Secretary under this subsection.

[DENIAL OF PASSPORTS TO MEMBERS OF COMMUNIST ORGANIZATIONS

[Sec. 6. (a) When a Communist organization as defined in paragraph (5) of section 3 of this title is registered, or there is in effect a final order of the Board requiring such organization to register, it shall be unlawful for any member of such organization, with knowledge or notice that such organization is so registered or that such order has become final—

[(1) to make application for a passport, or the renewal of a passport, to be issued or renewed by or under the authority of the United States; or

[(2) to use or attempt to use any such passport.

[(b) When an organization is registered, or there is in effect a final order of the Board requiring an organization to register, as a Communist-action organization, it shall be unlawful for any officer or employee of the United States to issue a passport to, or renew the passport of, any individual knowing or having reason to believe that such individual is a member of such organization.

[RECORDS OF FINAL ORDERS OF THE BOARD; PUBLIC INSPECTION; REPORTS TO PRESIDENT AND CONGRESS

[SEC. 9. (a). The Board shall keep and maintain records, which shall be open to public inspection, giving the names and addresses of all organizations as to which, and individuals as to whom, there are in effect final orders of the Board issued pursuant to any of the provisions of subsections (g) through (j), inclusive, or section 13, or subsection (f) of section 13A.

[(b) Copies of all public proceedings and hearings before the Board, including the reports and orders of the Board, shall be furnished by the Board to any person upon request and upon the payment of the reasonable costs thereof as then currently fixed by the Board.

[(c) The Board shall submit to the President and to the Congress on or before June 1 of each year (and at any other time when requested by either House by resolution) a report giving the names and addresses of all Communist-action, Communist-front, or Communist-infiltrated organizations as to which, and all individual members of Communist-action organizations as to whom, there are in effect such final orders of the Board.

[USE OF THE MAILS AND INSTRUMENTALITIES OF INTERSTATE OR FOREIGN COMMERCE

[SEC. 10. It shall be unlawful for any organization with respect to which there is in effect a final order of the Board determining it to be a Communist organization as defined in paragraph (5) of section 3 of this title, or for any person with knowledge or notice of such final order acting for or on behalf of any such organization—

[(1) to transmit or cause to be transmitted, through the United States mails or by any means or instrumentality of interstate or foreign commerce, any publication which is intended to be, or which it is reasonable to believe is intended to be, circulated or disseminated among two or more persons, unless such publication, and any envelope, wrapper, or other container in which it is mailed or otherwise circulated or transmitted, bears the following, printed in such manner as may be provided in regulations prescribed by the Attorney General: "Disseminated by ———," (with the name of the organization in lieu of the blank) "an organization determined by final order of the Subversive Activities Control Board to be a Communist——— organization" (setting forth in lieu of the blank whether action, front, or infiltrated, as the case may be); or

[(2) to broadcast or cause to be broadcast any matter over any radio or television station in the United States, unless such matter

is preceded by the following statement: "The following program is sponsored by ——," (with the name of the organization in lieu of the blank) "an organization determined by final order of the Subversive Activities Control Board to be a Communist—— organization" (setting forth in lieu of the blank action, front, or infiltrated, as the case may be); or

[(3) to use the United States mails or any means, facility, or instrumentality or interstate or foreign commerce, including but not limited to radio and television broadcasts, to solicit any money, property, thing, or service, unless such solicitation if made orally is preceded by the following statement, and if made in writing or in print is preceded by the following written or printed statement: "This solicitation is made for or on behalf of ——," (with the name of the organization in lieu of the blank) "an organization determined by the final order of the Subversive Activities Control Board to be a Communist—— organization" (setting forth in lieu of the blank whether action, front, or infiltrated, as the case may be).

[DENIAL OF TAX DEDUCTIONS AND EXEMPTIONS

[SEC. 11. (a). Notwithstanding any other provisions of law, no deduction for Federal income tax purposes shall be allowed in the case of a contribution to or for the use of any organization if at the time of the making of such contribution there is in effect a final order of the Board determining such organization to be a Communist-action, Communist-front, or Communist-infiltrated organization.

[(b) No organization shall be entitled to exemption from Federal income tax, under section 501 of the Internal Revenue Code of 1954, for any taxable year if at any time during such taxable year there is in effect a final order of the Board determining such organization to be a Communist-action, Communist-front, or Communist-infiltrated organization.

[SUBVERSIVE ACTIVITIES CONTROL BOARD

[SEC. 12. (a) There is hereby established, to be known as the Subversive Activities Control Board, which shall be composed of five members, who shall be appointed by the President, by and with the advice and consent of the Senate. Not more than three members of the Board shall be members of the same political party. The terms of office of the members of the board in office on the date of enactment of the Subversive Activities Control Board Tenure Act shall expire at the time they would have expired if such Act had not been enacted. The term of office of each member of the Board appointed after the date of enactment of the Subversive Activities Control Board Tenure Act shall be for five years from the date of expiration of the term of his predecessor, except that (1) the term of office of that member of the Board who is designated by the President and is appointed to succeed one of the two members of the Board whose terms expire on August 9, 1955, shall be for four years from the date of expiration of the term of his predecessor, and (2) the term of office of any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be for the remainder of the term of his predecessor. Upon the expiration of his term of office, a member of the Board shall continue to serve until his successor shall have been appointed and shall have qualified. The President shall designate one member to serve as Chairman of the Board. Any member of the Board may be removed by the President, upon notice and hearing, for neglect of duty or malfeasance in office, but for no other cause.

[(b) A vacancy in the Board shall not impair the right of the remaining members to exercise all the powers of the Board, and three members of the Board shall, at all times, constitute a quorum. The Board shall have an official seal which shall be judicially noticed.

[(c) The Board shall at the close of each fiscal year make a report in writing to the Congress and to the President stating in detail the cases it has heard, the decisions it has rendered, the names, salaries, and duties of all employees of the Board, and an account of all moneys it has disbursed.

[(d) Each member of the Board shall receive a salary of $15,000 a year, shall be eligible for reappointment, and shall not engage in any other business, vocation, or employment.

[(e) It shall be the duty of the Board—

[(1) upon application made by the Attorney General under section 13(a) of this title, or by any organization under section 13(b) of this title, to determine whether any organization is a "Communist-action organization" within the meaning of paragraph (3) of section 3 of this title, or a "Communist-front organization" within the meaning of paragraph (4) of section 3 of this title; and

[(2) upon application made by the Attorney General under section 13(a) of this title, or by any individual under section 13(b) of this title, to determine whether any individual is a member of any organization as to which there is in effect a final order of the Board determining such organization to be a Communist-action organization and

[(3) upon any application made under subsection (a) or subsection (b) of section 13A of this title, to determine whether any organization is a Communist-infiltrated organization.

[(f) subject to the civil-service laws and Classification Act of 1949, the Board may appoint and fix the compensation of a chief clerk and such examiners and other personnel as may be necessary for the performance of its function.

[(g) The Board may make such rules and regulations, not inconsistent with the provisions of this title, as may be necessary for the performance of its duties.

[(h) There are hereby authorized to be appropriated to the Board such sums as may be necessary to carry out its functions.

[(i) The Board shall cease to exist on June 30, 1969, unless in the period beginning on the date of enactment of this subsection and ending on December 31, 1968, a proceeding under this Act shall have been instituted before the Board and a hearing under this Act shall have been conducted by the Board. On or before June 30, 1968, the Attorney General shall report to the Congress on the proceedings he has instituted before the Board under this Act during the period from the enactment of this subsection to the date of the report, and the Board shall report on the progress it has made in conducting hearings under the Act during such period. If no proceedings have been instituted before the board by the Attorney General, the Attorney General shall report his reasons for not having done so. If no hearings have been conducted, the Board shall report the reasons for not having done so. Similar reports shall be filed by the Attorney General and the Board on or before January 10, 1969, and each year thereafter, to cover the immediately preceding calendar year.

[Proceedings before the board * * *

[SEC. 13. (a) Whenever the Attorney General shall have reason to believe that any organization is a Communist-action organization or a Communist-front organization, or that any individual is a member of an organization which has been determined by final order of the Board to be a Communist-action organization, he shall file with the Board and serve upon such organization or individual, as the case may be, a petition for a determination that such organization is a Communist-action or Communist-front organization, or determining that such individual is a member of such Communist-action organization.

Each such petition shall be verified under oath, and shall contain a statement of the facts upon which the Attorney General relies in support thereof. Two or more such individual members of Communist-action organization or of any section, branch, fraction, cell, board, committee, commission, or unit thereof, may be joined as respondents in one petition for an order determining each of such individuals to be a member of such organization. A dissolution of any organization subsequent to the date of the filing of any petition for a determination that such organization is a Communist-action or Communist-front organization shall not moot or abate the proceedings, but the Board shall receive evidence and proceed to a determination of the issues: *Provided, however*, That if the Board shall find such organization to be a Communist-action or Communist-front organization as of the time of the filing of such petition and prior to its alleged dissolution, and shall find that a dissolution of the organization has in fact occurred, the Board shall enter an order determining such organization to be a Communist-action or Communist-front organization, as the case may be, and the Board shall include it as such in the appropriate records maintained pursuant to section 9 of this title, together with a notation of its dissolution.

[(b) Any organization as to which there is in effect a final order of the Board determining it to be a Communist-action or Communist-front organization, and any individual as to whom there is in effect a final order of the Board determining such individual to be a member of Communist-action organization may, not more often than once in each calendar year, file with the Board and serve upon the Attorney General a petition for a determination that such organization no longer is a Communist-action or Communist-front organization, or that such individual no longer is a member of a Communist-action organization, as the case may be. Each petition filed under this subsection shall be verified under oath, and shall contain a statement of the facts relied upon in support thereof. Upon the filing of any such petition, the Board shall serve upon each party to such proceeding a notice specifying the time and place for hearing upon such petition. No such hearing shall be conducted within twenty days after the service of such notice.

[(c)Upon the filing of any petition pursuant to subsection (a) or subsection (b) of this section, the Board (or any member thereof or any examiner designated thereby) may hold hearings, administer oaths and affirmations, may examine witnesses and receive evidence at any place in the United States, and may require by subpoena the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, and other records deemed relevant, to the matter under inquiry. Subpoenas may be signed and issued by any member of the Board or any duly authorized examiner. Subpoenas shall be issued on behalf of the organization or the individual who is a party to

the proceeding upon request and upon a statement of showing of general relevance and reasonable scope of the evidence sought. Such attendance of witnesses and the production of such documentary evidence may be required from any place in the United States at any designated place of hearing. Witnesses summoned shall be paid the same fees and mileage paid witnesses in the district courts of the United States. In case of disobedience to a subpoena, the Board may invoke the aid of any court of the United States in requiring the attendance and testimony of witnesses and the production of documentary evidence. Any of the district courts of the United States within the jurisdiction of which such inquiry is carried on may, in case of contumacy or refusal to obey a subpoena issued to any person, issue an order requiring such person to appear (and to produce documentary evidence if so ordered) and give evidence relating to the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found. No person, on the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture, shall be excused from testifying or producing documentary evidence before the Board in obedience to a subpoena of the Board issued on request of the Attorney General when the Attorney General represents that such testimony or evidence is necessary to accomplish the purposes of this title; but no natural person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he, under compulsion as provided in this subsection, may testify, or produce evidence, documentary or otherwise, before the Board in obedience to a subpoena issued by it: *Provided*, That no natural person so testifying shall be exempt from prosecution and punishment for perjury committed in so testifying. No person shall be held liable in any action in any court, State or Federal, for any damages resulting from (1) his production of any documentary evidence on any proceeding before the Board if he is required, by a subpoena issued under this subsection, to produce the evidence; or (2) any statement under oath he makes in answer to a question he is asked while testifying before the Board in response to a subpoena issued under this subsection, if the statement is pertinent to the question.

[(d)(1) All hearings conducted under this section shall be public. Each party to such proceeding shall have the right to present its case with the assistance of counsel, to offer oral or documentary evidence, to submit rebuttal evidence, and to conduct such cross-examination as may be required for a full and true disclosure of the facts. An accurate stenographic record shall be taken of the testimony of each witness, and a transcript of such testimony shall be filed in the office of the Board.

[(2) Where an organization or individual declines or fails to appear at a hearing accorded to such organization or individual by the Board in proceedings initiated pursuant to subsection (a) of this section, the Board shall, nevertheless, proceed to receive evidence, make a determination of the issues, and enter such order as shall be just and appropriate. Upon failure of an organization or individual to appear at a hearing accorded to such organization or individual in proceedings under subsection (b) of this section the Board may forthwith and without further proceedings enter an order dismissing the petition of such organization or individual.

[(3) Any person who, in the course of any hearing before the Board or any member thereof or any examiner designated thereby, shall misbehave in their presence or so near thereto as to obstruct the hearing or the administration of the provisions of this title, shall be guilty of an offense and upon conviction thereof by a court of competent jurisdiction shall be punished by a fine of not less than $500 nor more than $5,000, or by imprisonment for not more than one year, or by both such fine and imprisonment. Whenever a statement of fact constituting such misbehavior is reported by the Board to the appropriate United States attorney, it shall be his duty to bring the matter before the grand jury for its action.

[(4) the authority, function, practice, or process of the Attorney General or Board in conducting any proceeding pursuant to the provisions of this title shall not be questioned in any court of the United States, nor shall any such court, or judge or justice thereof, have jurisdiction of any action, suit, petition, or proceeding, whether for declaratory judgment, injunction, or otherwise, to question such authority, function, practice, or process, except on review in the court or courts having jurisdiction of the actions and orders of the Board pursuant to the provisions of section 14, or when such authority, function, practice, or process, is appropriately called into question by the accused or respondent, as the case may be, in the court or courts having jurisdiction of his prosecution or other proceeding (or the review thereof) for any contempt or any offense charged against him pursuant to the provisions of this title.

[(e) In determining whether any organization is a "Communist-action organization", the Board shall take into consideration—

[(1) the extent to which its policies are formulated and carried out and its activities performed, pursuant to directive or to effectuate the policies of the foreign government or foreign organization in which is vested, or under the domination or control of which is exercised, the direction and control of the world Communist movement referred to in section 2 of this title, and

[(2) the extent to which its views and polices do not deviate from those of such foreign government or foreign organization, and

[(3) the extent to which it receives financial or other aid, directly or indirectly, from or at the direction of such foreign government or foreign organization; and

[(4) the extent to which it sends members or representatives to any foreign country for instruction or training in the principles, policies, strategy, or tactics of such world Communist movements; and

[(5) the extent to which it reports to such foreign government or foreign organization or to its representatives; and

[(6) the extent to which its principal leaders or a substantial number of its members are subject to or recognize the disciplinary power of such foreign government or foreign organization or its representatives; and

[(7) the extent to which, for the purpose of concealing foreign direction, domination, or control, or of expediting or promoting its objectives, (i) it fails to disclose, or resist efforts to obtain information as to, its membership (by keeping membership lists in code, by instructing members to refuse to acknowledge membership, or by any other method); (ii) its members refuse to acknowledge membership therein; (iii) it fails to disclose, or resists efforts to obtain information as to, records other than membership lists; (iv) its meetings are secret; and (v) it otherwise operates on a secret basis; and

[(8) the extent to which its principal leaders or a substantial number of its members consider the allegiance they owe to the United States as subordinate to their obligations to such foreign government or foreign organization.

[(f) In determining whether any organization is a "Communist-front organization", the Board shall take into consideration—

[(1) the extent to which persons who are active in its management, direction, or supervision, whether or not holding office therein, are active in the management, direction, or supervision of, or as representatives or members of, any Communist-action organization, Communist foreign government, or the world Communist movement referred to in section 2; and

[(2) the extent to which its support, financial or otherwise, is derived from any Communist-action organization, Communist foreign government, or the world Communist movement referred to in section 2; and

[(3) the extent to which its funds, resources, or personnel are used to further or promote the objectives of any Communist-action organization, Communist foreign government, or the world Communist movement referred to in section 2; and

[(4) the extent to which the positions taken or advanced by it from time to time on matters of policy do not deviate from those of any Communist-action organization, Communist foreign government, or the world Communist movement referred to in section 2.

[(g) If, after hearing upon a petition filed under subsection (a) of this section the Board determines—

[(1) that an organization is a Communist-action organization or a Communist-front organization, as the case may be, it shall make a report in writing in which it shall state its findings as to the facts and shall issue and cause to be served on such organization an order determining the organization to be a Communist-action organization as the case may be;

[(2) that an individual is a member of a Communist-action organization it shall make a report in writing in which it shall state its findings as to the facts and shall issue and cause to be served on such individual an order determining such individual to be a member of a Communist-action organization.

[(h) If, after hearing upon a petition filed under subsection (a) of this section, the Board determines—

[(1) that an organization is not a Communist-action organization or a Communist-front organization, as the case may be, it shall make a report in writing in which it shall state its findings as to the facts and shall issue and cause to be served upon the Attorney General an order denying the determination sought by his petition, and shall send a copy of such order to such organization;

[(2) that an individual is not a member of any Communist-action organization, it shall make a report in writing in which it shall state its findings as to the facts and shall issue and cause to be served upon the Attorney General an order denying the determination sought by his petition, and shall send a copy of such order to such individual.

[(i) If, after hearing upon a petition filed under subsection (b) of this section, the Board determines—

[(1) that an organization no longer is a Communist-action organization or a Communist-front organization, as the case may be, it shall make a report in writing in which it shall state its findings as to the facts and shall issue and cause to be served upon the Attorney General and such organization an order determining that the organization no longer is a Communist-action organization or Communist-front organization as the case may be;

[(2) that an individual no longer is a member of any Communist-action organization, it shall make a report in writing in which it shall state its findings as to the facts and shall issue and cause to be served upon the Attorney General and such individual an order determining that such individual no longer is a member of a Communist-action organization.

[(j) If, after hearing upon a petition filed under subsection (b) of this section, the Board determines—

[(1) that an organization is a Communist-action organization or a Communist-front organization, as the case may be, it shall make a report in writing in which it shall state its findings as to the facts and shall issue and cause to be served on such organization an order denying its petition for a determination that the organization no longer is a Communist-action organization or a Communist-front organization as the case may be;

[(2) that an individual is a member of a Communist-action organization, it shall make a report in writing in which it shall state its findings as to the facts and shall issue and cause to be served upon such individual an order denying his petition for a determination that the individual no longer is a member of a Communist-action organization.

[(k) When any order of the Board issued under subsection (g), (h), (i), or (j) of this section becomes final under the provisions of section 14(b) of this title, the board shall publish in the Federal Register the fact that such order has become final, and publication thereof shall constitute notice to all persons that such order has become final.

[PROCEEDINGS WITH RESPECT TO COMMUNIST-INFILTRATED ORGANIZATIONS

[SEC. 13A. (a) Whenever the Attorney General has reason to believe that any organization is a Communist-infiltrated organization, he may file with the Board and serve upon such organization a petition for a determination that such organization is a Communist-infiltrated organization. In any proceeding so instituted, two or more affiliated organizations may be named as joint respondents. A dissolution of such organization subsequent to the date of the filing of any petition for a determination that it is Communist-infiltrated, shall not moot or abate the proceedings, but the Board shall receive evidence and proceed to a determination of the issues; *Provided, however*, That if the Board shall determine such organization to be a Communist-infiltrated organization as of the time of the filing of such petition and prior to its alleged dissolution, and shall find that a dissolution of the organization has in fact occurred, the Board shall enter an order determining such organization to be a Communist-infiltrated organization and the Board shall include it as such in the appropriate records maintained pursuant to section 9 of this title, together with a notation of its dissolution. Whenever any such petition is accompanied by a certificate of the Attorney General to the effect that the proceeding so instituted is one of exceptional public importance, such proceeding shall be set for hearing at the earliest possible time and all proceedings therein before the Board shall be expedited to the greatest practicable extent.

[(b) Any organization which has been determined under this section to be a Communist-infiltrated organization may, within six months after such determination, file with the board and serve upon the Attorney General a petition for a determination that such organization no longer is a Communist-infiltrated organization.

[(c) Each such petition shall be verified under oath, and shall contain a statement of the facts relied upon in support thereof. Upon the filing of any such petition, the Board shall serve upon each party to such proceeding a notice specifying the time and place for hearing upon such petition. No such hearing shall be conducted within twenty days after the service of such notice.

[(d) The provisions of subsection (c) and (d) of section 13 shall apply to hearings conducted under this section.

[(e) In determining whether any organization is a Communist-infiltrated organization, the Board shall consider—

[(1) to what extent, if any, the effective management of the affairs of such organization is conducted by one or more individuals who are, or within three years have been, (A) members, agents, or representatives of any Communist organization, and Communist foreign government, or the world Communist movement referred to in section 2 of this title, with knowledge of the nature and purpose thereof, or (B) engaged in giving aid or support to any such organization, government, or movement with knowledge of the nature and purpose thereof;

[(2) to what extent, if any, the policies of such organization are, or within three years have been, formulated and carried out pursuant to the direction or advice of any member, or agent, or representative of any such organization, government, or movement;

[(3) to what extent, if any, the personnel and resources of such organization are, or within three years have been, used to further or promote the objectives of any such Communist organization, government, or movement;

[(4) to what extent, if any, such organization within three years has received from, or furnished to or for the use of, any such Communist organization, government, or movement any funds or other material assistance;

[(5) to what extent, if any, such organization is, or within three years has been, affiliated in any way with any such Communist organization, government, or movement;

[(6) to what extent, if any, the affiliation of such organization, or of any individual or individuals who are members thereof or who manage its affairs, with such Communist organization, government, or movement is concealed from or is not disclosed to the membership of such organization; and

[(7) to what extent, if any, such organization or any of its members or managers are, or within three years have been, knowingly engaged—

[(A) in any conduct punishable under section 4 or 15 of this Act or under chapter 37, 105, or 115 of title 18 of the United States Code; or

[(B) with intent to impair the military strength of the United States or its industrial capacity to furnish logistical or other support required by its armed forces, in any activity resulting in or contributing to any such impairment. (50 U.S.C. 792a(e))

[(f) After hearing upon any petition filed under this section, the Board shall (1) make a report in writing in which it shall state its findings as to the facts and its conclusions with respect to the issues presented by such petition, (2) enter its order granting or denying the determination sought by such petition, and (3) serve upon each party to the proceeding a copy of such order, any order granting any determination on the question whether any organization is a Communist-infiltrated organization shall become final as provided in section 14(b) of this Act. (50 U.S.C. 792a(f))

[(g) When any order has been entered by the Board under this section with respect to any labor organization or employer (as these terms are defined by section 2 of this National Labor Relations Act, as amended, and which are organizations within the meaning of section 3 of the Subversive Activities Control Act of 1950), the Board shall serve a true and correct copy of such order upon the National Labor Relations Board and shall publish in the Federal Register a statement of the substance of such order and its effective date.

[(h) When there is in effect a final order of the Board determining that any such labor organization is a Communist-action organization, a Communist-front organization, or a Communist infiltrated organization, such labor organization shall be ineligible to—

[(1) act as representative of any employee within the meaning or for the purposes of section 7 of the National Labor Relations Act, as amended (29 U.S.C. 157);

[(2) serve as an exclusive representative of employees of any bargaining unit under section 9 of such Act, as amended (29 U.S.C. 159);

[(3) make, or obtain any hearing upon, any charge under section 10 of such Act (29 U.S.C. 160); or

[(4) exercise any other right or privilege, or receive any other benefit, substantive or procedural, provided for such Act for labor organizations.

[(i) When an order of the Board determining that any such labor organization is a Communist-infiltrated organization has become final, and such labor organization theretofore has been certified under the National Labor Relations Act, as amended, as a representative of employees in any bargaining unit—

[(1) a question of representation affecting commerce, within the meaning of section 9(c) of such Act, shall be deemed to exist with respect to such bargaining unit; and

[(2) the National Labor Relations Board, upon petition of not less than 20 percent of the employees in such bargaining unit or any person or persons acting in their behalf, shall under section 9 of such Act (notwithstanding any limitation of time contained therein) direct elections in such bargaining unit or any subdivision thereof (A) for the selection of a representative thereof for collective bargaining purposes, and (B) to determine whether the employees thereof desire to rescind any authority previously granted to such labor organization to enter into any agreement with their employer pursuant to section 8(a)(3)(ii) of such Act.

[(j) When there is in effect a final order of the Board determining that any such employer is a Communist-infiltrated organization, such employer shall be ineligible to—

[(1) file any petition for an election under section 9 of the National Labor Relations Act, as amended (29 U.S.C. 157), or participate in any proceeding under such section; or

[(2) make or obtain any hearing upon any charge under section 10 of such Act (29 U.S.C. 160); or

[(3) exercise any other right or privilege or receive any other benefit, substantive or procedural, provided by such Act for employers.

[JUDICIAL REVIEW

[SEC. 14. (a) The party aggrieved by any order entered by the Board under subsection (g), (h), (i), or (j) of section 13, or subsection (f) of section 13A, may obtain a review of such order by filing in the United States Court of Appeals for the District of Columbia, within sixty days from the date of service upon it of such order, a written petition praying that the order of the Board be set aside. A copy of such petition shall be forthwith transmitted by the clerk of the court to the Board, and thereupon the Board shall file in the court the record in the proceeding, as provided in section 2112 of Title 28. Upon the filing of such petition the court shall have jurisdiction of the proceeding and shall have power to affirm or set aside the order of the Board; but the court may in its discretion and upon its own motion transfer any action so commenced to the United States Court of Appeals for the circuit wherein the petitioner resides. The findings of the Board as to the facts, if supported by the preponderance of the evidence, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material, the court may order such additional evidence to be taken before the Board and to be adduced upon the proceeding in such manner and upon such terms and conditions as to the court may seem proper. The Board may modify its findings as to the facts, by reason of the additional evidence so taken, and it shall file such modified or new findings, which, if supported by the preponderance of the evidence shall be conclusive, and its recommendations, if any, with respect to action in the matter under consideration. If the court shall set aside an order issued under subsection (j) of section 13, or under subsection (f) of section 13A, it may, in the case of an organization, enter a judgment requiring the Board to issue an order determining that such organization no longer is a Communist-action organization, Communist-front organization, or a Communist-infiltrated organization, as the case may be, or in the case of an individual, enter a judgment requiring the Board to issue an order determining that such individual no longer is a member of a Communist-action organization. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari, as provided in title 28, United States Code, section 1254.

[(b) Any order of the Board issued under section 13, or subsection (f) of section 13A, shall become final—

[(1) upon the expiration of the time allowed for filing a petition for review, if no such petition has been duly filed within such time; or

[(2) upon the expiration of the time allowed for filing a petition for certiorari, if the order of the Board has been affirmed or the petition for review dismissed by a United States Court of Appeals, and no petition for certiorari has been duly filed; or

[(3) upon the denial of a petition for certiorari, if the order of the Board has been affirmed or the petition for review dismissed by a United States Court of Appeals; or

[(4) upon the expiration of ten days from the date of issuance of the mandate of the Supreme Court, if such Court directs that the order of the Board be affirmed or the petition for review dismissed.

[Penalties * * *

[SEC. 15. Any organization which violates any provision of section 10 of this title shall, upon conviction thereof, be punished for such violation by a fine of not more than $10,000. Any individual who violates any provision of section 5 or 10 of this title shall, upon conviction thereof, be punished for each such violation by a fine of not more than $10,000 or by imprisonment for not more than five years, or by both such fine and imprisonment.

[Applicability of Administrative Procedure Act * * *

[SEC. 16. Nothing in this title shall be held to make the provisions of the Administrative Procedure Act inapplicable to the exercise of functions, or the conduct of proceedings, by the Board under this title.]

* * * * *

Section 804. Report on Soviet and International Communist Behavior.

[SEC. 155. SOVIET AND INTERNATIONAL COMMUNIST BEHAVIOR.

[Not later than one year after the date of enactment of this section, the Secretary of State shall prepare and transmit to the Speaker of the House of Representatives, and to the chairman of the Committee on Foreign Relations of the Senate, an unclassified report on the advisability of establishing a permanent office in the Department of State to study Soviet and international Communist behavior that violates the concepts of national sovereignty and peace between nations. In conducting the study required by this section, the Secretary may make use of suitably qualified journalists and scholars.]

TITLE IX—MISCELLANEOUS

Section 901. Ballistic Missile Tests Near Hawaii.

[SEC. 1201. SOVIET BALLISTIC MISSILE TESTS NEAR HAWAII.

[(a) FINDINGS.—The Congress finds that—

[(1) the Union of Soviet Socialist Republics and the United States are presently negotiating a reduction of nuclear weapons and have recently concluded an agreement with respect to reducing the risks of accidental nuclear war,

[(2) the Soviet Union has recently conducted two tests of its heavy intercontinental ballistic missiles over trajectories similar to those which could be used in actual attacks on the Hawaiian Islands;

[(3) the announced impact points for reentry vehicles from these tests could have resulted in the overflight of sovereign United States territory, namely the Hawaiian Islands;

[(4) the Soviet Union reportedly encrypted telemetry from the flight tests in potential violation of the provisions of bilateral arms control agreements;

[(5) the Soviet Union used a directed energy device, believed to be a laser, to irradiate a United States military aircraft in international airspace that was monitoring the tests, having the potential effect of interfering with our national technical means of verification;

[(6) had this test misfired, Soviet ballistic missile test reentry vehicles could have landed among the Hawaiian Islands, and

[(7) the United States does not test strategic missiles in the direction of or in close proximity to sovereign Soviet territory.

[(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

[(1) the actions of the Soviet Union in testing intercontinental ballistic missiles in the Hawaiian region and irradiating United States monitoring aircraft are provocative, unnecessary, and inconsistent with behavior designed to reduce the risk of nuclear war;

[(2) the United States Government—

[(A) should officially and at the highest levels protest these actions by the Soviet Union and should inform the Soviet Union that it cannot tolerate flight tests in close proximity to sovereign United States territory or interference with United States monitoring aircraft; and

[(B) should seek Soviet assurances that such missile testing near United States territory and irradiation of United States territory and irradiation of United States aircraft will not occur in the future; and

[(3) the President should, within 10 days of the date of enactment of this Act, report to the Congress in both classified and unclassified form, on—

[(A) the details of these Soviet missile tests, including the irradiation of the United States monitoring aircraft;

[(B) Soviet explanations offered in response to United States protests; and

[(C) what steps will be taken to ensure that such activities will not happen in the future.

Section 902. Nondelivery of International Mail.

[SEC. 1203. SYSTEMATIC NONDELIVERY OF INTERNATIONAL MAIL ADDRESSED TO CERTAIN PERSONS RESIDING WITHIN THE SOVIET UNION.

[It is the sense of the Congress that—

[(1) the President should express to the Government of the Soviet Union the disapproval of the United States regarding the systematic nondelivery of international mail; and

[(2) at the Congress of the Universal Postal Union in Washington, District of Columbia, in 1989, the Department of State should bring to the attention of other member countries of the Universal Postal Union patterns of nondelivery of international mail by the Soviet Union contrary to the Acts of the Universal Postal Union and the delegation of the United States should ask other member countries to support the adoption of amendments to the Universal Postal Convention and other measures to encourage improved postal performance by the Soviet Union.

Section 903. State-Sponsored Harassment of Religious Groups.

(a) * * *

[SEC. 1204. UNITED STATES POLICY AGAINST PERSECUTION OF CHRISTIANS IN EASTERN EUROPE AND THE SOVIET UNION.

It is the sense of the Congress that—

(1) the President should continue to express to [the governments of the Union of Soviet Socialist Republics and Eastern European countries] *government of any country that engages in the harassment of religious groups* the deep concern and opposition of the United States with respect [to the harassment of Christians and other religious believers] *to such activities*;

(2) the government of [the Union of Soviet Socialist Republics of Eastern European] *all* countries should comply with their commitments under the United Nations Universal Declaration of Human Rights, the International Covenants of Human Rights, the Final Act of the Conference on Security and Co-operation in Europe, and the Madrid Concluding Document; and

[(3) the governments of the Union of Soviet Socialist Republics and Eastern European countries should immediately cease persecuting individuals on the basis of their faith and should afford Christians and other believers their internationally recognized right to freedom of religion.]

* * * * *

(b) * * *

[SEC. 1202. EMIGRATION OF JEWS AND OTHERS WHO WISH TO EMIGRATE FROM THE SOVIET UNION.

[It is the sense of the Congress that the Government of the Soviet Union should—

[(1) permit the emigration of Jews and others who wish to emigrate from the Soviet Union;

[(2) remove restrictions on the practice of religion and the exercise of cultural rights; and

[(3) cease the official harassment of individuals who wish to emigrate, practice their religion, exercise their cultural rights, or engage in free intellectual pursuits.

(c) * * *

[SEC. 805. POLICY TOWARD TREATMENT OF SOVIET PENTECOSTALS.

[(a) FINDINGS.—The Congress finds that—

[(1) it is the policy of the Government of the Soviet Union to hinder and deny the free practice of religion and to deny freedom to emigrate to the victims of religious persecution;

[(2) such policies are a violation of the letter and spirit of the Charter of the United Nations, the United Nations Declaration on Human Rights, and the Helsinki Final Act of the Conference on Security and Cooperation in Europe;

[(3) members of the 170-member Pentecostal Christian community living in Chuguyevka in the Soviet Far East have allegedly undergone persecution at the hands of the Soviet authorities as a result of their attempts to practice their religious beliefs;

[(4) the Soviet authorities allegedly have refused to allow members of that Pentecostal community to emigrate from the Soviet Union;

[(5) when, on Monday, May 13, 1985, four members of the Pentecostal community of Chuguyevka attempted to enter the United States Embassy in Moscow in an attempt to seek refuge and make their plight known, they were intercepted by Soviet guards stationed outside the Embassy;

[(6) in the scuffle that ensued three of the Pentecostals were beaten severely and arrested by the Soviet guards, while the fourth Pentecostal gained entrance to the Embassy and was interviewed by United States officials; and

[(7) upon agreeing to leave the United States Embassy the man was driven to the subway in a diplomatic car where he was detained by Soviet police before he could enter the subway.

[(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

[(1) the Soviet Union has acted in violation of the human rights of the Pentecostal community in Chuguyevka by hindering the practice of their religious beliefs and refusing to allow them to emigrate from the Soviet Union;

[(2) personnel of the Government of the Soviet Union acted in violation of the human rights of the four members of the Pentecostal community who attempted to enter the United States Embassy in Moscow, particularly in using excessive force in an attempt to prevent their entry;

[(3) the United States Department of State should continue through all available channels to assure the safety of the four persons who attempted to enter the United States Embassy, and to seek to persuade the Government of the Soviet Union to allow the members of the Pentecostal community in Chuguyevka to emigrate to the West; and

[(4) the Secretary of State should undertake a study of United States policy relating to the granting of asylum in United States embassies abroad and develop recommendations for the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives as to where current policy might be adjusted with relation to incidents over the past five years when asylum has been requested at United States embassies abroad.]

* * * * *

Section 904. Murder of Major Arthur Nicholson.

[SEC. 148. MURDER OF MAJOR ARTHUR D. NICHOLSON, JUNIOR.

[It is the sense of the Congress that the United States should declare persona non grata one or more senior defense attaches of the Soviet Union's mission to the United States unless the President certifies to the Congress, within 90 days after the date of the enactment of this Act.

[(1) that the Soviet Union has made a formal apology for the murder of Major Arthur D. Nicholson, Junior, and

[(2) that the Soviet Union has provided satisfactory assurances that it will adhere to agreements concerning the status and safety of military and civilian missions of western nations in the German Democratic Republic.]

GOVERNMENT SECURITIES ACT AMENDMENTS OF 1993

Mr. BIDEN. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on (S. 422) a bill to amend the Securities Exchange Act of 1934 to ensure the efficient and fair operation of the Government securities market, in order to protect investors and facilitate Government borrowing at the lowest possible cost to taxpayers, and to prevent false and misleading statements in connection with offerings of Government securities.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Amendments: Strike out all after the enacting clause, and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Securities Reform Act of 1993".

TITLE I—AMENDMENTS TO THE SECURITIES EXCHANGE ACT OF 1934

SEC. 101. EXTENSION OF GOVERNMENT SECURITIES RULEMAKING AUTHORITY.

Section 15C of the Securities Exchange Act of 1934 (15 U.S.C. 78o–5) is amended by striking subsection (g).

SEC. 102. TRANSACTION RECORDS.

(a) AMENDMENT.—Section 15C(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78o–5(d)) is amended by adding at the end thereof the following new paragraph:

"(3) GOVERNMENT SECURITIES TRADE RECONSTRUCTION.—

"(A) FURNISHING RECORDS.—Every government securities broker and government securities dealer shall furnish to the Commission on request such records of government securities transactions, including records of the date and time of execution of trades, as the Commission may require to reconstruct trading in the course of a particular inquiry or investigation being conducted by the Commission. In requiring information pursuant to this paragraph, the Commission shall specify the information required, the period for which it is required, the time and date on which the information must be furnished, and whether the information is to be furnished directly to the Commission, to the Federal Reserve Bank of New York, or to an appropriate regulatory agency or self-regulatory organization with responsibility for examining the government securities broker or government securities dealer. The Commission may require that such information be furnished in machine readable form notwithstanding any limitation in subparagraph (B).

"(B) LIMITATION; CONSTRUCTION.—The Commission shall not utilize its authority under this paragraph to develop regular reporting requirements, except that the Commission may require information to be furnished under this paragraph as frequently as necessary for particular inquiries or investigations. This paragraph shall not be construed as requiring, or as authorizing the Commission to require, any government securities broker or government securities dealer to obtain or maintain any information for purposes of this paragraph which is not otherwise maintained by such broker or dealer in accordance with any other provision of law or usual and customary business practice. The Commission shall, where feasible, avoid requiring any information to be furnished under this paragraph that the Commission may obtain from the Federal Reserve Bank of New York.

"(C) PROCEDURES FOR REQUIRING INFORMATION.—At the time the Commission requests any information pursuant to subparagraph (A) with respect to any government securities broker or government securities dealer for which the Commission is not the appropriate regulatory agency, the Commission shall notify the appropriate regulatory agency for such government securities broker or government securities dealer and, upon request, furnish to the appropriate regulatory agency any information supplied to the Commission.

"(D) CONSULTATION.—Within 90 days after the date of the enactment of this paragraph, and annually thereafter, or upon the request of any other appropriate regulatory agency, the Commission shall consult with the other appropriate regulatory agencies to determine the availability of records that may be required to be furnished under this paragraph and, for those records available directly from the other appropriate regulatory agencies, to develop a procedure for furnishing such records expeditiously upon the Commission's request.

"(E) EXCLUSION FOR EXAMINATION REPORTS.—Nothing in this paragraph shall be construed so as to permit the Commission to require any government securities broker or government securities dealer to obtain, maintain, or furnish any examination report of any appropriate regulatory agency other than the Commission or any supervisory recommendations or analysis contained in any such examination report.

"(F) AUTHORITY TO LIMIT DISCLOSURE OF INFORMATION.—Notwithstanding any other provision of law, the Commission and the appropriate regulatory agencies shall not be compelled to disclose any information required or obtained under this paragraph. Nothing in this paragraph shall authorize the Commission or any appropriate regulatory agency to withhold information from Congress, or prevent the Commission or any appropriate regulatory agency from complying with a request for information from any other Federal department or agency requesting information for purposes within the scope of its jurisdiction, or from complying with an order of a court of the United States in an action brought by the United States, the Commission, or the appropriate regulatory agency. For purposes of section 552 of title 5, United States Code, this subparagraph shall be considered a statute described in subsection (b)(3)(B) of such section 552.".

(b) CONFORMING AMENDMENTS.—(1) Section 15C(a)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78o–5(a)(4)) is amended by inserting ", other than subsection (d)(3)," after "subsection (a), (b), or (d) of this section".

(2) Section 15C(f)(2) of such Act is amended—

(A) in the first sentence, by inserting ", other than subsection (d)(3)", after "threatened violation of the provisions of this section"; and

(B) in the second sentence, by inserting "(except subsection (d)(3))" after "other than this section".

SEC. 103. LARGE POSITION REPORTING.

Section 15C of the Securities Exchange Act of 1934 (15 U.S.C. 78o–5) is amended—

(1) by redesignating subsection (f) as subsection (h); and

(2) by inserting after subsection (e) the following new subsection:

"(f) LARGE POSITION REPORTING.—

"(1) REPORTING REQUIREMENTS.—The Secretary may adopt rules to require specified persons holding, maintaining, or controlling large positions in to-be-issued or recently issued Treasury securities to file such reports regarding such positions as the Secretary determines to be necessary or appropriate for the purpose of monitoring the impact in the Treasury securities market of concentrations of positions in Treasury securities and for the purpose of otherwise assisting the Commission in the enforcement of this title. Reports required under this subsection shall be filed with the Federal Reserve Bank of New York, acting as agent for the Secretary, and shall be provided by that Federal Reserve Bank to the Commission on a timely basis.

"(2) RECORDKEEPING REQUIREMENTS.—Rules under this subsection may require persons holding, maintaining, or controlling large positions in Treasury securities to make and keep for prescribed periods such records as the Secretary determines are necessary or appropriate to ensure that such persons can comply with reporting requirements under this subsection.

"(3) AGGREGATION RULES.—Rules under this subsection—

"(A) may prescribe the manner in which positions and accounts shall be aggregated for the purpose of this subsection, including aggregation on the basis of common ownership or control; and

"(B) may define which persons (individually or as a group) hold, maintain, or control large positions.

"(4) DEFINITIONAL AUTHORITY; DETERMINATION OF REPORTING THRESHOLD.—

"(A) In prescribing rules under this subsection, the Secretary may, consistent with the purpose of this subsection, define terms used in this subsection that are not otherwise defined in section 3 of this title.

"(B) Rules under this subsection shall specify—

"(i) the minimum size of positions subject to reporting under this subsection, taking into account the purposes of this subsection and the potential for price distortions or other anomalies resulting from large positions;

"(ii) the types of positions (which may include financing arrangements) to be reported;

"(iii) the securities to be covered; and

"(iv) the form and manner in which reports shall be transmitted, which may include transmission in machine readable form.

"(5) LIMITATION ON DISCLOSURE OF INFORMATION.—Notwithstanding any other provision of law, the Secretary and the Commission shall not be compelled to disclose any information required to be kept or reported under this subsection. Nothing in this subsection shall authorize the Secretary or the Commission to withhold information from Congress, or prevent the Secretary or the Commission from complying with a request for information from any other Federal department or agency requesting information for purposes within the scope of its jurisdiction, or from complying with an order of a court of the United States in an action brought by the United States, the Secretary, or the Commission. For purposes of section 552 of title 5, United States Code, this paragraph shall be considered a statute described in subsection (b)(3)(B) of such section 552.".

SEC. 104. AUTHORITY OF THE COMMISSION TO REGULATE TRANSACTIONS IN EXEMPTED SECURITIES.

(a) PREVENTION OF FRAUDULENT AND MANIPULATIVE ACTS AND PRACTICES.—Section 15(c)(2) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(c)(2)) is amended—

(1) by inserting "(A)" after "(2)";

(2) by striking "fictitious quotation, and no municipal securities dealer" and inserting the following:

"fictitious quotation.

"(B) No municipal securities dealer";

(3) by striking "fictitious quotation. The Commission shall" and inserting the following:

"fictitious quotation.

"(C) No government securities broker or government securities dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or induce or attempt to induce the purchase or sale of, any government security in connection with which such government securities broker or government securities dealer engages in any fraudulent, deceptive, or manipulative act or practice, or makes any fictitious quotation.

"(D) The Commission shall"; and

(4) by inserting at the end thereof the following:

"(E) The Commission shall, prior to adopting any rule or regulation under subparagraph (C), consult with and consider the views of the Secretary of the Treasury and each appropriate regulatory agency. If the Secretary of the Treasury or any appropriate regulatory agency comments in writing on a proposed rule or regulation of the Commission under such subparagraph (C) that has been published for comment, the Commission shall respond in writing to such written comment before adopting the proposed rule.".

(b) FRAUDULENT AND MANIPULATIVE DEVICES AND CONTRIVANCES.—Section 15(c)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(c)(1)) is amended—

(1) by inserting "(A)" after "(c)(1)";

(2) by striking "contrivance, and no municipal securities dealer" and inserting the following:

"contrivance.

"(B) No municipal securities dealer";

(3) by striking "contrivance. The Commission shall" and inserting the following:

"contrivance.

"(C) No government securities broker or government securities dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any government security by means of any manipulative, deceptive, or other fraudulent device or contrivance.

"(D) The Commission shall"; and

(4) by inserting at the end thereof the following:

"(E) The Commission shall, prior to adopting any rule or regulation under subparagraph (C), consult with and consider the views of the Secretary of the Treasury and each appropriate regulatory agency. If the Secretary of the Treasury or any appropriate regulatory agency comments in writing on a proposed rule or regulation of the Commission under such subparagraph (C) that has been published for comment, the Commission shall respond in writing to such written comment before adopting the proposed rule.".

SEC. 105. BROKER/DEALER SUPERVISION RESPONSIBILITIES.

Section 15C of the Securities Exchange Act of 1934 (15 U.S.C. 78o–5) is amended by inserting after subsection (f) (as added by section 103 of this Act) the following new subsection:

"(g) POLICIES AND PROCEDURES TO PREVENT AND DETECT VIOLATIONS.—Every government securities broker and government securities dealer shall establish, maintain, and enforce written policies and procedures reasonably designed, taking into consideration the nature of such person's business, to prevent and detect in connection with the purchase or sale of government securities, insofar as practicable, fraud and manipulation in violation of this title and the rules and regulations thereunder and violations of such other provisions of this title and the rules and regulations thereunder as the appropriate regulatory agency for such government securities broker or government securities dealer shall designate by rule.".

SEC. 106. SALES PRACTICE RULEMAKING AUTHORITY.

(a) RULES FOR FINANCIAL INSTITUTIONS.—Section 15C(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o–5(b)) is amended—

(1) by redesignating paragraphs (3), (4), (5), and (6) as paragraphs (4), (5), (6), and (7), respectively; and

(2) by inserting after paragraph (2) the following new paragraph:

"(3) SALES PRACTICE RULES.—(A) With respect to any financial institution that has filed notice as a government securities broker or government securities dealer or that is required to file notice under subsection (a)(1)(B) of this section, the appropriate regulatory agency for such government securities broker or government securities dealer may issue such rules with respect to transactions in government securities as may be necessary to prevent fraudulent and manipulative acts and practices and to promote just and equitable principles of trade.

"(B) Each appropriate regulatory agency shall consult with the other appropriate regulatory agencies for the purpose of ensuring the consistency of the rules prescribed by such agencies under this paragraph. The appropriate regulatory agencies shall consult with and consider the views of the Secretary and the Commission with respect to the impact of such rules on the operations of the market for government securities, consistency with analogous rules of self-regulatory organizations, and the enforcement and administration of such rules. The consultation required by this paragraph shall be conducted prior to the appropriate regulatory agency adopting a rule under this paragraph, unless the appropriate regulatory agency determines that an emergency exists requiring expeditious and summary action and publishes its reasons therefor. If the Secretary or the Commission comments in writing to the appropriate regulatory agency on a proposed rule that has been published for comment, the appropriate regulatory agency shall respond in writing to such written comment before adopting the rule.".

(b) RULES BY REGISTERED SECURITIES ASSOCIATIONS.—

(1) REMOVAL OF LIMITATIONS ON AUTHORITY.—(A) Section 15A of the Securities Exchange Act of 1934 (15 U.S.C. 78o–3) is amended—

(i) by striking subsections (f)(1) and (f)(2); and

(ii) by redesignating subsection (f)(3) as subsection (f).

(B) Section 15A(g) of such Act is amended—

(i) by striking "exempted securities" in paragraph (3)(D) and inserting "municipal securities";

(ii) by striking paragraph (4); and

(iii) by redesignating paragraph (5) as paragraph (4).

(2) OVERSIGHT OF REGISTERED SECURITIES ASSOCIATIONS.—Section 19 of the Securities Exchange Act of 1934 (15 U.S.C. 78s) is amended—

(A) in subsection (b), by adding at the end thereof the following new paragraph:

"(5) The Commission shall consult with and consider the views of the Secretary of the Treasury prior to approving a proposed rule change filed by a registered securities association that primarily concerns conduct related to transactions in government securities, except where the Commission determines that an emergency exists requiring expeditious or summary action and publishes its reasons therefor. If the Secretary comments in writing to the Commission on such proposed rule change that has been published for comment, the Commission shall respond in writing to such written comment before approving the proposed rule change.";

(B) in subsection (c), by adding at the end thereof the following new paragraph:

"(5) Before adopting a rule to amend a rule of a registered securities association that primarily concerns conduct related to transactions in government securities, the Commission shall consult with and consider the views of the Secretary, except where the Commission determines that an emergency exists requiring expeditious or summary action and publishes its reasons therefor. If the Secretary comments in writing to the Commission on such proposed rule change that has been published for comment, the Commission shall respond in writing to such written comment before approving the proposed rule change.".

(3) CONFORMING AMENDMENT.—

(A) Section 3(a)(12)(B)(ii) of such Act (15 U.S.C. 78c(a)(12)(B)(ii)) is amended by striking "15, 15A (other than subsection (g)(3)), and 17A" and inserting "15 and 17A".

(B) Section 15(b)(7) of such Act (15 U.S.C. 78o(b)(7)) is amended by inserting "or government securities broker or government securities dealer registered (or required to register) under section 15C(a)(1)(A)" after "No registered broker or dealer".

SEC. 107. MARKET INFORMATION.

Section 23(b)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78w) is amended—

(1) by striking subparagraphs (C), (D), and (H);

(2) by redesignating subparagraphs (E), (F), and (G) as subparagraphs (C), (D), and (E), respectively;

(3) by redesignating subparagraphs (I), (J), and (K) as subparagraphs (F), (G), and (H), respectively;

(4) by striking "and" at the end of such redesignated subparagraph (G);

(5) by striking the period at the end of such redesignated subparagraph (H) and inserting "; and"; and

(6) by inserting after such redesignated subparagraph (H) the following new subparagraph:

"(I) the steps that have been taken and the progress that has been made in promoting the timely public dissemination and availability for analytical purposes (on a fair, reasonable, and nondiscriminatory basis) of information concerning government securities transactions and quotations, and its recommendations, if any, for legislation to assure timely dissemination of (i) information on transactions in regularly traded government securities sufficient to permit the determination of the prevailing market price for such securities, and (ii) reports of the highest published bids and lowest published offers for government securities (including the size at which persons are willing to trade with respect to such bids and offers).".

SEC. 108. STUDY OF REGULATORY SYSTEM FOR GOVERNMENT SECURITIES.

(a) JOINT STUDY.—The Secretary of the Treasury, the Securities and Exchange Commission, and the Board of Governors of the Federal Reserve System shall—

(1) evaluate the effectiveness of any rules promulgated or amended after October 1, 1991, pursuant to section 15C of the Securities Exchange Act of 1934 or any amendment made by this title, and any national securities association rule changes applicable principally to government securities transactions approved after October 1, 1991, in carrying out the purposes of such Act;

(2) evaluate the effectiveness of surveillance and enforcement with respect to government securities, and the impact on such surveillance and enforcement of defects in any available audit trails with respect to transactions in such securities; and

(3) submit to the Congress, not later than March 31, 1998, any recommendations they may consider appropriate concerning—

(A) the regulation of government securities brokers and government securities dealers,

(B) the dissemination of information concerning quotations for and transactions in government securities,

(C) the prevention of sales practice abuses in connection with transactions in government securities, and

(D) such other matters as they consider appropriate.

(b) GAO STUDY.—The Comptroller General shall—

(1) conduct a study of the effectiveness of regulation of government securities brokers and government securities dealers pursuant to section 15C of the Securities Exchange Act of 1934 and the effectiveness of the amendments made by this title; and

(2) submit to the Congress, not later than March 31, 1997, the Comptroller General's recommendations for change, if any, or such other recommendations as the Comptroller General considers appropriate.

(c) TREASURY STUDY.—The Secretary of the Treasury, in consultation with the Securities and Exchange Commission, shall—

(1) conduct a study of—

(A) the identity and nature of the business of government securities brokers and government securities dealers that are registered with the Securities and Exchange Commission under section 15C of the Securities Exchange Act of 1934; and

(B) the continuing need for, and regulatory and financial consequences of, a separate regulatory system for such government securities brokers and government securities dealers; and

(2) submit to the Congress, not later than 18 months after the date of enactment of this Act, the Secretary's recommendations for change, if any, or such other recommendations as the Secretary considers appropriate.

SEC. 109. TECHNICAL AMENDMENTS.

(a) AMENDMENTS TO DEFINITIONS.—Section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)) is amended—

(1) in paragraph (34)(G) (relating to the definition of appropriate regulatory agency), by amending clauses (ii), (iii), and (iv) to read as follows:

"(ii) the Board of Governors of the Federal Reserve System, in the case of a State member bank of the Federal Reserve System, a foreign bank, an uninsured State branch or State agency of a foreign bank, a commercial lending company owned or controlled by a foreign bank (as such terms are used in the International Banking Act of 1978), or a corporation organized or having an agreement with the Board of Governors of the Federal Reserve System pursuant to section 25 or section 25A of the Federal Reserve Act;

"(iii) the Federal Deposit Insurance Corporation, in the case of a bank insured by the Federal Deposit Insurance Corporation (other than a member of the Federal Reserve System or a Federal savings bank) or an insured State branch of a foreign bank (as such terms are used in the International Banking Act of 1978);

"(iv) the Director of the Office of Thrift Supervision, in the case of a savings association (as defined in section 3(b) of the Federal Deposit Insurance Act) the deposits of which are insured by the Federal Deposit Insurance Corporation;";

(2) by amending paragraph (46) (relating to the definition of financial institution) to read as follows:

"(46) The term 'financial institution' means—

"(A) a bank (as defined in paragraph (6) of this subsection);

"(B) a foreign bank (as such term is used in the International Banking Act of 1978); and

"(C) a savings association (as defined in section 3(b) of the Federal Deposit Insurance Act) the deposits of which are insured by the Federal Deposit Insurance Corporation."; and

(3) by redesignating paragraph (51) (as added by section 204 of the International Securities Enforcement Cooperation Act of 1990) as paragraph (52).

(b) EFFECTIVE DATE OF BROKER/DEALER REGISTRATION.—

(1) GOVERNMENT SECURITIES BROKERS AND DEALERS.—Section 15C(a)(2)(ii) of the Securities Exchange Act of 1934 (15 U.S.C. 78o–5(a)(2)(ii)) is amended by inserting before "The Commission may extend" the following: "The order granting registration shall not be effective until such government securities broker or government securities dealer has become a member of a national securities exchange registered under section 6 of this title, or a securities association registered under section 15A of this title, unless the Commission has exempted such government securities broker or government securities dealer, by rule or order, from such membership.".

(2) OTHER BROKERS AND DEALERS.—Section 15(b)(1)(B) of such Act (15 U.S.C. 78o(b)(1)(B)) is amended by inserting before "The Commission may extend" the following: "The order granting registration shall not be effective until such broker or dealer has become a member of a registered securities association, or until such broker or dealer has become a member of a national securities exchange if such broker or dealer effects transactions solely on that exchange, unless the Commission has exempted such broker or dealer, by rule or order, from such membership.".

(c) INFORMATION SHARING.—Section 15C(d)(2) of such Act is amended to read as follows:

"(2) Information received by an appropriate regulatory agency, the Secretary, or the Commission from or with respect to any government securities broker, government securities dealer, any person associated with a government securities broker or government securities dealer, or any other person subject to this section or rules promulgated thereunder, may be made available by the Secretary or the recipient agency to the Commission, the Secretary, the Department of Justice, the Commodity Futures Trading Commission, any appropriate regulatory agency, any self-regulatory organization, or any Federal Reserve Bank.".

SEC. 110. OFFERINGS OF CERTAIN GOVERNMENT SECURITIES.

Section 15(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(c)) is amended by adding at the end the following new paragraph:

"(7) In connection with any bid for or purchase of a government security related to an offering of government securities by or on behalf of an issuer, no government securities broker, government securities dealer, or bidder for or purchaser of securities in such offering shall knowingly or willfully make any false or misleading written statement or omit any fact necessary to make any written statement made not misleading.".

SEC. 111. RULE OF CONSTRUCTION.

(a) IN GENERAL.—No provision of, or amendment made by, this title may be construed—

(1) to govern the initial issuance of any public debt obligation, or

(2) to grant any authority to (or extend any authority of) the Securities and Exchange Commission, any appropriate regulatory agency, or a self-regulatory organization—

(A) to prescribe any procedure, term, or condition of such initial issuance,

(B) to promulgate any rule or regulation governing such initial issuance, or

(C) to otherwise regulate in any manner such initial issuance.

(b) EXCEPTION.—Subsection (a) of this section shall not apply to the amendment made by section 110 of this Act.

(c) PUBLIC DEBT OBLIGATION.—For purposes of this section, the term "public debt obligation" means an obligation subject to the public debt limit established in section 3101 of title 31, United States Code.

TITLE II—REPORTS ON PUBLIC DEBT

SEC. 201. ANNUAL REPORT ON PUBLIC DEBT.

(a) GENERAL RULE.—Subchapter II of chapter 31 of title 31, United States Code, is amended by adding at the end thereof the following new section:

"§3130. Annual public debt report

"(a) GENERAL RULE.—On or before June 1 of each calendar year after 1993, the Secretary of the Treasury shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on—

"(1) the Treasury's public debt activities, and

"(2) the operations of the Federal Financing Bank.

"(b) REQUIRED INFORMATION ON PUBLIC DEBT ACTIVITIES.—Each report submitted under subsection (a) shall include the following information:

"(1) A table showing the following information with respect to the total public debt:

"(A) The past levels of such debt and the projected levels of such debt as of the close of the current fiscal year and as of the close of the next 5 fiscal years under the most recent current services baseline projection of the executive branch.

"(B) The past debt to GDP ratios and the projected debt to GDP ratios as of the close of the current fiscal year and as of the close of the next 5 fiscal years under such most recent current services baseline projection.

"(2) A table showing the following information with respect to the net public debt:

"(A) The past levels of such debt and the projected levels of such debt as of the close of the current fiscal year and as of the close of the next 5 fiscal years under the most recent current services baseline projection of the executive branch.

"(B) The past debt to GDP ratios and the projected debt to GDP ratios as of the close of the current fiscal year and as of the close of the next 5 fiscal years under such most recent current services baseline projection.

"(C) The interest cost on such debt for prior fiscal years and the projected interest cost on such debt for the current fiscal year and for the next 5 fiscal years under such most recent current services baseline projection.

"(D) The interest cost to outlay ratios for prior fiscal years and the projected interest cost to outlay ratios for the current fiscal year and for the next 5 fiscal years under such most recent current services baseline projection.

"(3) A table showing the maturity distribution of the net public debt as of the time the report is submitted and for prior years, and an explanation of the overall financing strategy used in determining the distribution of maturities when issuing public debt obligations.

"(4) A table showing the following information as of the time the report is submitted and for prior years:

"(A) A description of the various categories of the holders of public debt obligations.

"(B) The portions of the total public debt held by each of such categories.

"(5) A table showing the relationship of federally assisted borrowing to total Federal borrowing as of the time the report is submitted and for prior years.

"(6) A table showing the annual principal and interest payments which would be required to amortize in equal annual payments the level (as of the time the report is submitted) of the net public debt over the longest remaining term to maturity of any obligation which is a part of such debt.

"(c) REQUIRED INFORMATION ON FEDERAL FINANCING BANK.—Each report submitted under subsection (a) shall include (but not be limited to) information on the financial operations of the Federal Financing Bank, including loan payments and prepayments, and on the levels and categories of the lending activities of the Federal Financing Bank, for the current fiscal year and for prior fiscal years.

"(d) RECOMMENDATIONS.—The Secretary of the Treasury may include in any report submitted under subsection (a) such recommendations to improve the issuance and sale of public debt obligations (and with respect to other matters) as he may deem advisable.

"(e) DEFINITIONS.—For purposes of this section—

"(1) CURRENT FISCAL YEAR.—The term 'current fiscal year' means the fiscal year ending in the calendar year in which the report is submitted.

"(2) TOTAL PUBLIC DEBT.—The term 'total public debt' means the total amount of the obligations subject to the public debt limit established in section 3101 of this title.

"(3) NET PUBLIC DEBT.—The term 'net public debt' means the portion of the total public debt which is held by the public.

"(4) DEBT TO GDP RATIO.—The term 'debt to GDP ratio' means the percentage obtained by dividing the level of the total public debt or net public debt, as the case may be, by the gross domestic product.

"(5) INTEREST COST TO OUTLAY RATIO.—The term 'interest cost to outlay ratio' means, with respect to any fiscal year, the percentage obtained by dividing the interest cost for such fiscal year on the net public debt by the total amount of Federal outlays for such fiscal year."

(b) CLERICAL AMENDMENT.—The analysis for subchapter II of chapter 31 of title 31, United States Code, is amended by adding at the end thereof the following new item:

"3130. Annual public debt report."

SEC. 202. TREASURY AUCTION REFORMS.

(a) ABILITY TO SUBMIT COMPUTER TENDERS IN TREASURY AUCTIONS.—By the end of 1995, any bidder shall be permitted to submit a computer-generated tender to any automated auction system established by the Secretary of the Treasury for the sale upon issuance of securities issued by the Secretary if the bidder—

(1) meets the minimum creditworthiness standard established by the Secretary; and

(2) agrees to comply with regulations and procedures applicable to the automated system and the sale upon issuance of securities issued by the Secretary.

(b) PROHIBITION ON FAVORED PLAYERS.—

(1) IN GENERAL.—No government securities broker or government securities dealer may receive any advantage, favorable treatment, or other benefit, in connection with the purchase upon issuance of securities issued by the Secretary of the Treasury, which is not generally available to other government securities brokers or government securities dealers under the regulations governing the sale upon issuance of securities issued by the Secretary of the Treasury.

(2) EXCEPTION.—

(A) IN GENERAL.—The Secretary of the Treasury may grant an exception to the application of paragraph (1) if—

(i) the Secretary determines that any advantage, favorable treatment, or other benefit referred to in such paragraph is necessary and appropriate and in the public interest; and

(ii) the grant of the exception is designed to minimize any anticompetitive effect.

(B) ANNUAL REPORT.—The Secretary of the Treasury shall submit an annual report to the Congress describing any exception granted by the Secretary under subparagraph (A) during the year covered by the report and the basis upon which the exception was granted.

(c) MEETINGS OF TREASURY BORROWING ADVISORY COMMITTEE.—

(1) OPEN MEETINGS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), any meeting of the Treasury Borrowing Advisory Committee of the Public Securities Association (hereafter in this subsection referred to as the "advisory committee"), or any successor to the advisory committee, shall be open to the public.

(B) EXCEPTION.—Subparagraph (A) shall not apply with respect to any part of any meeting of the advisory committee in which the advisory committee—

(i) discusses and debates the issues presented to the advisory committee by the Secretary of the Treasury; or

(ii) makes recommendations to the Secretary.

(2) MINUTES OF EACH MEETING.—The detailed minutes required to be maintained under section 10(c) of the Federal Advisory Committee Act for any meeting by the advisory committee shall be made available to the public within 3 business days of the date of the meeting.

(3) PROHIBITION ON RECEIPT OF GRATUITIES OR EXPENSES BY ANY OFFICER OR EMPLOYEE OF THE BOARD OR DEPARTMENT.—In connection with any meeting of the advisory committee, no officer or employee of the Department of the Treasury, the Board of Governors of the Federal Reserve System, or any Federal reserve bank may accept any gratuity, consideration, expense of any sort, or any other thing of value from any advisory committee described in subsection (c), any member of such committee, or any other person.

(4) PROHIBITION ON OUTSIDE DISCUSSIONS.—

(A) IN GENERAL.—Subject to subparagraph (B), a member of the advisory committee may not discuss any part of any discussion, debate, or recommendation at a meeting of the advisory committee which occurs while such meeting is closed to the public (in accordance with paragraph (1)(B)) with, or disclose the contents of such discussion, debate, or recommendation to, anyone other than—

(i) another member of the advisory committee who is present at the meeting; or

(ii) an officer or employee of the Department of the Treasury.

(B) APPLICABLE PERIOD OF PROHIBITION.—The prohibition contained in subparagraph (A) on discussions and disclosures of any discussion, debate, or recommendation at a meeting of the advisory committee shall cease to apply—

(i) with respect to any discussion, debate, or recommendation which relates to the securities to be auctioned in a midquarter refunding by the Secretary of the Treasury, at the time the Secretary makes a public announcement of the refunding; and

(ii) with respect to any other discussion, debate, or recommendation at the meeting, at the

time the Secretary releases the minutes of the meeting in accordance with paragraph (2).

(C) REMOVAL FROM ADVISORY COMMITTEE FOR VIOLATIONS OF THIS PARAGRAPH.—In addition to any penalty or enforcement action to which a person who violates a provision of this paragraph may be subject under any other provision of law, the Secretary of the Treasury shall—

(i) remove a member of the advisory committee who violates a provision of this paragraph from the advisory committee and permanently bar such person from serving as a member of the advisory committee; and

(ii) prohibit any director, officer, or employee of the firm of which the member referred to in clause (i) is a director, officer, or employee (at the time the member is removed from the advisory committee) from serving as a member of the advisory committee at any time during the 10-year period beginning on the date of such removal.

(d) REPORT TO CONGRESS.—

(1) REPORT REQUIRED.—The Secretary of the Treasury shall submit an annual report to the Congress containing the following information with respect to material violations or suspected material violations of regulations of the Secretary relating to auctions and other offerings of securities upon the issuance of such securities by the Secretary:

(A) The number of inquiries begun by the Secretary during the year covered by the report regarding such material violations or suspected material violations by any participant in the auction system or any director, officer, or employee of any such participant and the number of inquiries regarding any such violations or suspected violations which remained open at the end of such year.

(B) A brief description of the nature of the violations.

(C) A brief description of any action taken by the Secretary during such year with respect to any such violation, including any referrals made to the Attorney General, the Securities and Exchange Commission, any other law enforcement agency, and any Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act).

(2) DELAY IN DISCLOSURE OF INFORMATION IN CERTAIN CASES.—The Secretary of the Treasury shall not be required to include in a report under paragraph (1) any information the disclosure of which could jeopardize an investigation by an agency described in paragraph (1)(C) for so long as such disclosure could jeopardize the investigation.

SEC. 203. REPORT ON TREASURY MODIFICATIONS TO AUCTION PROCESS.

The Secretary of the Treasury shall report to the Congress concerning significant modifications to the auction process for issuing United States Treasury obligations at the time such changes are implemented.

Mr. DODD. Mr. President, I rise in support of the Dodd-Gramm amendment to S. 422, the Government Securities Act Amendments of 1993. This legislation reauthorizes the Treasury's rulemaking authority over Government securities dealers and makes other reforms to the Government securities market. It also includes, as title 3 to the amendment, provisions addressing limited partnership rollup reforms.

Let me first address the Government securities legislation. Every taxpayer in this country is affected by this legislation. The market for Treasury securities is the largest securities market in the world, and conditions in the Treasury market determine the cost to the taxpayer of financing U.S. Government operations.

It is essential that we maintain the fairness and efficiency of this market so that Government funds are raised with the least possible cost to the American taxpayer, and that investors—whether they are individuals, mutual funds, or State and local governments—have confidence in this market and believe it is fair and honest.

The Senate first acted on this legislation in the last Congress, when it passed a bill to reauthorize the Treasury's rulemaking authority over Government securities dealers and to authorize sales practice rules for dealers. The House failed to pass a broader bill developed by the Energy and Commerce Committee.

I reintroduced the legislation earlier this year with Senators RIEGLE, D'AMATO, SHELBY, KERRY and MURRAY. Our bill passed the Senate by unanimous consent July 29, 1993, the House took up and passed the bill with an amendment 2 months ago, and we have been in negotiations with the House to develop this text since that time.

This legislation is needed to restore the Treasury's rulemaking authority over Government securities dealers. That authority expired on October 1, 1991. As a result, the Treasury has not been able to go forward with critical rulemaking initiatives related to capital standards, risk assessment, and customer protection.

In addition to reauthorizing the Treasury's rulemaking authority under the Government Securities Act, this legislation would do the following: Authorize the Securities and Exchange Commission to require certain transaction records from Government securities dealers in a format that will expedite its enforcement and surveillance responsibilities; authorize the Treasury to require the reporting of certain large positions in Treasury securities; authorize the SEC to write rules to prevent fraudulent and manipulative acts and practices in Government securities; provide a structure for instituting sales practice rules for both bank and nonbank Government securities dealers—something State and local officials have told us is necessary to protect investors; require certain disclosure by Government securities dealers that are not members of the Securities Investor Protection Corporation; prohibit false or misleading written statements in connection with any bid for or purchase of a Government security related to an offering of Government securities; enact certain technical amendments; and require certain reports by regulators of this important market.

This legislation was based on studies by the Treasury, the Federal Reserve, and the SEC, as well as an extensive hearing record developed by the Securities Subcommittee and the House Subcommittee on Telecommunications and Finance in the last Congress.

The scandal in the Treasury securities market in 1991 resulted in heightened scrutiny over this market and led to the adoption of major reforms. The SEC levied hefty fines and brought civil actions against one of the largest primary dealers and its top officers. The Treasury, the Federal Reserve, the SEC, and the CFTC established a surveillance group to ensure that trading activity in the market is closely monitored. The Treasury has implemented a long list of reforms designed to keep the market fair, honest, and efficient. Government securities dealers have strengthened their own internal controls to prevent future violations. It is noteworthy that today, there is more price and volume information in this market than ever before.

Many reforms have been implemented, and wrongdoers have been punished. Nonetheless, legislation is necessary to implement further reforms that require additional statutory authority.

I am including in the record following my remarks a statement agreed to by the principal Senate and House sponsors of the legislation who were involved in working out this compromise amendment. The statement is intended to clarify the scope and limitations of certain provisions.

In addition, I want to respond to further questions that have been raised concerning the scope of the transaction records provision. In the course of discussions with the House, Senate negotiators raised questions about the need for further clarification of this provision and requested that the language "enforcement or surveillance purposes" be added. This will ensure that the SEC can obtain records, in machine readable form, to assist it in inquiries and investigations where it may suspect wrongdoing by market participants or become aware of unexplained anomalies in trading activities. However, the language clarifies that records will not be requested under this provision for routine monitoring.

The large position reporting authority given to the Treasury under this amendment also was clarified in the course of negotiations between the House and the Senate. I am including following the explanatory discussion a letter from Treasury Undersecretary for Domestic Finance Frank Newman, which clarifies the Treasury's intent with respect to the confidentiality of accounts maintained by the Federal Reserve Bank of New York for foreign central banks, foreign governments, and official international financial institutions.

Officials at the Treasury, the SEC, and the Federal Reserve worked long hours with us to achieve a final package of reforms that will maintain the

continued efficiency and integrity of this market. I want to thank all of them.

I want to thank my House colleagues, Chairman DINGELL, Chairman MARKEY and Representatives MOORHEAD and FIELDS, for their diligent efforts to work out a House bill. I also want to thank my colleagues on the Banking Committee and Ways and Means Committee for their contributions to those efforts.

Finally, let me thank my Senate colleagues, in particular Senators RIEGLE, D'AMATO, and GRAMM, as well as their staffs and the subcommittee staff, for the many hours they have devoted to this legislation over the past 3 years.

Mr. President, I ask unanimous consent that a joint statement by Senators RIEGLE, D'AMATO, GRAMM, and myself be printed in the RECORD at this point, followed by a letter from Treasury Undersecretary Frank Newman.

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

JOINT STATEMENT ON S. 442, THE GOVERNMENT SECURITIES ACT AMENDMENTS

On July 29, 1993, the Senate passed S. 442, the Government Securities Act Amendments of 1993, and, on October 5, 1993, the House passed the bill with an amendment containing the language of the House-passed bill, H.R. 618, the Government Securities Reform Act of 1993. The resolution before the Senate provides for the Senate to concur in the amendment of the House to S. 422 with a further amendment. In lieu of a conference report, this floor statement represents the views of Senators Dodd, Gramm, Riegle and D'Amato and is intended to serve as the legislative history, along with S. Rept. 103–109 (July 27, 1993) and Congressional Record (July 29, 1993) at S9863–S9866, and H. Rept. 103–255 (September 23, 1993) and Congressional Record (October 5, 1993) at H7390–7405.

ANALYSIS OF MAJOR PROVISIONS

Extension of Rulemaking Authority.—In 1986, Congress granted specific rulemaking authority to the Secretary of the Treasury (Treasury) and provided that the authority of the Treasury to issue orders and to propose and adopt rules would terminate on October 1, 1991 (P.L. 99–571). This was done in response to concerns raised by 1985 Treasury testimony strongly opposing the Government Securities Act (GSA).

However, the 1990 Joint Treasury, Securities and Exchange Commission (SEC), and Board of Governors of the Federal Reserve System (Federal Reserve) Study of the Effectiveness of the Implementation of the Government Securities Act reached the following unanimous conclusion: "[t]he implementation of the GSA regulations has met the objectives established by Congress in enacting the GSA. The rules have been timely and fairly implemented; have not imposed excessive and overly burdensome requirements; have not impaired the liquidity, efficiency and integrity of the government securities market; and have improved and strengthened investor safety in the market. Most importantly, although some government securities brokers or dealers have failed or discontinued business since the inception of the GSA regulations, no customers have lost any funds or securities as a result of such occurrences."

Accordingly, the amendment eliminates the sunset date and extends the Treasury rulemaking authority pursuant to section 15C(b) of the Exchange Act, as well as the new large position reporting authority granted to Treasury under this amendment.

Transaction Records.—The amendment requires all government securities brokers and dealers to furnish to the SEC on request records of government securities transactions, including records of the date and time of execution of trades, as the SEC may require to reconstruct trading in the course of a particular inquiry or investigation being conducted by the SEC for enforcement or surveillance purposes. It is our intention that the SEC and Treasury will take the necessary steps under their existing authorities to adopt necessary recordkeeping rules to assure that appropriate records are made and maintained by all government securities brokers and dealers, and that they will work together to make sure that inadequate recordkeeping and impediments to trade reconstruction are addressed so that the SEC is able to carry out effectively its responsibilities under the federal securities laws. It is further our intent that, in utilizing its authority to require information in machine readable form under new section 15C(d)(3)(A), the SEC shall consider the impact of this requirement on small government securities brokers and dealers and should work with these smaller firms to develop an efficient means of compliance, such as the electronic blue sheets used for all firms in the equity markets. See House Comm. on Energy and Commerce, Report to Accompany H.R. 618, H.R. Rep. No. 255, 103rd Cong., 1st Sess. (September 23, 1993) at 42.

Large Position Reporting.—The amendment authorizes Treasury to prescribe rules to require persons holding, maintaining or controlling large positions in to-be-issued or recently-issued Treasury securities to file reports regarding those positions.

The amendment rests on the belief that the Secretary of the Treasury is well positioned to determine whether large position reporting is necessary and appropriate in order to monitor the impact in the Treasury securities market of concentrations of positions and to assist the SEC in its enforcement of the Exchange Act. It is our expectation that substantial deference will be accorded to any determinations that Treasury makes in this regard.

The statutory provision regarding the minimum size of a position subject to reporting is meant to ensure that the minimum size will not be set so low that positions which could not affect significantly the market for a particular security are subject to reporting rules. However, there is no presumption or manipulative intent solely because a position is large enough to be subject to reporting rules adopted by Treasury.

It is our expectation that, in determining the minimum size of a reportable position, Treasury will consider, among other factors, other relevant rules and procedures, including auction rules regarding positions. It is our further expectation that Treasury will take into account the likelihood of collusion among market participants. Substantial deference should be accorded to Treasury's determination of the minimum size of a position subject to reporting requirements.

By inserting the requirement that Treasury, in adopting rules regarding large position reporting, take into account any impact on the efficiency and liquidity of the Treasury securities market and the cost to taxpayers of funding the Federal debt, the amendment does not contemplate that a formal statistical exercise be performed to justify the rulemaking. Rather, it is our intent to ensure that Treasury considers all the important responsibilities and goals that it has in managing the public debt in any rulemaking concerning large position reporting.

We expect the Treasury to consult with the Federal Reserve Bank of New York in formulating large position reporting rules concerning the Bank's need to maintain the confidentiality of the accounts it maintains for foreign central banks, foreign governments, and official international financial institutions.

Finally, it is our intent that large position reports would be information within the scope of the Trade Secrets Act (TSA), 18 U.S.C. 1905, which prohibits the disclosure of certain types of information by officers and employees of the federal government unless "authorized by law." See *Chrysler* v. *Brown*, 441 U.S. 281, 295–304 (1979) (disclosure may be deemed authorized by law only when made pursuant to statute or substantive agency regulation authorized by statute). The TSA covers "information coming to [such person] in the course of his employment or official duties or by reason of any . . . report or record . . . concern[ing] or relat[ing] to . . . the identity, confidential statistical data, amount or source of any income, profits, losses, or expenditures of any person, firm, partnership, corporation, or association." See *CNA Financial Corp.* v. *Donovan*, 830 F.2d 1132, 1140 (D.C. Cir. 1987) (describing the scope of the TSA as "oceanic" and as "encompass[ing] virtually every category of business information likely to be in the files of an agency.") In addition to this criminal statute, Section 24(b) of the Exchange Act specifically makes it unlawful "for any member, officer, or employee of the Commission to disclose to any person other than a member, officer, or employee of the Commission, or to use for personal benefit, any information contained in any application, statement, report, contract, correspondence, notice, or other document field with or otherwise obtained by the Commission (1) in contravention of the rules and regulations of the Commission under the [the FOIA] or (2) in circumstances where the Commission has determined pursuant to such rules to accord confidential treatment to such information in violation of Section 24 and the rules thereunder are subject to criminal penalties pursuant to Section 32 of the Exchange Act. Officers and employees are also prohibited pursuant to Rule 0–4 of the SEC's Rules and Regulations under the Exchange Act from making "non-public records of the Commission" available to others without SEC authorization.

Fraudulent and Manipulative Acts and Practices.—The amendment extends the SEC's current authority under sections 15(c)(1) and (2) of the Exchange Act to all government securities brokers and dealers and to all transactions in government securities. This grant of authority will enable the SEC to prescribe rules to prevent fraudulent, deceptive, or manipulative acts or practices or the use of any fictitious quotations in the government securities market.

The amendment requires the SEC to consult with and consider the views of the Treasury and the bank and thrift regulatory agencies prior to adopting any such rules, and to respond in writing to any written comments submitted in such consultation process. The amendment provides for enhanced consultation between the regulators in order to respond to particular concerns

about the potential impact of these antifraud rules on the Treasury's ability to manage the federal debt. Accordingly, this provision is designed to avoid any unforeseen effects of new rules on the auctions or secondary market for Treasury securities. This concern ordinarily would not be expected to arise with respect to the application of such rules to the marketing and trading of other types of government securities.

Sales Practice Rulemaking Authority.—The amendment removes current limitations on the ability of the National Association of Securities Dealers (NASD) to regulate its members' transactions in exempted securities other than municipal securities, and authorizes the bank and thrift regulatory agencies to prescribe rules applicable to the financial institutions they supervise, to prevent fraudulent and munipulative sales practices, and promote just and equitable principles of trade. The amendment's consultation and coordination requirements are intended to facilitate consistency of financial institution rules with analogous self-regulatory organization rules, as well as consistent administration and enforcement of such rules, in order to maintain the integrity of the market for government securities. The amendment provides for enhanced consultation between the regulators in order to respond to particular concerns about the potential impact of these sales practice rules on the Treasury's ability to manage the federal debt. Accordingly, this provision is designed to avoid any unforeseen effects of new rules on the auctions or secondary market for Treasury securities. This concern ordinarily would not be expected to arise with respect to the application of such rules to the marketing and trading of other types of government securities.

Market Information—The amendment adds government securities market transparency to the list of subjects on which the SEC is required to report to Congress annually. These reports will provide information necessary for proper ongoing evaluation of the sufficiency of private sector developments, and are necessary to assure that momentum toward improved market transparency continues and is not reversed.

SIPC Disclosure.—The amendment prohibits a government securities broker or dealer, registered under Exchange Act Section 15C(a)(1)(A), that is not a member of the Securities Investors Protection Corporation (SIPC) from effecting securities transactions in contravention of rules prescribed to assure that customers receive complete, accurate, and timely disclosure of the inapplicability of SIPC coverage to their accounts.

False and Misleading Statements In Government Securities Offerings.—The amendment explicitly provides that, in connection with any bid for a purchase of a government security related to an offering of government securities by or on behalf of an issuer, no government securities broker or dealer, or bidder for or purchaser of securities in such offering, shall knowingly and willfully make any false or misleading statement or omit any fact necessary to make any written statement made not misleading. The amendment does not alter the SEC's existing authority under sections 10(b) or 17(a) of the Exchange Act or the rules promulgated thereunder; it expressly establishes SEC authority with respect to the use of false or misleading written information in offerings of government securities.

Treasury Auction Reforms.—The amendment requires that, by the end of 1995, any bidder, who meets the Treasury's minimum creditworthiness standard and agrees to comply with the applicable rules and regulations, be permitted to submit a computer-generated tender to any automated auction system established by Treasury for the sale upon issuance of Treasury securities. The amendment also prohibits Treasury from providing any government securities broker or government securities dealer any advantage, favorable treatment, or other benefit, subject only to necessary and appropriate exceptions. Finally, the amendment opens to the public, subject to reasonable exceptions, the meetings of the Treasury Borrowing Committee, requires minutes of each meeting to be publicly available within three business days, and explicitly prohibits Committee members from divulging the contents of the Committee's discussions. The amendment provides penalties for violations of the latter prohibition (that are in addition to any other applicable penalty or enforcement action) and requires Treasury to submit an annual report to Congress with respect to violations of Treasury auction rule or regulations.

Studies, Reports and Notices to Congress.—The amendment provides for (1) a joint Treasury, SEC and Federal Reserve study and report, as well as a separate Treasury study and report on a discrete issue, on the effectiveness of the regulatory system for government securities as amended by this legislation; (2) an annual report by Treasury on the Treasury's public debt activities and the operations of the Federal Financing Bank; and (3) a notice to the Congress of any significant modifications to the Treasury auction process at the time such modifications are implemented.

DEPARTMENT OF THE TREASURY,
Washington.

HON. PHIL GRAMM,
U.S. Senate,
Washington, DC.

DEAR SENATOR GRAMM: In connection with the legislative process that will, we hope, soon culminate in enactment of the "Government Securities Act Amendments of 1993," I understand that you have expressed concern about the Federal Reserve Bank of New York's need to preserve the confidentiality of the accounts it maintains for foreign central banks, foreign governments, and official international financial institutions.

The Treasury recognizes the importance of maintaining the confidentiality of these accounts. Breaching this confidentiality could have a negative impact on our relationship with foreign governments and on the ability of the U.S. government, through the Federal Reserve, to conduct financial operations important to the international financial system. The Congress has previously recognized the importance of this confidentiality in 31 U.S.C. 714(b)(1), which prohibits the Comptroller General, when conducting audits of the Federal Reserve banks, from auditing "transactions for or with a foreign central bank, government of a foreign country, or nonprofit international financing organization."

It is the Treasury Department's intention that if, as anticipated, it is granted large position reporting authority, it will consult with the Federal Reserve Bank of New York in its rulemaking concerning large position reporting requirements. Any rules the Treasury adopts in this area will enable the Federal Reserve Bank of New York to maintain the needed confidentiality.

Sincerely,

FRANK N. NEWMAN,
Under Secretary of the Treasury,
Domestic Finance.

Mr. GRAMM. Mr. President, I rise to engage in a colloquy with the chairman of the Subcommittee, Senator DODD, on language that was inserted in the bill dealing with transactions records in section 103 of the bill. That section is intended to empower the Securities and Exchange Commission to seek records of Government securities transactions in the course of a particular inquiry or investigation being conducted by the Commission. This section is not intended to permit the Commission to require regular or random reporting requirements, nor to expand the Commission's existing authority to monitor markets. To specify this limitation further, the bill includes language that ensures that the Commission's grant of authority under this provision must be connected to a specific enforcement investigation or surveillance inquiry.

It has come to my attention that there is concern among some market participants that use of the words "enforcement and surveillance" in this section appears to expand the authority of the Commission, as opposed to narrowing its power. Does the chairman of the Securities Subcommittee understand that the intent of this language is a limitation, not an expansion, of the Commission's authority further ensuring that the Commission will only use this authority in connection with a specific inquiry? I would ask the chairman of the subcommittee if he views this language in this manner, as I do.

Mr. DODD. I agree with the ranking member's reading of this section of the conference agreement and would only add that this section was intended to ensure that the appropriate records are available to the Commission during the course of specific enforcement and surveillance inquiries. I commend the gentleman for his leadership in clarifying this issue.

Mr. GRAMM. Section 103 contains a specific charge that, in utilizing its authority to require information in machine readable form, the Commission minimize the burden that this requirement may place on small Government securities brokers and dealers. Would the chairman of the subcommittee agree that the Commission should seek to minimize the burden of this requirement for all Government securities brokers and dealers?

Mr. DODD. I agree completely. Many small Government securities brokers and dealers are not as automated as their larger counterparts. This provision contemplates that the Commission may, for example, supply small Government securities brokers and dealers with computer software that will enable them to comply. In addition, the Commission should continue to avoid any steps that unnecessarily drive up costs for all participants in the Government securities markets, for

such costs will ultimately translate into higher borrowing costs for taxpayers.

Mr. GRAMM. Section 103 prohibits the Commission from requiring any Government securities broker or dealer to maintain any information not otherwise required by law or maintained by such broker or dealer. I understand this provision does not authorize the Commission to require that information be maintained in any particular medium. Does the chairman of the subcommittee agree?

Mr. DODD. That is correct. Obviously, however, if the information is not maintained in machine readable form, Government securities brokers dealers may have to convert such information to machine readable form to comply with section 103. The information must be maintained to comply with section 103.

Mr. GRAMM. I thank my colleague, the subcommittee chairman.

Mr. DODD. Mr. President, let me now turn to Title 3 of the amendment, the Limited Partnership Rollup Reform Act. Passage of this legislation is necessary in order to protect millions of investors in limited partnerships.

This legislation has been before the Congress for more than 2½ years. There have been many hearings. An earlier version of this bill passed the Senate last year with the support of 87 Senators. Forty-two Senators have cosponsored the legislation this year, and it was reported by the Banking Committee by a unanimous vote. Legislation on this subject passed the House of Representatives in March by a vote of 408 to 6. A similar, but not identical, bill passed this body by unanimous consent 4 months ago.

This amendment reflects the negotiations between House and Senate representatives since that time. It reflects our agreement on a final package of protections for investors who are confronted with abusive partnership rollups.

As I have said in the past, there is a reason why many Members of Congress strongly support this bill. Our constituents—primarily small investors with an average investment of about $10,000—have documented a long record of abuses in limited partnership rollups.

Rollups generally are transactions in which investors in an existing limited partnership are solicited to approve a reorganization of their partnership, or a combination of their partnership with other partnerships. The reorganization or combination often results in an exchange of the existing limited partnership securities for securities in a new publicly-traded entity, in which the investors' rights are substantially different.

Because of the way in which these transactions have been structured, many of them have not been subject to state review. Moreover, State partnership laws, with one exception, do not address abuses that may occur when limited partnerships are rolled up and converted into exchange-traded entities.

In the past, in these transactions, investors have received misleading and confusing disclosure documents. Many investors have been pressured to vote in favor of rollup transactions by brokers who were paid only if they produced yes votes. In addition, general partners have structured deals to award themselves abusively high fees in the newly-formed entities and to pay high fees to affiliates.

Investors who have voted against a rollup have been forced to accept shares in a new entity, often with substantial reductions in their voting rights, while the voting rights of managements have increased. In a number of cases, management compensation arrangements in these new entities have been structured to produce high rewards for management, at the expense of the investors. No one has disputed the extent of these abuses in the past.

In many of these transactions, the price of securities issued in the rollup have declined substantially on the first day of trading.

Of course, other economic factors have contributed to losses in real estate and oil and gas partnerships. But, in light of the compensation structure of some of these deals, we have to question whether they were structured for the benefit of the general partners, instead of the investors.

I want to emphasize that limited partnerships have been an excellent capital-raising tool for business, as well as an excellent investment vehicle for many individuals. And, today, the restructuring of real estate partnerships, research and development partnerships and drilling programs in the oil and gas industry offers the potential for businesses to conserve capital and for investors to realize greater values.

Therefore, in developing the legislation, our goal has been to take the steps necessary to curb the abusive transactions but to permit fair deals that are good for investors to go forward.

Since we started this legislative process over 2 years ago, the SEC, the NASD, and the State of California have taken steps to address abusive rollup transactions. These have been very constructive actions, but gaps in investor protection still remain. Moreover, if we do not act, other States may feel they have to act, and the result could be a patchwork of different rules that would inhibit even the best transactions.

This amendment, which our House colleagues have agreed to accept, retains provisions Senator GRAMM and I developed prior to the Banking Committee's markup. These provisions further our objective of placing limits on abusive transactions, while giving businesses the flexibility to carry out good transactions.

Thus, we exclude from the bill's requirements: Certain arms-length acquisitions; certain transactions in which investors are offered seasoned, exchange-traded securities, whose value is readily ascertainable; and other transactions in which the original partnership documents clearly state that a future reorganization was planned. We also provide greater flexibility for certain transactions that receive the wide approval of limited partners. In addition, we provide greater certainty for investors and for businesses with respect to the effective date of the legislation.

This amendment also makes it clear that certain transactions that were not included in the original Senate bill's definition, such as private placements, are not intended to be covered. It is intended that a transaction in which securities are offered and sold in reliance upon the private placement exemption will not come within the definition of rollups, so long as the private placement transaction is not integrated with a public offering of other securities, such as REIT shares.

In recent months, there have been discussions involving the Securities and Exchange Commission and the National Association of Securities Dealers about the application of the private placement exclusion for certain transactions. Uncertainty in this area could result in costly delays in completing transactions, which could deprive investors of the benefits of certain restructuring transactions. NASD officials have advised us that it will work with the SEC toward developing consistency in its interpretation of the definition of limited partnership rollup transaction.

All of these provisions make it clear that we certainly are not banning transactions—but banning abuses. So, where investor rights are protected, these transactions may go forward.

Mr. President, during the course of our negotiations over the bill, first in the Senate and more recently in the House/Senate discussions, two different, but related, sets of concerns have been raised.

On one side, advisers to the partnership and real estate investment trust industries have argued for exemptions from the statute or, at a minimum, greater clarity as to the types of transactions that may be covered. They raised specific concerns about the application of the statute to new structures in which limited partnerships may be combined or reorganized in a transaction leading to an acquisition by a REIT or in a transaction related to a new offering of REIT shares. They

have said to us, and I agree, that the statute should not be interpreted to unduly restrict these types of transactions, which often provide greater liquidity for security holders and often may bring new capital into the real estate industry, while reducing debt.

At the same time, investor groups and State regulators have stressed that many of these new structures fall within the definition of a limited partnership rollup transaction and present the potential for the kind of abuses the bill is designed to address. They also have stated concerns that if the bill is read narrowly, unscrupulous operators will find ways around the investor protections set forth in the bill.

I believe this amendment is drafted in such a manner, and should be interpreted and implemented in such a manner, as to address these two very legitimate concerns.

This amendment does not prevent rollups, it does not prevent reorganizations or restructurings, nor does it prevent the offering of REIT shares in connection with partnership acquisition or reorganizations. Many transactions are expressly exempted, where we believe other investor protection mechanisms provide a comparable substitute. Moreover, transactions that are subject to the bill may continue to go forward, as long as they comply with the standards in the bill. For example, if a transaction meets the definition of rollup, this bill does not prohibit it, but requires that adequate disclosure be made to partnership holders and requires that the transaction be conducted in accordance with the prescribed rules of fair practice and other requirements of the self-regulatory organizations. Moreover, the rules of fair practice give the NASD broad flexibility to structure investor protections that meet the purposes of the act and make sense from a business point of view. For example, the self-regulatory organizations, in rulemaking, may take into account the availability of public or private financing to cover expenses of rollups, the practical requirements for voting provisions when a publicly held parent company is involved, the importance to a real estate investment trust that it be "self-managed" by inclusion of management business, and the burdens that may be imposed where new rules are applied to transactions already structured and under review.

Let me also note that investor and State regulator concerns that unscrupulous operators will find ways around the statute are addressed by the flexibility the SEC and the SROS have under their current authority, as well as under this amendment. The SEC has the authority to define terms, to promulgate rules and to interpret its rules. The self-regulatory organizations also have broad authority with respect to the conduct of their members and rules for listing. The intent of this bill has never been to limit that authority, but to prescribe basic protections the NASD and SEC should adopt, pursuant to their authority.

Having said that, I would urge the SEC and the self-regulatory organizations to work with the affected industry groups to achieve the greatest degree of certainty, so that business transactions are not needlessly hindered. Investors are best protected when the rules of the game are clear.

Let me close by thanking my colleague, Senator GRAMM, for his hard work on this legislation. He has helped to take a very good bill and make it even better.

Let me also thank Chairman RIEGLE and Senator D'AMATO for their support on this issue over the past 2 years, as well as Senator BOND, who has been one of the strongest supporters of this legislation.

I would note that this issue was first brought to my attention by Senator BOXER, when she was a House Member, and she has continued to work to move this legislation as a Senator.

Let me also thank my House colleagues. The House initiated this legislative effort, both in the last Congress and in this one. Chairman MARKEY of the Subcommittee on Telecommunications and Finance and Chairman DINGELL of the Energy and Commerce Committee have worked tirelessly to ensure that investors in limited partnerships are protected from abusive rollup transactions. I applaud their efforts and greatly respect their leadership on this issue.

I also want to thank the staff who have worked so hard on the legislation: Wayne Abernathy of Senator GRAMM's staff; Laura Unger and Ira Paull of Senator D'AMATO's staff; and Mitchell Feuer of Chairman RIEGLE's staff. Let me also thank my two staff members who have shaped this legislation: Michael Stein, the deputy staff director of the Securities Subcommittee, worked on this legislation for 2 years, before recently leaving for law school. Marti Cochran, chief counsel and staff director of the subcommittee worked with the House in getting this bill completed through final passage.

We have been assisted in our efforts on by the hard-working staff of the SEC and the NASD, and I want to give a special thanks to all of them.

Mr. RIEGLE. Mr. President, I am pleased that the Congress has today completed action on, and cleared for the President, two important pieces of securities legislation, the Government Securities Act Amendments of 1993 and the Limited Partnership Rollup Reform Act of 1993. Both bills contribute significantly toward individual investors' protection and the integrity of our financial markets.

The first bill, the Government Securities Act Amendments of 1993, provides important reforms for the Government securities market. This $2.3 trillion market may be the most important in the world: The ability of the U.S. Government to fund its activities depends on an orderly and liquid market for Treasury securities. The Salomon Bros. fraudulent bidding scandal indicated that changes were needed in the auction process for Treasury securities.

This bill strengthens the regulation of the Government securities market and ensures that the auction system and secondary market for Treasury securities continue to function smoothly.

The bill permanently reauthorizes Treasury's authority to write rules regarding capital standards and certain other rules for Government securities dealers. This authority expired on October 1, 1991.

The SEC is given authority to develop rules requiring Government securities brokers and dealers to keep records of transactions. However, the SEC cannot develop regular reporting requirements.

The Treasury is given authority to adopt rules requiring persons holding large positions in to be issued or recently issued Treasury securities to report their positions, and keep records necessary for compliance.

The bill provides for sales practice rules for transactions in Government securities, to prevent fraudulent and manipulative acts and practices.

The bill further directs the Treasury, the Securities and Exchange Commission, and the Federal Reserve to monitor and evaluate the effectiveness of private sector efforts to disseminate Government securities information.

Finally, in response to Salomon's violations, the bill makes it clear that any false or misleading written statement in connection with bids for or purchase of Government securities is a violation of law.

The second bill, the Limited Partnership Rollup Reform Act of 1993, will bring an end to abusive transactions that have harmed individual investors across the country. This bill is supported by the State securities regulators, by investors groups, and by the organization representing general partners.

Limited partnerships were an important investment vehicle in the 1980's; roughly $150 billion in limited partnership interests were sold to U.S. investors, in average investments of $10,000.

The bill will provide limited partners with a number of important protections:

The bill improves disclosure to limited partners.

The bill requires that limited partners be provided a list of other limited partners, and permits them to engage in preliminary communications without filing with the Securities and Exchange Commission.

The bill prohibits any person soliciting proxies in a rollup to be paid only for "yes" votes, or only if the transaction is completed.

It further protects investors by prohibiting broker-dealers from participating in a rollup, and the stock exchanges from listing a security issued in a rollup, unless the transaction meets certain requirements of fairness. These include the right of dissenting limited partners to an appraisal and compensation, or other rights designed to protect them.

The United States has the most vibrant capital markets in the world, due in large part to our commitment to investor protection. The legislation passed today underscores that commitment, by strengthening oversight where necessary, by ending abusive practices, and by ensuring that markets function fairly.

Mr. D'AMATO. Mr. President, I am pleased that today the Senate has passed two important pieces of securities legislation—the Government Securities Act of 1993 and the Limited Partnership Rollup Reform Act of 1993. Both bills provide for important investor protections that will enhance the markets for Government securities and limited partnership securities.

The Government Securities Act Amendments of 1993 strikes the critical balance of providing for improved investors protection while maintaining the liquidity and efficiency of the Government securities market.

The Government securities market is the largest securities market in the world. Treasury finances the national debt of approximately $3.61 trillion dollars with Government securities—conducting auctions over 150 times every year.

In the Government Securities Act of 1986 [GSA], Congress granted the Treasury temporary authority to write rules regarding Government securities transactions by Government securities broker dealers. The GSA included a 5-year sunset of Treasury's rulemaking authority and required the SEC, Treasury, and the Federal Reserve to conduct a joint study of the rules promulgated under the GSA and make recommendations accordingly.

The joint study, released in 1991, recommended that Treasury's rulemaking authority be permanently extended and that Congress consider legislation on three additional issues related to the Government securities market—sales practice rules, enhanced price transparency, and expanding SIPC coverage.

The Government Securities Act Amendments of 1993 permanently extends Treasury rulemaking authority and addresses these additional issues raised in the joint study. This legislation authorizes the NASD to promulgate sales practice rules, requires disclosure to customers regarding SIPC coverage, and directs Treasury, the Federal Reserve and the SEC to study private sector efforts to disseminate price and volume information.

This legislation also takes steps to improve the quality of information provided to the SEC for enforcement and market surveillance purposes. This legislation authorizes the SEC to request information regarding trade reconstruction in machine readable format. In making a request from small Government securities broker dealer firms, however, the legislation requires that the SEC consider and minimize the burden of such a request.

This legislation also gives Treasury authority to prescribe rules requiring large position reporting so that the Treasury and the SEC can effectively monitor concentrations of positions in the Government securities market.

The Government Securities Act Amendments of 1993 authorizes the SEC to promulgate antifraud rules to prevent fraudulent, deceptive, or manipulative acts or practices or make fictitious quotations. Prior to adopting any such rules, the SEC must consult with the Treasury and the appropriate regulatory agencies to address any concerns about the efficiency and liquidity of the Government securities market.

This legislation represents tremendous bipartisan efforts by the staffs of the Senate Banking Committee and the Securities Subcommittee along with their House counterparts. I particularly want to thank Laura Unger, Ira Paull, Wayne Abernathy, Martha Cochran, and Mitchell Feuer for their hard work on this legislation. The Government Securities Act Amendments of 1993 takes up where the GSA left off, creating a comprehensive body of law to regulate the world's most important financial market—the market for Government securities.

The Limited Partnership Rollup Reform Act of 1993 is another important piece of legislation that will protect thousands of investors in limited partnerships throughout the country.

This legislation addresses many of the abuses that have occurred in limited partnership rollup transactions. In the last few years, the Securities Subcommittee has heard ample testimony from investors who were limited partners and whose interests were basically rolled over in a rollup transaction.

There are close to 750,000 limited partners in New York alone. In the past, limited partners have had limited recourse against general partners proposing a rollup of the limited partnership interests into publicly traded securities. Many investors lost a substantial portion of their original investment when their limited partnership interest was included in a rollup transaction.

The Limited Partnership Rollup Reform Act protects all investors in limited partnerships. It encourages investors to communicate about the rollup and it requires clear, concise, and comprehensible disclosure documents so that investors can understand the proposed transaction. The bill also requires that there be sufficient time for limited partners to consider the rollup and requires national securities exchanges to adopt listing standards to protect these limited partners in the resulting rollup.

This legislation also provides protections for limited partners who choose not to participate in the rollup. These protections are sufficiently flexible so that they can be tailored to meet the particular circumstances and structured to ensure that the interests of all limited partners in the rollup transaction are properly balanced.

Mr. BIDEN. Mr. President, I move that the Senate concur in the House amendments with a substitute amendment which I now send to the desk on behalf of Senators DODD and GRAHAM.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Delaware [Mr. BIDEN], for Mr. DODD, proposes an amendment No. 1241:

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

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

The motion was agreed to.

Mr. BIDEN. Mr. President, I move to reconsider.

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

The motion to lay on the table was agreed to.

ORDERS FOR TUESDAY, NOVEMBER 23

Mr. BIDEN. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand adjourned until 10:30 a.m., Tuesday, November 23; that when the Senate reconvenes on that day, the Journal of proceedings be approved to date, the call of the calender be waived, and no motions or reconsiderations come over under the rule; that the morning hour be deemed to have expired; that the time for the two leaders be reserved for their use later in the day; that immediately following the announcement of the Chair, the Senate proceed to a period for morning business with Senators permitted to speak therein for up to 10 minutes each.

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

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

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The assistant legislation clerk proceeded to call the roll.

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

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

AJOURNMENT UNTIL 10:30 A.M. TOMORROW

Mr. BIDEN. Mr. President, if there is no further business to come before the Senate today, I now move that the Senate stand adjourned until 10:30 a.m., Tuesday, November 23, as previously ordered.

The motion was agreed to, and the Senate, at 9 p.m. adjourned until tomorrow, Tuesday, November 23, 1993, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate November 22, 1993, under authority of the order of the Senate of January 5, 1993:

ACTION AGENCY

JAMES A. SCHEIBEL, OF MINNESOTA, TO THE DIRECTOR OF THE ACTION AGENCY, VICE JANE A. KENNY, RESIGNED.

DEPARTMENT OF STATE

THOMAS L. BALDINI, OF MICHIGAN, TO BE A COMMISSIONER ON THE PART OF THE UNITED STATES ON THE INTERNATIONAL JOINT COMMISSION, UNITED STATES AND CANADA, VICE GORDON K. DURNIL, RESIGNED.

U.S. ADVISORY COMMISSION ON PUBLIC DIPLOMACY

CHARLES H. DOLAN, JR., OF VIRGINIA, TO BE A MEMBER OF THE UNITED STATES ADVISORY COMMISSION ON PUBLIC DIPLOMACY FOR A TERM EXPIRING JULY 1, 1994, VICE EDWIN J. FEULNER, JR., TERM EXPIRED.

HAROLD C. PACHIOS, OF MAINE, TO BE A MEMBER OF THE U.S. ADVISORY COMMISSION ON PUBLIC DIPLOMACY FOR A TERM EXPIRING JULY 1, 1996, VICE LEWIS W. DOUGLAS, JR., TERM EXPIRED.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

MARTHA B. GOULD, OF NEVADA, TO BE A MEMBER OF THE NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE FOR A TERM EXPIRING JULY 19, 1997, VICE JULIA LI WU, TERM EXPIRED.

GARY N. SUDDUTH, OF MINNESOTA, TO BE A MEMBER OF THE NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE FOR A TERM EXPIRING JULY 19, 1997, VICE JERALD CONWAY NEWMAN, TERM EXPIRED.

FRANK J. LUCCHINO, OF PENNSYLVANIA, TO BE A MEMBER OF THE NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE FOR A TERM EXPIRING JULY 19, 1998, VICE CHARLES E. REID, TERM EXPIRED.

BOBBY L. ROBERTS, OF ARKANSAS, TO BE A MEMBER OF THE NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE FOR A TERM EXPIRING JULY 19, 1998, VICE WANDA L. FORBES, TERM EXPIRED.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

MICHAEL H. TRUJILLO, OF OREGON, TO BE DIRECTOR OF THE INDIAN HEALTH SERVICE, DEPARTMENT OF HEALTH AND HUMAN SERVICES, FOR A TERM OF 4 YEARS. (NEW POSITION)

FEDERAL EMERGENCY MANAGEMENT AGENCY

ELAINE A. MCREYNOLDS, OF TENNESSEE, TO BE FEDERAL INSURANCE ADMINISTRATOR, FEDERAL EMERGENCY MANAGEMENT AGENCY, VICE C.M. SCHAUERTE, RESIGNED.

RICHARD THOMAS MOORE, OF MASSACHUSETTS, TO BE AN ASSOCIATE DIRECTOR OF THE FEDERAL EMERGENCY MANAGEMENT AGENCY, VICE THOMAS F. KRANZ, RESIGNED.

U.S. ENRICHMENT CORPORATION

GRETA JOY DICAS, OF ARKANSAS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE U.S. ENRICHMENT CORPORATION FOR A TERM OF 1 YEAR. (NEW POSITION)

FRANK G. ZARB, OF NEW YORK, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE U.S. ENRICHMENT CORPORATION FOR A TERM OF 2 YEARS. (NEW POSITION)

KNEELAND C. YOUNG, OF TEXAS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE U.S. ENRICHMENT CORPORATION FOR A TERM OF 3 YEARS. (NEW POSITION)

MARGARET HORNBECK GREENE, OF KENTUCKY, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE U.S. ENRICHMENT CORPORATION FOR A TERM OF 4 YEARS. (NEW POSITION)

WILLIAM J. RAINER, OF CONNECTICUT, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE U.S. ENRICHMENT CORPORATION FOR A TERM OF 5 YEARS. (NEW POSITION)

EXECUTIVE NOMINATIONS RECEIVED BY THE SENATE NOVEMBER 22, 1993:

DEPARTMENT OF COMMERCE

GREG FARMER, OF FLORIDA, TO BE UNDER SECRETARY OF COMMERCE FOR TRAVEL AND TOURISM, VICE JOHN G. KELLER, JR., RESIGNED.

GRAHAM R. MITCHELL, OF MASSACHUSETTS, TO BE ASSISTANT SECRETARY OF COMMERCE FOR TECHNOLOGY POLICY, VICE DEBORAH WINCE-SMITH, RESIGNED.

DEPARTMENT OF DEFENSE

ROBERT B. PIRIE, JR., OF MARYLAND, TO BE AN ASSISTANT SECRETARY OF THE NAVY, VICE JACQUELINE E. SCHAFER, RESIGNED.

DEPARTMENT OF THE INTERIOR

ROBERT JAY URAM, OF CALIFORNIA, TO BE DIRECTOR OF THE OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT, VICE HARRY M. SNYDER, RESIGNED.

U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

JILL B. BUCKLEY, OF WASHINGTON, TO BE AN ASSISTANT ADMINISTRATOR OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT, VICE ROBERT R. RANDLETT, RESIGNED.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS TO TITLE 10, UNITED STATES CODE, SECTION 1370:

To be general

GEN. GEORGE L. BUTLER, xxx-xx-x... U.S. AIR FORCE.

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be general

LT. GEN. BARRY R. MCCAFFREY, xxx-xx-x... U.S. ARMY.

THE FOLLOWING U.S. ARMY NATIONAL GUARD OFFICER FOR PROMOTION TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY OF THE UNITED STATES, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 593(A), 3385 AND 3392:

To be major general

BRIG. GEN. ROBERT L. DEZAM, xxx-xx-x...

CONFIRMATION

Executive nomination confirmed by the Senate November 22, 1993:

NATIONAL CREDIT UNION ADMINISTRATION BOARD

NORMAN E. D'AMOURS, OF NEW HAMPSHIRE, TO BE A MEMBER OF THE NATIONAL CREDIT UNION ADMINISTRATION BOARD FOR THE TERM OF 6 YEARS EXPIRING AUGUST 2, 1999.

THE ABOVE NOMINATION WAS APPROVED SUBJECT TO THE NOMINEE'S COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

HOUSE OF REPRESENTATIVES—*Monday, November 22, 1993*

The House met at 9 a.m.

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

Of all Your gifts, O God, that we gladly receive, we celebrate the gifts of light and life, the gifts of understanding and peace, of faith and hope and love. Surrounded by so many blessings, we pray that we will not miss the gifts of Thanksgiving and gratitude. In the midst of all that needs to be accomplished, we gather together to ask the Lord's blessing and to give thanks for family and friends, for freedoms and opportunities and for the joys of this season. Bless us, O God, this day and every day. 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.

Mrs. UNSOELD. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

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

Mrs. UNSOELD. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. 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 219, nays 141, answered "present" 1, not voting 72, as follows:

[Roll No. 601]

YEAS—219

Abercrombie	Borski	Combest
Ackerman	Boucher	Condit
Andrews (ME)	Brooks	Cooper
Andrews (NJ)	Browder	Coppersmith
Andrews (TX)	Brown (FL)	Costello
Applegate	Brown (OH)	Coyne
Archer	Bryant	Cramer
Bacchus (FL)	Byrne	Danner
Baesler	Cantwell	Darden
Barca	Cardin	de la Garza
Barcia	Carr	Deal
Barlow	Clayton	DeFazio
Barrett (WI)	Clement	DeLauro
Berman	Clyburn	Dellums
Bevill	Coleman	Derrick
Bishop	Collins (GA)	Deutsch
Blackwell	Collins (IL)	Dicks
Bonior	Collins (MI)	Dingell
Dooley	Lancaster	Richardson
Durbin	Lantos	Roemer
Edwards (CA)	LaRocco	Rose
Edwards (TX)	Laughlin	Rostenkowski
Eshoo	Lehman	Rowland
Evans	Levin	Roybal-Allard
Fazio	Lewis (GA)	Rush
Fields (LA)	Lipinski	Sabo
Filner	Lloyd	Sanders
Fingerhut	Long	Sarpalius
Flake	Lowey	Sawyer
Foglietta	Maloney	Schenk
Frank (MA)	Mann	Schumer
Frost	Margolies-Mezvinsky	Serrano
Furse	Matsui	Sharp
Gejdenson	Mazzoli	Shepherd
Gephardt	McCloskey	Sisisky
Gibbons	McCurdy	Skaggs
Gillmor	McDermott	Skelton
Glickman	McHale	Smith (IA)
Gonzalez	McKinney	Smith (NJ)
Gordon	McNulty	Spratt
Green	Meehan	Stark
Greenwood	Meek	Stenholm
Gutierrez	Menendez	Stokes
Hall (TX)	Mfume	Strickland
Hamburg	Mineta	Studds
Hamilton	Minge	Stupak
Harman	Mink	Swett
Hastings	Montgomery	Swift
Hayes	Myers	Synar
Hilliard	Natcher	Tanner
Hoagland	Neal (MA)	Tauzin
Hochbrueckner	Oberstar	Tejeda
Holden	Obey	Thompson
Houghton	Olver	Thornton
Hoyer	Ortiz	Thurman
Hughes	Orton	Torres
Hutto	Owens	Torricelli
Hyde	Pallone	Towns
Inglis	Pastor	Traficant
Inslee	Payne (NJ)	Tucker
Johnson (SD)	Payne (VA)	Unsoeld
Johnson, E. B.	Pelosi	Velazquez
Johnston	Penny	Vento
Kanjorski	Peterson (FL)	Visclosky
Kasich	Pickett	Volkmer
Kennedy	Pickle	Watt
Kennelly	Pombo	Wheat
Kildee	Pomeroy	Wise
Kingston	Poshard	Woolsey
Klein	Price (NC)	Wyden
Klink	Rahall	Wynn
Kopetski	Reed	Yates
Kreidler	Reynolds	
Lambert		

NAYS—141

Allard	Diaz-Balart	Hefley
Armey	Dickey	Hobson
Bachus (AL)	Dreier	Hoekstra
Baker (LA)	Duncan	Hoke
Ballenger	Dunn	Horn
Barrett (NE)	Emerson	Huffington
Bartlett	Everett	Hutchinson
Bentley	Ewing	Inhofe
Bereuter	Fawell	Istook
Bilirakis	Fowler	Jacobs
Bliley	Franks (CT)	Johnson (CT)
Blute	Franks (NJ)	Johnson (GA)
Boehlert	Gallegly	Johnson, Sam
Boehner	Gallo	Kim
Bonilla	Gekas	King
Burton	Gilchrest	Klug
Buyer	Gingrich	Knollenberg
Callahan	Goodlatte	Kolbe
Calvert	Goodling	Kyl
Camp	Goss	Lazio
Canady	Grams	Leach
Castle	Grandy	Levy
Coble	Gunderson	Lewis (CA)
Cox	Hancock	Lewis (FL)
Crapo	Hansen	Lightfoot
Cunningham	Hastert	Linder
Livingston	Quinn	Smith (MI)
Machtley	Ramstad	Smith (TX)
Manzullo	Ravenel	Snowe
McCandless	Regula	Solomon
McCollum	Ridge	Spence
McHugh	Roberts	Stearns
McInnis	Rogers	Stump
McKeon	Rohrabacher	Talent
McMillan	Ros-Lehtinen	Taylor (MS)
Mica	Roth	Taylor (NC)
Michel	Roukema	Thomas (CA)
Miller (FL)	Royce	Thomas (WY)
Molinari	Santorum	Torkildsen
Moorhead	Saxton	Upton
Nussle	Schiff	Vucanovich
Packard	Schroeder	Walker
Paxon	Sensenbrenner	Walsh
Petri	Shaw	Weldon
Portman	Shays	Young (FL)
Pryce (OH)	Shuster	Zeliff
Quillen	Skeen	Zimmer

ANSWERED "PRESENT"—1

Murtha

NOT VOTING—72

Baker (CA)	Ford (MI)	Murphy
Barton	Ford (TN)	Nadler
Bateman	Geren	Neal (NC)
Becerra	Gilman	Oxley
Beilenson	Hall (OH)	Parker
Bilbray	Hefner	Peterson (MN)
Brewster	Herger	Porter
Brown (CA)	Hinchey	Rangel
Bunning	Hunter	Sangmeister
Chapman	Jefferson	Schaefer
Clay	Kaptur	Scott
Clinger	Kleczka	Slattery
Conyers	LaFalce	Slaughter
Crane	Manton	Smith (OR)
DeLay	Markey	Sundquist
Dixon	Martinez	Valentine
Doolittle	McCrery	Washington
Dornan	McDade	Waters
Engel	Meyers	Waxman
English (AZ)	Miller (CA)	Whitten
English (OK)	Moakley	Williams
Farr	Mollohan	Wilson
Fields (TX)	Moran	Wolf
Fish	Morella	Young (AK)

☐ 0928

Mr. KLEIN changed his vote from "nay" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. GILMAN. Mr. Speaker, I regret that my being involved in a conference on narcotics with the Attorney General prevented me from voting on rollcall No. 601, approving the Journal. Had I been present to vote, I would have voted "aye."

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore (Mr. MONTGOMERY). The gentleman from Kansas [Mr. GLICKMAN] will lead the House in the Pledge of Allegiance.

Mr. GLICKMAN 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.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain five 1-minute speeches on each side.

"60 MINUTES" REPORT ON ALLEGATIONS OF CIA COMPLICITY IN VENEZUELAN NARCOTICS TRAFFICKING

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

Mr. GLICKMAN. Mr. Speaker, last night the CBS show "60 Minutes" contained a report of serious allegations of complicity of Government agents, including agents of the CIA, in drug trafficking in Venezuela.

The House Intelligence Committee takes those allegations with utmost seriousness.

These allegations undermine the effectiveness of counternarcotics programs and corrode their credibility with the American public and with foreign governments, whose cooperation is vital to their success. These charges are a regrettable blot against one of the Federal Government's highest priority programs to reclaim our streets and neighborhoods from the drug-driven crimes tormenting our society.

The committee initiated an investigation of this episode when it first came to its attention over 2 years ago. Pursuant to its oversight responsibilities, the committee has followed and will continue to follow the case closely to ensure appropriate remedial actions are taken.

With respect to the Federal Government's counternarcotics programs generally and the role of the CIA in them, the committee has subjected them to exhaustive scrutiny. A classified committee staff report on "Intelligence Support to Counternarcotics" was disseminated to executive branch agencies earlier this year. However, many of the recommendations the committee made for improving the performance of the intelligence community have not been fully implemented. The committee believes that stronger management controls over these programs, particularly those that involve working with foreign governments, must be instituted.

While the intelligence community plays a significant role in the war on drugs, it is but one part in what is and must be a comprehensive policy. With respect to the implementation of this policy, I view with grave concern the fragmented nature and often ineffective coordination of the numerous multiagency programs dealing with drugs. There is still too much turf fighting between Federal agencies in the battle against drugs.

□ 0930

TYRANNY

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

Mr. HOKE. Mr. Speaker, I am standing here in the well, as my colleagues know, and I never understood what it meant to poison the well before last night. I did not understand because, as a casual observer of Congress before I got here as a Member, I did not know what really was going on here. Like most Americans, Mr. Speaker, I believe in a fair fight. I do not mind losing when I have played in a fair fight. But what I hate is I hate cheaters. I detest, I abhor, bullies. And I hate a rigged game, and that is clearly what we have got here.

The truth is that what the poisoning of the well is all about is the fury that erupts in a free people, the fury that people feel who have been elected by a majority of the people in this country, a majority, because between the number of people that wanted to have amendments offered last night, the Republican conference, the gentleman from Oklahoma [Mr. SYNAR] and others, we clearly represent a majority of the American people, but could we be heard last night? No, absolutely not.

Mr. Speaker, that truly is the meaning of tyranny of the majority.

DREAM DREAMS OF THE FUTURE

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

Mr. SARPALIUS. Mr. Speaker, today the world will pause and think of the life of John F. Kennedy, our beloved President. We all have favorite quotes and challenges of what he gave us. Mine was when he said, "I would rather dream dreams of the future than read history of the past," and boy was he a dreamer. He dreamed of feeding, and teaching and clothing the hungry people of the world and created the Peace Corps. He gave us the dream of putting a man on the Moon and the dream of someday having all people treated equally in this country.

I challenge my colleagues and the American people today not to think of his death, but think of the challenges that he gave the American people, to dream their dreams and to make their dreams come true.

NO REPLIES

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

Mr. BURTON of Indiana. Mr. Speaker, Secretary of Commerce Ron Brown has been accused of taking a $700,000 bribe to normalize relations with Vietnam and to lower those trade barriers even though we have not had a full accounting of the 2,200 POW-MIA's, and their families are still waiting. Because of this accusation, Mr. Speaker, a grand jury was empaneled in Miami, and those grand jury investigations are going on right now.

But the chief accuser who passed a 6-hour lie detector test has never been called before that grand jury, and we asked Janet Reno why, and we have no reply. We wrote to the President of the United States asking Ron Brown, the Secretary of Commerce, to recuse himself from involvement in negotiations with Vietnam. We received no reply. We wrote to Brown's Department of Commerce asking for information about these allegations. No reply. We wrote to the Attorney General Reno about a special prosecutor, and all the leadership on the Republican side asked for that. No reply. And now we have 2,200 POW-MIA families who wait daily for some response from the Vietnamese Government about their loved ones left behind while these negotiations to normalize relations are going on, without any reply.

No reply, no reply.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H.R. 898. An act to authorize the Air Force Memorial Foundation to establish a memorial in the District of Columbia or its environs;

H.R. 1237. An act to establish procedures for national criminal background checks for child care providers;

H.R. 3225. An act to support the transition to nonracial democracy in South Africa;

H.R. 3378. An act to amend title 18, United States Code, with respect to parental kidnapping, and for other purposes;

H.R. 3471. An act to authorize the leasing of naval vessels to certain foreign countries; and

H.J. Res. 159. Joint resolution to designate the month of November in 1993 and 1994 as "National Hospice Month."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 2840. An act to amend title 17, United States Code, to establish copyright arbitration royalty panels to replace the Copyright Royalty Tribunal, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to the amendment of the Senate to the bill (H.R. 2632) "An act to authorize appropriations for the Patent and Trademark Office in the Department of Commerce for fiscal year 1994."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2330) "An act to authorize appropriations for fiscal year 1994 for the intelligence and intelligence-related activities of the U.S. Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes."

AMERICAN PEOPLE STILL WANT ANSWERS ABOUT THE ASSASSINATION OF JFK

(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, a vast majority of Americans believe that our Government lied to us about the assassination of JFK, that they withheld critical evidence, they disguised facts and they covered it up.

In fact, I say, "The assassination of JFK and the way it was handled was a real crossroads for America. There is much distrust and cynicism that started in 1963 that continues to grow in 1993, and, ladies and gentlemen, if you believe that there was one smart, magic bullet that wounded John Connally, then did a 180-degree turnaround and killed JFK, then you believe, then you believe, that we can solve all the wetland problems in Florida."

My colleagues, the very simple truth here is that the truth shall set you free, and the American people today want to know the truth. I ask, "Why don't we investigate what really happened in Dealey Plaza?"

CLINTON, GINGRICH FORM A FORMIDABLE DUO

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

Mr. LINDER. Mr. Speaker, the Atlanta Constitution in my hometown said so many bad things about our leader, NEWT GINGRICH, that when they say something well done, it deserves to be in the RECORD.

On November 19 the Atlanta Constitution said that Clinton is not the only winner:

Clinton probably could not have carried the day without the help of House Minority Whip Newt Gingrich. By demonstrating his willingness to fight alongside a Democratic president, the Cobb County Republican has begun to look more like a national leader.

By allying himself with the president, Gingrich showed that he can put the interests of the country first—and that he can deliver. He managed to round up 132 votes, more than even he had predicted, to help put NAFTA over the top.

By putting aside partisan rancor, Clinton and Gingrich were able to accomplish what seemed virtually impossible just a week ago. How much better off the country would be if the two leaders could keep alive the spirit of cooperation as the House begins a new round of debates over spending cuts.

PENNY-KASICH—NOT THE WAY TO REDUCE THE DEFICIT

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

Mr. STRICKLAND. Mr. Speaker, yesterday morning—on a beautiful Sunday here in Washington—I went to Arlington National Cemetery, and visited the gravesites of John and Bobby Kennedy, and watched the changing of the guard at the Tomb of the Unknown Soldiers. It was good for me to make this trip on the occasion of the 30th anniversary of President Kennedy's death to remind me of the burden we have to protect and promote the well-being of this great Nation.

Mr. Speaker, just as John and Bobby Kennedy welcomed the great challenge of their time—to fight for racial and economic justice for all, so must our generation accept the greatest challenge of our day: to make the fundamental right of health care available to all Americans.

That is the major reason I oppose the Penny-Kasich amendment. We all want to reduce the deficit, but this amendment is not the way to do it. For Penny-Kasich will take the money needed to reform our health care system.

Obligating Medicare savings for deficit reduction will endanger this goal. What will we give up? Will it be home health care, prescription drug benefits, or mental health coverage?

The easy thing to do would be to vote for Penny-Kasich and claim to be a deficit reducer. But the courageous thing to do is to make more responsible cuts, and meet the challenge of our generation—to provide health care for all Americans.

THE CLINTON CREDIBILITY GAP

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

Ms. PRYCE of Ohio. Mr. Speaker, after coercing several Democrats into voting for the largest tax increase in history, President Bill Clinton promised a vote on real spending cuts.

The Penny-Kasich plan is the only bipartisan amendment which will achieve real spending cuts. It will save the taxpayer $90 billion. That is only one penny on every dollar over the next 5 years.

But now a new tactic to influence the outcome of this vote is being used. Just as when the President passed out pork barrel projects to secure votes on NAFTA, some in the House leadership are now threatening Members with losses of projects in their districts if they vote for real cuts.

□ 0940

Do not be held hostage to this political chicanery. We must do what is right and begin to address our deficit at long last.

As our friend, the gentleman from Minnesota [Mr. PENNY] says, we cannot cut spending unless we cut spending. Just do it. It is the right thing.

Vote for Penny-Kasich.

PENSION REFORM LEGISLATION WOULD TARGET UNDERFUNDED PENSION PLANS

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

Mr. PICKLE. Mr. Speaker, I rise this morning to remind my colleagues that Chairman FORD and Chairman ROSTENKOWSKI joined by Mr. HOUGHTON and myself recently introduced upon request H.R. 3396, which is very important pension reform legislation. Under this bill companies which sponsor seriously underfunded pension plans would be required to fund their pension promises and to inform their workers of the true financial condition of the pension plan. It is my understanding that later today the Pension Benefit Guaranty Corporation, which currently has a deficit of over $2.7 billion, will release its latest analysis of the 50 most underfunded pension plans. I think Members will be shocked at this list. Pension underfunding is increasing rapidly. For example the unfunded liabilities of General Motors increased from $14 billion to over $24 billion in 1 year. Total unfunded liabilities are now expected to exceed $50. And, as if this is not bad enough, the Securities and Exchange Commission and the Financial Accounting Standards Board are now warning companies that they must begin to use realistic pension assumptions that properly reflect the true extent of their liabilities on their books. Using realistic assumptions will cause the reported level of underfunding to increase by many additional billions and today in the Washington Post we are reminded of the grim reality that our public pension plans are shockingly underfunded. It is time to start our arduous task of reform. In light of this very serious problem, I urge Members to pay very careful attention to the provisions of H.R. 3396 and to join in this effort to resolve this critical issue.

MORE THOUGHTS ON PENNY-KASICH

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

Mr. HUTCHINSON. Mr. Speaker, the Washington Post headline says it all: "White House Lobbies Against Plan for $90 Billion More in Spending Cuts."

When push comes to shove or when spending-cut rhetoric comes to spending-cut reality, the administration just will not agree to cut spending first.

The question is, What will this Congress do?

Why do Members want cuts in spending? Because they want to solve our deficit problem and pay less in taxes. And if this Congress cannot cut one penny out of a dollar in spending over 5 years, then I suggest we cannot cut anything. But at least now we know that when it comes to the war on spending, the President and the Democratic leadership are conscientious objectors.

If there is ever a book written entitled "The Rise and Fall of the United States of America" it will surely have to focus on the twin causes of our demise, and that is the debt and deficit.

Colleagues, it is time for soul-searching. It is time to cut spending first.

HEALTH CARE FOR VETERANS OF PERSIAN GULF WAR

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2535) to amend title 38, United States Code, to provide additional authority for the Secretary of Veterans Affairs to provide health care for veterans of the Persian Gulf war, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Senate amendment:

Strike out all after the enacting clause and insert:

SECTION 1. AUTHORITY TO PROVIDE PRIORITY HEALTH CARE TO VETERANS OF THE PERSIAN GULF WAR.

(a) INPATIENT CARE.—(1) Section 1710(a)(1)(G) of title 38, United States Code, is amended by striking out "or radiation" and inserting in lieu thereof ", radiation, or environmental hazard".

(2) Section 1710(e) of such title is amended—

(A) by inserting at the end of paragraph (1) the following new subparagraph:

"(C) Subject to paragraphs (2) and (3) of this subsection, a veteran who the Secretary finds may have been exposed while serving on active duty in the Southwest Asia theater of operations during the Persian Gulf War to a toxic substance or environmental hazard is eligible for hospital care and nursing home care under subsection (a)(1)(G) of this section for any disability, notwithstanding that there is insufficient medical evidence to conclude that such disability may be associated with such exposure.";

(B) in paragraph (2), by striking out "subparagraph (A) or (B)" and inserting in lieu thereof "subparagraph (A), (B), or (C)"; and

(C) in paragraph (3), by striking out the period at the end and inserting in lieu thereof ", or, in the case of care for a veteran described in paragraph (1)(C), after December 31, 1994.".

(b) OUTPATIENT CARE.—Section 1712(a) of such title is amended—

(1) in paragraph (1)—

(A) by striking out "and" at the end of subparagraph (B);

(B) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof "; and"; and

(C) by adding at the end the following:

"(D) during the period before December 31, 1994, for any disability in the case of a veteran who served on active duty in the Southwest Asia theater of operations during the Persian Gulf War and who the Secretary finds may have been exposed to a toxic substance or environmental hazard during such service, notwithstanding that there is insufficient medical evidence to conclude that the disability may be associated with such exposure."; and

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

"(7) Medical services may not be furnished under paragraph (1)(D) with respect to a disability that is found, in accordance with guidelines issued by the Under Secretary for Health, to have resulted from a cause other than an exposure described in that paragraph.".

(c) EFFECTIVE DATE.—(1) The amendments made by subsections (a) and (b) shall take effect as of August 2, 1990.

(2) The Secretary of Veterans Affairs shall, upon request, reimburse any veteran who paid the United States an amount under section 1710(f) or 1712(f) of title 38, United States Code, as the case may be, for hospital care, nursing home care, or outpatient services furnished by the Secretary to the veteran before the date of the enactment of this Act on the basis of a finding that the veteran may have been exposed to a toxic substance or environmental hazard during the Persian Gulf War. The amount of the reimbursement shall be the amount that was paid by the veteran for such care or services under such section 1710(f) or 1712(f).

SEC. 2. EXTENSION OF CERTAIN HEALTH CARE AND OTHER AUTHORITIES.

(a) ELIGIBILITY FOR CARE FOR EXPOSURE TO DIOXIN OR IONIZING RADIATION.—Section 1710(e)(3) of title 38, United States Code, as amended by section 1(a)(2)(C), is further amended by striking out "December 31, 1993" and inserting in lieu thereof "June 30, 1994".

(b) ELIGIBILITY FOR SEXUAL TRAUMA COUNSELING.—Section 102(b) of the Women Veterans Health Programs Act of 1992 (Public Law 102–585; 38 U.S.C. 1720D note) is amended—

(1) by striking out "December 31, 1991," and inserting in lieu thereof "December 31, 1922,"; and

(2) by striking out "December 31, 1993" and inserting in lieu thereof "December 31, 1994".

(c) AUTHORITY TO MAINTAIN REGIONAL OFFICE IN THE PHILIPPINES.—Section 315(b) of title 38, United States Code, is amended by striking out "March 31, 1994" and inserting in lieu thereof "December 31, 1994".

(d) AUTHORITY FOR ADVISORY COMMITTEE ON EDUCATION.—Section 3692(c) of title 38, United States Code, is amended by striking out "December 31, 1993" and inserting in lieu thereof "December 31, 1994".

SEC. 3. SHARING OF RESOURCES WITH STATE HOMES.

(a) PURPOSE.—Section 8151 of title 38, United States Code, is amended by adding at the end the following: "It is further the purpose of this subchapter to improve the provision of care to veterans under this title by authorizing the Secretary to enter into agreements with State veterans facilities for the sharing of health-care resources.".

(b) DEFINITION.—Section 8152 of such title is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following new paragraph (3):

"(3) The term 'health-care resource' includes hospital care, medical services, and rehabilitative services, as those terms are defined in paragraphs (5), (6), and (8), respectively, of section 1701 of this title, any other health-care service, and any health-care support or administrative resource.".

(c) SHARING OF HEALTH-CARE RESOURCES.—Section 8153(a) of such title is amended—

(1) by inserting "(1)" after "(a)"; and

(2) by striking out "other form of agreement," and all that follows and inserting in lieu thereof the following: "other form of agreement for the mutual use, or exchange of use, of—

"(A) specialized medical resources between Department health-care facilities and other health-care facilities (including organ banks, blood banks, or similar institutions), research centers, or medical schools; and

"(B) health-care resources between Department health-care facilities and State home facilities recognized under section 1742(a) of this title.

"(2) The Secretary may enter into a contract or other agreement under paragraph (1) only if (A) such an agreement will obviate the need for a similar resource to be provided in a Department health care facility, or (B) the Department resources which are the subject of the agreement and which have been justified on the basis of veterans' care are not used to their maximum effective capacity.".

Mr. MONTGOMERY (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore (Mr. PICKLE). Is there objection to the request of the gentleman from Mississippi.

There was no objection.

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

Mr. STUMP. Mr. Speaker, reserving the right to object, I do not intend to object, and I yield to the chairman of the committee for an explanation of the bill.

Mr. MONTGOMERY. Mr. Speaker, the Senate amendments to H.R. 2535 reflect an agreement with the other body to provide priority health care for Persian Gulf veterans, both inpatient and outpatient, through December 31, 1994. It also authorizes the VA to reimburse any Persian Gulf war veteran who may have been charged for VA health care.

The bill would also authorize the VA to enter into agreements with State homes for veterans to share any health care resources.

In addition, the bill would extend certain expiring authorizations to:

First, provide health care to veterans exposed to Agent Orange or ionizing radiation through June 30, 1994;

Second, provide sexual trauma counseling to certain women veterans through December 31, 1994;

Third, operate the Regional Office in the Philippines through December 31, 1994; and

Fourth, utilize an Educational Advisory Committee through December 31, 1994.

It is unfortunate that the other body has not acted on a number of measures our committee sent to them over the past several months. This is not the comprehensive legislation we had hoped to have ready by the end of this session, but it is the best that we can do under the circumstances.

Mr. Speaker, I want to thank the ranking minority member of the committee, BOB STUMP, for his cooperation in reaching agreement with the other body.

I urge my colleagues to support this important measure.

Mr. BUYER. Mr. Speaker, it is with a great deal of satisfaction that I add my strong support to H.R. 2535 as amended. This bill is particularly timely in light of the recent revelations concerning the Czechoslovakian chemical report released by the Department of Defense, as well as the continued reports of serious illness from Persian Gulf veterans.

This bill authorizes the Department of Veterans Affairs [VA] to provide health care to veterans who were exposed to internal and external toxic substances or environmental hazards during the Persian Gulf war. It also authorizes the VA to reimburse Persian Gulf veterans who have been previously charged for health care.

Since the House unanimously passed H.R. 2535 last August, subcommittees from both the House Armed Services and Veterans Affairs Committees have held additional hearings on the gulf war illness. It is obvious from the testimony at those hearings that the problems these veterans face are real, not imagined, and that this legislation is needed now more than ever. I am delighted that my colleagues from the other body have acted with such speed in completing action on this bill before adjournment. But we must do more.

The fiscal year 1994 National Defense Authorization Act authorized $1.2 million for the establishment, by the Department of Defense, of an environmental unit for investigating the low-level chemical exposure of U.S. military personnel who served the gulf. Unfortunately, the fiscal year 1994 National Defense Appropriations Act only funded $300,000 for this program. This seriously undercuts the effectiveness of this research. I call on my colleagues to revisit this issue during the next session and to provide full funding to the authorized limit for this timely and important program.

I am also concerned that we are not providing enough support for our Persian Gulf veterans still on active duty. My office, as well as those of many of my colleagues, has received hundreds of calls from active duty personnel who suffer from health problems from their service in the gulf. These individuals are afraid to come forward for fear of being branded as malingerers, or of being medically discharged early with no finding of disability. This is why I, along with three of my House colleagues who were called to active duty for service during the Persian Gulf war, recently sent letters to the House Armed Services Committee and the Military Forces and Personnel Subcommittee leadership calling for hearings on the reporting procedures, diagnostic criteria, and medical discharge procedures relating to the gulf war illness.

The passage of H.R. 2535 represents the first step in aiding those veterans suffering as a result of their gulf war service. I look forward to continuing the fight as we search for the causes of the mysterious gulf war illness.

Mr. STUMP. Mr. Speaker, further reserving the right to object, I rise in support of H.R. 2535, with the Senate amendments and concur in the Senate amendments.

As the distinguished chairman of the Committee on Veterans' Affairs has stated, this bill reflects an agreement to temporarily extend certain programs currently authorized in the Department of Veterans Affairs. The bill also contains provisions to provide priority health care to Persian Gulf veterans.

The Committee on Veterans' Affairs on which I serve as ranking minority member has held several hearings on the health experience of veterans who served in the Gulf region.

The committee identified problems which these veterans were having in obtaining access to VA health care services. This bill will build on legislation passed last Congress (Public Law 102–585) which also addressed this group of veterans.

In addition, this measure contains limited authority to extend certain programs set to expire at the end of this year. While the committee and this body has already passed comprehensive improvements to VA's Agent Orange authority and the furnishing of sexual trauma counseling, the other body has once again delayed passage, and we are left with no alternative but simple extensions.

Mr. Speaker, I am deeply troubled by the other body's pattern of procrastination which results in prolonging necessary improvements in the programs important to our Nation's veterans.

I urge support for this simple measure. My only regret is that it does not reflect the true intentions of this body as previously passed. In addition, I want to thank the chairman of the Subcommittee on Hospitals and Health Care, Dr. ROWLAND and the ranking minority member, Mr. SMITH for their hard work on these issues.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

A motion to reconsider was laid on the table.

THE PENNY-KASICH DEFICIT REDUCTION PLAN

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

Mr. PENNY. Mr. Speaker, the opposition to Penny-Kaisch has been amazing. I believe the reason is that this budget reduction plan would fundamentally challenge the status quo in this city.

Frankly, I did not expect committee chairmen to be enthusiastic, because they created many of the programs that would be reduced by this amendment. I did not expect the President to be thrilled, because he could have and should have done more to cut spending earlier this year in his original budget package.

Obviously, I did not expect the special interests to love this plan because they are the ones that have perpetuated the problem with their zealous defense of spending for all of their pet projects.

But I really did not expect the sort of overkill that the opposition has leveled against this proposal. The reason they have overreacted is because this amendment goes to the heart of the power structure in Washington, DC. It challenges the big spenders on Capitol Hill. It challenges the special interest groups. It challenges committee chairmen.

The sort of resistance we are witnessing is the very reason we now have nearly $300 billion worth of red ink. And the tactics here on Capitol Hill are particularly reprehensible. Letters from Appropriation Committee chairmen with a clear implication.

It is intimidation. It is pressure politics. These chairmen are threatening projects in Members' districts if those Members have the audacity to vote for deficit reduction, as represented by Penny-Kasich.

If this were the private sector, this kind of intimidation practice would be a crime. Vote for Penny-Kasich. It will change the way this Town operates.

HOUSE OF REPRESENTATIVES CAMPAIGN SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The SPEAKER pro tempore. Pursuant to House Resolution 319 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3.

□ 0948

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3) to amend the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending limits and benefits for congressional election campaigns, and for other purposes, with Mr. OBEY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Connecticut [Mr. GEJDENSON] will be

recognized for 30 minutes, and the gentleman from Louisiana [Mr. LIVINGSTON] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Connecticut [Mr. GEJDENSON].

Mr. GEJDENSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, on May 7, 1993, the President and the democratic leadership announced agreement on the broad specifications of a campaign finance reform package. The proposal was and is today, substantially similar to the bill this Chamber has passed twice—2 years ago on November 25, 1991, as the House bill H.R. 3750, by a vote of 273 to 156, and on April 9, 1992, as the Conference Report to accompany S. 3 by a vote of 259 to 156. In general, the bill before you today has the same architecture as last year's proposals—it has similar overall spending limits, contribution limits on PAC's and large individual donors, and provisions to provide incentives to candidates to abide the limits.

Like last year's bill, the overriding goals of this bill are threefold: One is to restrain the power of money as a force in our electoral process and as a determinate of its outcomes. The second is to protect the ability of all individuals, and of modest means, to participate in Federal campaigns; and the third is to reduce the amount of time and energy spent soliciting campaign funds.

TITLE I

The need to bring campaign spending under control is the No. 1 priority in this legislation. this is the essential first step toward lessening candidates' reliance on large sums of money. All other reforms stem from this step—without cost control there is no reform. Spending limits provide a more honest debate.

The data on campaign finance trends provide overwhelming evidence that spending has been spiraling out of control. Expenditures in House elections more than doubled from 1980 to 1992. The average cost of winning a House seat was $554,000 in 1992, up from $178,000, 12 years earlier. In 1980, 28 House candidates spent more than $500,000—that number has increased to 249 candidates in 1992—more than half of the House in the 103d Congress. In fact, close to 50 candidates spent more than $1 million.

Title I establishes a voluntary system of campaign spending limits in House elections, in which candidates who agree to abide by specified limits on their campaign contributions and expenditures, would be eligible to receive certain benefits. Short of challenging the Supreme Court's Buckley versus Valeo 1976 decision, this is the only real alternative to producing real campaign reform in this Congress.

Under H.R. 3 as amended, each candidate who agrees to participate in the system may spend $600,000 during the election cycle.

If a candidate wins the primary by a margin of 20 percent or less, the candidate may spend an additional $200,000.

A candidate who has a runoff election may spend an additional $200,000.

Excluded from the day-to-day campaign operating expenses are the costs of legal services and taxes as well as exemption of up to 10 percent of the cycle limit for fundraising and accounting compliance costs.

The $600,000 election cycle figure is based on an indepth analysis of spending over the last six election cycles and provides candidates to determine when and how to spend campaign funds.

According to the Congressional Research Service, the median amount spent by 1992 House winners in the closest races, decided by 10 percent or less, was $606,000, while $673,000 or less was spent by fully 75 percent of all successful House candidates and $594,000 or less was spent by 75 percent of those challengers who defeated incumbents. Clearly, the $600,000 election cycle limit, adjusted for inflation, provides that critical latitude needed in most races which engender the highest degree of competition.

Declaration of participation:

Candidates must file an irrevocable declaration of participation with the FEC committing to abide by system of spending limits as a condition of eligibility for vouchers.

Statement must be submitted no later than 7 days after the candidate becomes a general election party nominee under State law.

Nonparticipating candidate: Failure by one candidate to file a statement of participation lifts all the spending limits when the nonparticipating opponent raises or spends more than $150,000. Participating candidates are still eligible for voter communication vouchers.

Voter communication vouchers:

Communication vouchers, based on the Presidential primary matching fund system, serve not only as a strong incentive to participation by candidates, but also greatly decrease a candidate's reliance on private sources of campaign money and will reduce the time spent raising money by all candidates.

A participating candidate is eligible to receive up to $200,000, one-third of the spending limit, in voter communication vouchers after raising 10 percent of the $600,000 spending limit from individual contributions less than $200, counting the first $200 of any individual contribution greater than $200.

The vouchers would be redeemable only for TV and radio broadcasts, print advertisement space, and postage expenditures.

The threshold, estimated to around $66,000 in 1996, is high enough so that we are not arbitrarily creating viable challengers where there would be none. All challengers must demonstrate a real ongoing fundraising ability, or they will not be able to qualify.

Vouchers are provided only to general election candidates who have ballot-certified opponents.

It is important to note that while these vouchers are provided by the make democracy work election fund, and administered by the Treasury Department, they will not use funds from general revenues. It is our intention to seek, at a later date, and under separate legislation, resources, from sources other than general revenues, to support the fund. Some of these resource options have begun to be debated.

None of the provisions of this bill become effective until the enactment of subsequent legislation providing resources to the fund.

It is estimated by the Congressional Budget Office that matching vouchers for House candidates would cost approximately $90 million every election cycle. If there is not enough money in the system to finance vouchers, then candidates would receive only a pro rata reduction in matching vouchers.

TITLE II

Contribution limits:

While the proposal places a limit of $600,000 on campaign spending, there is *no* limit on the overall amount of funds a candidate may raise.

Candidates who agree to abide by the spending limits also agree not to make personal contributions to their campaigns in excess of $50,000.

The proposal also establishes mandatory aggregate contribution limit of $200,000 per election cycle from PAC's and individual contributions greater than $200. This one-third contribution targets achieve a balance—assuring the public that no one source or no one type of funds will dominate a campaign. If these limits had been in place for the 1992 election, over $30 million in PAC contributions and $10 million in individual large donor contributions would have been taken out of the overall mix of campaign funds.

There is no aggregate limit on the amount of individual contributions less than $200 that a candidate may raise.

Yes, a participating candidate may raise $800,000—but he or she is *only* allowed to spend $600,000 per cycle.

The mandatory PAC and large donor limits are lifted for the participating candidate only, if the nonparticipating candidate makes personal contributions in excess of $50,000. The nonparticipating opponent is still subject to the mandatory limits as well.

Candidates who have a primary can raise an additional $200,000 in the same one-thirds distribution—$66,600 PAC, $66,600 large individual donor, $66,600 small donor/matching vouchers.

Candidates who have runoffs can raise an additional $200,000, one-half

from PACs, $100,000, and one-half from all individual contributions.

TITLE III

Independent expenditures: Any legislation which seeks a comprehensive approach to the campaign finance system must address the unanticipated consequences of reform. There is always the danger new restrictions may force money from its current path to other, less accountable, less visible routes. Foremost among these are independent expenditures.

This legislation takes several steps to reduce existing problems with independent expenditures and to prevent ones which might occur under proposed reforms.

First, the definition of "independent expenditures" will be sufficiently tighten to prevent collusion or coordination between independent groups and their agents and candidates. We also say that if any person or organization makes a contribution to a candidate, they are not allowed to make independent expenditures in the same race.

Tight new reporting requirements will eliminate the surprise factor. From now on, those making independent expenditures will be expected to report immediately and continually throughout the election cycle. and the FEC will be required to notify us of those reports. More importantly, we counter last minute attacks by requiring those who will be making independent expenditures right before the election to tell the FEC at least 20 days before the election, so that the FEC can notify us. In this way, everyone will be put on notice.

Participating candidates receive an equal opportunity at the lowest nonpreemptible rate from broadcasters to respond to independent expenditures.

Finally, we authorize participation candidates to receive vouchers to respond to independent expenditures aggregating more than $10,000.

TITLE IV. CONTRIBUTIONS AND EXPENDITURES BY POLITICAL PARTY COMMITTEES

Definitions. Section 401 Definitions: establishes new State party grass roots fund to conduct mixed party activities that identify a specific Federal candidate; generic party activity means a campaign activity to promote a political party rather than a specific candidate.

Contributions to political party committees.

Section 402 amends section 315 of FECA to allow individuals to make annual contributions aggregating not more than $20,000 per year to State party grass roots, of which $5,000 could be designated to any committee of a State party. Allows multicandiate committees to make annual contributions aggregating not more than $15,000 per year to State party grass roots funds, of which $5,000 could be designated to any committee of a State party. Allows individuals to make contributions aggregating not more than $60,000 per election cycle, of which $25,000 could be designated to candidates, $20,000 to a national party, and $20,000 to State parties.

Provisions relating to national, State, and local party committees.

Section 403 adds new section 323 to FECA to prohibit national parties from soliciting or receiving any contributions not subject to the limitations, prohibitions and reporting requirements of Federal Election Campaign Act, except for building funds and transfers of non-FECA contributions to State parties for specific State party activities. Prohibits State parties from soliciting or receiving contributions not subject to the limitations, prohibitions, and reporting requirements of the Federal Election Campaign Act for any activity that identifies or promotes a Federal candidate, regardless if a State or local candidate is also identified, including GOTV and voter registration during a Presidential election calendar year, generic campaign activity, except non-FECA contributions may be expended for specific State activities conducted by State party during a non-Presidential election year which the State party certifies does not identify Federal candidates. Specifies allowable disbursements and expenditures by State party grassroots funds.

Reporting requirements. Section 404 amends section 304 of FECA to require national party committee, congressional campaign committees, and any subordinate committees to report all receipts and disbursements, whether or not in connection with a Federal election. A political committee, other than a national party committee, shall report all receipts and disbursements in connection with a Federal election. Any other political committee which maintains a non-Federal account must report all activity in connection with a Federal election. Reports must include itemization of receipts and disbursements in excess of $200.

Restrictions on fundraising by candidates and Federal officeholders. Section 405 amends section 315 of FECA to prohibit Federal candidates and officeholders from soliciting contributions not subject to the limitations, and prohibitions of the Federal Election Campaign Act.

Increase in authorized political contributions to congressional campaign committee. Section 406 amends section 315 of FECA to allow candidate authorized committees to make contributions aggregating not more than $10,000 per year to the congressional campaign committees of a political party.

Increase in the amount that multicandidate political committees may contribute to national political party committees. Section 407 amends section 315 of FECA to increase the limitation on multicandidate political committee contributions to a national party committee from $15,000 per year to $25,000 per year.

Merchandising and affinity cards. Section 408 amends section 316 of FECA to allow political parties to receive a commission or royalty on the sale of goods or the issuance of credit cards by a corporation subject to specific limitations.

Increase limitation amount for certain contributions to political committees of State political parties. Section 409 amends section 315 of FECA to increase the limitation on individual contributions to State parties to $20,000 per year.

TITLE V—CONTRIBUTIONS

Restrictions on bundling: Section 501 amends section 315 of FECA to prohibit any person from acting as a conduit or intermediary for contributions to a candidate. "Conduit or intermediary" is defined as collecting and physically transmitting checks to a candidate, except that a "representative" of a candidate, defined as commercial fundraisers, volunteers holding house parties, and individuals who forward their spouses' contributions, and other individuals authorized and not acting on behalf of any prohibited class are not considered conduits or intermediaries. Representatives of a candidate may not include individuals acting on behalf of political committees with a connected organization, political parties, partnerships, sole proprietorships, or any organization which is prohibited from contributing to a candidate under the Federal Election Campaign Act, including corporations, labor unions, national banks, and trade associations. Any person who is prohibited from being a conduit or intermediary may not conduct joint fundraising activities with a candidate. Joint fundraising conducted by two or more candidates is permitted.

Contributions by dependents not of voting age: Section 502 amends section 315 of FECA to count contributions by nonvoting age dependents of another individual as contributions by that individual, and allocates the amounts between that individual and his or her spouse, if applicable.

Prohibition of acceptance by a candidate of cash contributions from any one person aggregating more than $100: Section 503 amends section 321 of FECA to clarify current law to prohibit candidates from accepting cash contributions in excess of $100 for any one person.

Contributions aggregated from State and local committees of political parties: Section 504 amends section 315 of FECA to provide that a candidate may not accept a contribution from the State or local committee of a political party, if, when aggregated with all contributions from all committees of that political party, the amount exceeds a limitation in the Federal Election Campaign Act.

Prohibition of false representation to solicit contributions: Section 505 amends section 322 of FECA to prohibit any person from soliciting contributions by falsely representing himself or herself as a candidate or a representative of a candidate, political committee, or political party.

Advances by campaign workers or volunteers: Section 506 amends section 301 of FECA to exempt advances made by volunteers or employees of a candidate's authorized committees from the definition of "contribution" under the Federal Election Campaign Act of 1971, if reimbursed within 10 days and the advance does not exceed $500 with respect to an election.

Corporate and labor union expenditures for candidate appearances, candidate debates or voter guides: Section 507 amends section 316 of FECA to provide that corporate or labor union expenditures for candidate appearances, candidate debates, voter guides, or voting records are contributions to candidates if the corporation or union expressly advocates the election or defeat of a candidate in connection with the appearance, debate, guide, or record, if the appearance, debate, guide, or record favors one candidate over another.

Prohibition of activities of foreign nationals: Section 508 amends section 319 of FECA to prohibit any foreign national from directing, controlling, influencing, or participating in another person's election-related activities and requires nonparty multicandidate committees to include a statement that it is unlawful for a foreign national to make contributions in all written solicitations.

Technical amendment relating to honoraria: Section 509 amends section 301 of FECA to delete references to honoraria from FECA.

TITLE VI—REPORTING REQUIREMENTS

Change in reporting from a calendar year basis to an election cycle basis: Section 601 amends section 304 of FECA to change the reporting periods for authorized committees from a calendar year basis to an election cycle basis.

Personal and consulting services: Section 602 amends section 304 of FECA to require disclosure of consulting service payments and expenditures to other persons for goods or services.

Reduction in threshold for reporting of certain information by persons other than political committees: Section 603 amends section 304 of FECA to require candidates to provide identification for individual contributions aggregating more than $100.

Computerization indices of contributions: Section 604 amends section 311 of FECA to require the FEC to maintain computerized indices of contributions exceeding $200.

Identification: Section 605 amends section 301 of FECA definition of "identification" of contributors to provide for their permanent residence address.

Political committees: Section 606 amends section 303 of FECA to require nonauthorized political committees to disclose the State in which the organization or committee is incorporated and the name and address of the officers.

Prohibition of use of candidate name by political committees: Section 607 amends section 302 of FECA to require authorized committees to include the candidate's name in the committee's name. Unauthorized committees may not use candidate name in committee name or in any context so as to suggest that committee is an authorized committee.

Reporting requirements: Section 608 amends section 304 of FECA to authorize the FEC to grant waivers of certain reporting requirements to political committees.

Simultaneous registration: Section 609 amends section 303 of FECA to provide for the simultaneous filing of a candidate's statement of candidacy and principal campaign committee organization.

Disclosures by organizations that engage in lobbying activities: Section 610 adds section 324 of FECA to require that organizations classified under Internal Revenue Code section 501(c) (4) or (6), which engage in lobbying activities, to disclose and report their contributions in the same manner as political committees.

TITLE VII—FEDERAL ELECTION COMMISSION

Appearance as amici curiae: Section 701 amends section 306 of FECA to authorize the FEC to appear on its own behalf in any action related to the exercise of its statutory duties.

Public service announcements: Section 702 adds section 325 to FECA to require the FEC to carry out a program between January 15 and April 15 of each year, utilizing public service announcements, to inform the public about the existence of and purpose for, the Make Democracy Work Election Fund.

Authority to seek injunctive relief: Section 703 amends section 309 of FEC to grant the FEC express injunctive relief authority to initiate temporary restraining orders or temporary injunctions when it has reason believe that violations of the act are occurring or are about to occur.

Expeditied procedures: Section 704 amends section 309 of FECA to authorize the FEC to expedite proceedings for complaints filed within 60 days preceding a general elections, shorten time periods for filings, and seek injunctive relief if it determines there is insufficient time to conduct proceedings before an election.

Insolvent political committees: Section 705 amends section 303 of FECA to clarify the authority of the FEC to initiate proceedings to terminate committees with outstanding debts.

TITLE VIII—BALLOT INITIATIVE COMMITTEES

Ballot initiative committees: Section 801 amends section 301 of FECA to define the terms "ballot initiative political committee," "ballot initiative contribution," and "ballot initiative expenditure." A ballot initiative political committee is any committee, club, association, or other group of persons which makes ballot initiative expenditures or receives ballot initiative contributions in excess of $1,000 during a calendar year. A ballot initiative contribution is any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing the outcome of any referendum or other ballot initiative voted on at the State, commonwealth, territory, or District of Columbia level which involves: first, the election of candidates for Federal office and the permissible terms of those so elected; second, the regulation of speech or press, or any other right guaranteed under the U.S. Constitution. The definition of ballot initiative expenditure parallels the definition of ballot initiative contribution.

Section 802 amends the definition of "contribution" under the act to exclude ballot initiative contributions.

Section 803 amends the definition of "expenditure" under the act to exclude ballot initiative expenditures.

Section 804 amends provisions of the act pertaining to the organization of political committees to make them applicable to ballot initiative political committees.

Section 805 amends provisions of the act to make political committee registration requirements applicable to ballot initiative committees.

Section 806 amends provisions of the act pertaining to political committee reporting requirements to make them applicable to ballot initiative political committees.

Section 807 provides that the civil penalties of the act shall apply to the organizational, recordkeeping and reporting requirements of a ballot initiative political committee.

Section 808 prohibits ballot initiative committees from making contributions or expenditures to influence Federal elections not subject to prohibitions and limitations of the act.

TITLE IX—MISCELLANEOUS

Broadcast rates and preemption: Section 901 amends section 315(b) of the Communications Act of 1934 to provide that any candidate for political office is entitled to the nonpreemptible lowest unit rate charged by a licensee for the same amount election and the 45 days prior to the general election.

Campaign advertising amendments: Section 902 amend section 318 of FECA to require that disclaimer attached to printed communications must be of sufficient type size to be clearly readable, contained in a printed box apart from the other text, and consist of a

reasonable degree of color contrast between the background and the printed statement. Disclaimers attached to televised communications must appear for at least 4 seconds, be clearly readable with a reasonable degree of color contrast between the background and the printed statement, and if paid for by the candidate, be accompanied by a clearly identifiable photograph or other image of the candidate. The payor of the advertisement must indicate in a statement that the payor is responsible for its content.

Telephone voting by persons with disabilities: Section 903 require FEC to conduct a study of the feasibility of permitting persons with disabilities to vote by telephone.

Transfer of Presidential election financing provisions to FECA: Section 904 transfers the Presidential Election Campaign Fund and Presidential primary matching payment account provisions—IRC chapters 95 and 96—to new title VII of FECA.

TITLE X

House of Representatives campaign election funding and related matters:

Make Democracy Work Election Fund: Section 1001 establishes new title VII—section 701—of the Federal Election Campaign Act creating the Make Democracy Work Fund on the books of the U.S. Treasury to make payments of voter communication vouchers. Requires the Secretary of the Treasury to issue payments within 48 hours upon certification by the Commission. On June 1, 1996, and on June 1 of every Federal election year thereafter, authorizes the Secretary to make pro rata reductions in payments in insufficient funds, except that candidates in special elections will receive full payments as well as payments to respond to independent expenditures. Requires the Secretary to notify candidates of pro rata reductions. Requires that vouchers shall be redeemed at face value and the Secretary to promulgate regulations for the redemption of vouchers.

TITLE XI—EFFECTIVE DATES AND SEVERABILITY

Elective date: Section 1101 provides that the provisions and amendments of this act shall take effect on the date of enactment, but shall not apply with respect to any election occurring before January 1, 1995.

Severability: Section 1102 except for the provisions of title VI, and section 315 (i) through (j)—as added by this act, or section 701, as added by this act—if any provision or amendment made by this act is held invalid, the validity of the other provisions are not affected. If any provision of title VI, section 315(i) through (j), or section 701 is held invalid, all of title VI, section 315(i) through (j), and section 701 shall be held invalid.

Expedited review of constitutional issues: Section 1103 allows appeals directly to Supreme Court of any order, judgment, decree issued by any court finding any provisions made by this act unconstitutional.

Regulations: Section 1104 requires the Commission to promulgate regulations with 12 months after the effective date of this act.

Budget neutrality: Section 1105. None of the provisions of this act shall be effective nor considered to be an estimate required under the Balanced Budget and Emergency Deficit Control Act until the enactment of subsequent revenue legislation effectuating section 701 of the Federal Election Campaign Act.

HOUSE OF REPRESENTATIVES,
Washington, DC, November 20, 1993.

Hon. JOHN DINGELL,
Chairman, Committee on Energy and Commerce, Rayburn House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: On January 5, 1993, I introduced H.R. 3, "The Congressional Campaign Spending Limit and Election Reform Act of 1993." This bill was identical to the 1992 Conference Report to accompany S. 3 which passed the House on April 9, 1992. As you may recall, President Bush vetoed this measure on May 9, 1992.

On November 10, 1993, the Committee on House Administration reported H.R. 3 favorably with an Amendment in the Nature of a Substitute. This Amendment, incorporated as the original text for H.R. 3, contains provisions under the jurisdiction of the Committee on Energy and Commerce. In specific, section 303 of Title III, and section 901 of Title IX contain provisions to amend the Communications Act of 1934.

The text of section 901 regarding the "Lowest Unit Rate" provisions of the Communications Act is identical to the provisions of a bill that your Committee reported in 1990 (H.R. 5756). As I recall, that legislation was part of a bipartisan effort to clarify these provisions in the Communications Act, but the House was unable to consider it prior to sine die adjournment.

Moreover, the provisions of section 303, regarding broadcast and cablecast independent expenditures, have been developed, drafted, and reviewed in consultation with your staff. I want to personally extend my appreciation to you and to your staff for the assistance provided to me and my staff in integrating various proposals under your Committee's jurisdiction into the overall efforts to reform the way federal elections are financed and conducted.

Given the Speaker's stated desire to have H.R. 3 considered by the House before adjournment, I would respectfully request that the Committee allow this bill to move to the Floor without exercising its jurisdictional prerogatives under the Rules of the House. Specifically, it is my intention to seek a Rule that will, upon its adoption, discharge the Committee on Energy and Commerce from further consideration of H.R. 3. It is my hope that this course of action is acceptable to you. This course of action will not, however, prejudice your Committee's rights to serve as conferees in the event of a Conference with the Senate.

With best personal regards, I remain,
Sincerely,
SAM GEJDENSON, *Member of Congress.*

COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC, November 19, 1993.

Hon. SAM GEJDENSON,
Rayburn House Office Building, Washington, DC.

DEAR SAM: Thank you for your letter concerning H.R. 3, the Congressional Campaign Spending Limit and Election Reform Act of 1993. I appreciate your courtesy in keeping the Committee on Energy and Commerce informed of your efforts to bring a campaign reform package to the full House.

As you indicated in your letter, the text of the "Lowest Unit Rate" provisions of the bill is identical to the provisions of a bill that this committee reported in 1990. That legislation was part of a bipartisan effort to clarify these provisions of the Communications Act. While time did not permit us to bring the bill before the full House, the clarification was unanimously approved by the Committee, and I am confident that it would have been approved by the full House.

Inasmuch as the Committee on House Administration has included in H.R. 3 a provision that is identical to that which the Committee on Energy and Commerce had previously attempted to bring before the full House, I see no reason to slow the progress of H.R. 3 by asking the Speaker to refer it to this Committee to exercise its jurisdiction prerogatives.

By a copy of this letter, I am informing Chairman Moakley that the Committee will not object to a Rule which discharges this Committee from further consideration of this legislation, provided that the provisions of the bill (as reported by the Committee on House Administration) which fall within this Committee's jurisdiction remain intact. This agreement is without prejudice to the appropriate members of our Committee being named as conferees. In addition, I would ask that you include a copy of this exchange of correspondence in the Congressional Record when H.R. 3 is considered by the House.

I trust that this is responsive to your request, and I appreciate your cooperation in this important matter.

Sincerely,
JOHN D. DINGELL,
Chairman.

□ 0950

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

Mr. LIVINGSTON. Mr. Chairman, I yield myself 6½ minutes.

Mr. Chairman, our charter was to provide real campaign reform, not a sham, not campaign deform, not a mockery, not an incumbent protection plan, not an embarrassment.

However, everything that the gentleman from Connecticut [Mr. GEJDENSON] has just described as his plan is all those things. That is what this plan is, it is neither fair nor simple nor believable nor constitutional. Our plan is all of that, but we were not wed to it. We had no pride of authorship. We wanted to allow amendments, but their closed rule prevented that. It limited the time to debate these restrictive proposals, which could drastically affect the future of this country through the election process.

The gentleman from California [Mr. THOMAS] will lead the debate for our substitute. It is a good proposal. We reached a consensus in good faith

among all our Members. Ours was not forced on anyone behind closed doors, like the bill of the gentleman from Connecticut [Mr. GEJDENSON] was.

The Gejdenson bill is a bad bill. Not only does it contain, contrary to what he says, and hide publicly funded campaigns by way of communications vouchers, which are like food stamps, paid by taxpayers' funds from the U.S. Treasury; not only does it call on Congress to raise money for vouchers through increased taxes at a later date; not only does it retain full, current influence of PAC's at $5,000 per contribution, compared to ours, we abolished PAC's; not only does it protect incumbent's overwhelming current advantage, which allowed them to raise some $95 million from PAC's, while challengers only raised a meager $12 million in PAC funds in 1992; not only does it require the obscene expenditure of $39 million a year to propagandize the American people on the "benefits" of the taxpayer-financed Make Democracy Work election fund, whatever that is; not only does it perpetuate the fraud of spending limits, which totally nail a challenger's chances of raising more money than an unpopular incumbent; but the bill, in doing all of that, is unfair, incredibly complex, and unconstitutional.

It is unconstitutional because it provides for coercive measures, rather than voluntary measures. It limits money that a candidate can give his own campaign, in direct violation and contravention of Buckley versus Vallejo, the Supreme Court case.

They did try to force nonprofit organizations to disclose the donor list, but the Committee on Rules took that out because they knew that was unconstitutional. They do restrict independent expenditures, and most incredibly, they stifle the free speech of people who want to support States and local ballot initiatives on things like term limits by making those initiatives subject to the regulations of the Federal election campaign law, even though State ballot initiatives have nothing to do with Federal jurisdiction.

Mr. Chairman, in terms of complexity, this bill is mind-boggling. It is an administrative nightmare. It provides for aggregate spending limits of $600,000 and then there are aggregate PAC limits of $200,000. One-third of the $600,000 of that is at $5,000 per PAC. Then there are individual limits of $1,000 each, up to $200,000, and after that, the limit drops from $1,000 to $200.

There are no such limits, or, that is, there is a limited exemption, up to 10 percent of the total raised, for campaign headquarters, accounting costs, and fundraising expenses. Got that?

If that is not confusing enough, there is an unlimited exemption for legal costs and the payment of Federal, State, and local income and payroll taxes.

If that is not confusing enough, if there is a contested primary, defined as a primary with a margin of victory of less than 20 percent, the $600,000 total limit is raised by $200,000 to $800,000. All but the primary limits are waived altogether, thrown out the window, however, if the opponent has not agreed to the limits, and spends at least $150,000, or gives himself $50,000 or more, or if the independent expenditures exceeded $10,000. I suppose everybody understands that. What they might also understand is, all these limits go up every single year, because they are all indexed for inflation. If we add up all the exemptions, the loopholes, and everything else, he is talking about a total exemption of well over $1 million, which is much more than most individuals spend in the congressional campaigns.

In terms of unfairness, this bill, the so-called Gejdenson bill, prevents bundling but provides loopholes for bundling by distinguishing between connected PAC's and nonconnected PAC's, which conveniently provides that Emily's List is exempt from the bundling restrictions.

It distinguishes between soft money, they say, "We are against soft money," but they say State and national political committees can have soft money if they use it for facility-building and State candidates. My goodness, anybody is going to go to jail if they try to comply with this bill. It is unbelievable. They don't even let it apply to the 1994 elections. They say, "We will try to apply it in 1996." They give not a single dollar to the Federal Election Commission to enforce this goofy piece of legislation.

Mr. Chairman, this bill is unconstitutional primarily because it federalizes State and local initiatives and makes them subject to these goofy laws. It stifles free speech beyond belief, because no challenger is going to want to qualify under this system, because he knows he will probably go to jail if he signs up.

It is a bad bill. It is an incredible bill. It is an embarrassing bill that we should even be debating it. It should be defeated.

Mr. Chairman, I include for the RECORD the following information and material which illustrate my points with regard to PAC contributions and campaign finance reform:

"SEC. 325. PUBLIC SERVICE ANNOUNCEMENTS.

"(a) IN GENERAL.—Beginning on January 15, and continuing through April 15 of each year, the Federal Election Commission shall carry out a program, utilizing broadcast announcements and other appropriate means, to inform the public of the existence and purpose of the Make Democracy Work Election Fund and the role that individual citizens can play in the election process by voluntarily contributing to the Fund. The Commission shall seek to broadcast such announcements during prime time viewing hours in 30-second advertising segments equivalent to 200 gross rating points per network per week. The Commission shall attempt to ensure that the maximum number of taxpayers shall be exposed to these announcements. The Federal Election Commission shall attempt to utilize a variety of communications media, including television, cable, and radio networks, and individual television, cable, and radio stations, to provide similar announcements.

"(b) GROSS RATING POINT.—The term 'gross rating point' is a measure of the total gross weight delivered. It is the sum of the ratings for individual programs. Since a household rating period is 1 percent of the coverage base, 200 gross rating points means 2 messages a week per average household.".

[By fiscal year, in millions of dollars]

	1994	1995	1996	1997	1998
Direct spending:					
Matching payments to eligible candidates					
Estimated budget authority	.....	.....	93	.....	98
Estimated outlays	.....	.....	93	.....	98
Requiring appropriation action:					
Advertising campaign for the make—					
Democracy Work Election Fund:					
Estimated authorization level	.....	39	39	39	39
Estimated outlays	.....	39	39	39	39
Additional costs of the FEC					
Estimated authorization level	.....	5	5	5	5
Estimated outlays	.....	4	5	5	5
Bill total (to be scored with future legislation):					
Estimated budget authority and/or authorization level	.....	44	137	44	142
Estimated outlays	.....	43	137	44	142

Section 902 amend section 318 of FECA to require that disclaimers attached to printed communications must be of sufficient type size to be clearly readable, contained in a printed box apart from the other text, and consist of a reasonable degree of color contrast between the background and the printed statement. Disclaimers attached to televised communications must appear for at least four second, be clearly readable with a reasonable degree of color contrast between the background and the printed statement, and if paid for by the candidate, be accompanied by a clearly identifiable photograph or other image of the candidate. The payor of the advertisement must indicate in a statement that the payor is responsible for its content.

Telephone Voting by Persons with Disabilities:

Section 903 requires FEC to conduct a study of the feasibility of permitting persons with disabilities to vote by telephone.

Transfer of Presidential Election Financing Provisions to FECA:

Section 904 transfers the Presidential Election Campaign Fund and Presidential Primary Matching Payment Account provisions (IRC Chapters 95 and 96) to new Title VIII of FECA

TITLE X

House of Representatives campaign election funding and related matters

Make Democracy Work Election Fund

Section 1001 establishes new Title VII ("section 701") of the Federal Election Campaign Act creating the Make Democracy Work Fund on the books of the U.S. Treasury to make payments of Voter Communication Vouchers. Requires the Secretary of Treasury to issue payments within 48 hours upon certification by the Commission. On June 1, 1996 and on June 1 of every Federal election year thereafter, authorizes the Secretary to make pro rata reductions in payments in insufficient funds, except that candidates in special elections will receive full

payments as well as payments to respond to independent expenditures. Requires the Secretary to notify candidates of pro rata reductions. Requires that vouchers shall be redeemed at face value and the Secretary to promulgate regulations for the redemption of vouchers.

TITLE XI—EFFECTIVE DATES AND SEVERABILITY

Effective date

Section 1101 provides that the provisions and amendments of this Act shall take effect on the date of enactment, but shall not apply with respect to any election occurring before January 1, 1995.

Severability

Section 1102 except for the provisions of Title VI, and section 315 (i) through (j) (as added by this Act, or section 701 (as added by this Act), if any provisions or amendment made by this Act is held invalid, the validity of the other provisions are not affected. If any provision of Title VI, section 315 (i) through (j), or section 701 is held invalid, all of Title VI, section 315 (i) through (j) and section 701 shall be held invalid.

CAMPAIGN FINANCE REFORM

Reforming political campaign financing is a tough task, involving as it does individual contributions construed as expressions covered by the constitutional right to free speech. But a new proposal by House Republicans, spearheaded by Louisiana's U.S. Rep. Bob Livingston as chairman of the GOP Campaign Reform Task Force, does a good job of bringing practical sense to the issue.

The fundamental goal is to level the financial playing field so that challengers are able to mount serious campaigns against incumbents who, an individual's political record aside, enjoy the considerable current advantages of incumbency. The Republican proposal takes some interesting steps to do this.

First, it aims at the really big bucks: the political action committees, or PACs. These pool special-interest money into massive campaign contributions, the far larger share traditionally going to incumbents rather than challengers. These would be abolished outright.

But that has been attempted before—indeed, one attempt had the unintended result of increasing them. So a back-stop proposal, if abolition is ruled unconstitutional, would simply limit PAC contributions to a mere $1,000.

The GOP proposals would also ban "soft money"—non-monetary contributions to a campaign—and require unions, corporations and non-profit groups to disclose their spending on political activities undertaken to influence federal elections.

Moving again at big money, the proposal would allow political parties to contribute to challengers up to the amount of an incumbent's war chest carried over from a previous campaign.

To other major proposals are challenger-friendly close to the grass roots. One would drop the limit on the amount individuals may contribute to a candidate whose opponent spends more than $250,000 of his own money on a campaign. This would help a challenger match a rich incumbent who does not need to raise much outside money.

Another would require that at least half of a candidate's campaign funds be raised from individuals in the district. That works against an incumbent's being financially supported by contributions from special interests operating nationwide or headquartered elsewhere.

The overall goal of this package, as of its sister package in the Senate is to open up the competition for congressional office at a time when the electorate indicates that it is for congressional rejuvenation and when limiting congressional terms is an active issue.

Term limits may not soon be in the cards for Congress, but term limits by popular election should be a real possibility for any individual member of Congress.

An incumbent should not benefit from rules that increase the already powerful advantages of incumbency. Challengers should have essentially the same resources for campaigning as an incumbent. That way it will be more likely that positions and personalities rather than campaign bank accounts will be the major deciding factors on election day.

Rep. Livingston and his group have made a major contribution to the effort of clearing debris off the campaign field so everyone can have a chance to play and score.

PAC CONTRIBUTIONS: 1991–92

[In millions of dollars]

	Democrat House candidates	Republican House candidates	Incumbent House candidates	Challenger House candidates
Total PAC contributions:	$85.8	$42.5	$94.7	$12.3
Corporate PAC contributions:	23.4	19.5	35.1	2.8
Trade Assoc. PAC contributions:	23.2	15.5	29.2	2.9
Labor PAC contributions:	29.0	1.5	19.8	4.4

Source: Federal Election Commission.

SPENDING LIMITS

Spending limits are a fraud: They do not reduce spending, they merely drive it under the table and off the books. The Presidential system has spending limits and millions in soft money.

Spending limits protect incumbents by enhancing the substantial advantages incumbents have in name recognition, staff, constituent service, free mailing privileges and media access.

The highly respected Committee for the Study of the American Electorate (CSAE) issued a study on November 18, 1993, that totally vindicates Republican opposition to spending limits.

The report states, "It appears, on the basis of this study, that the Republicans have the better of the argument," said Curtis B. Gans, CSAE's Director.

The Study found that more than one-third of winning House challengers who won since 1978 exceeded the flat $600,000 limit in the proposed House legislation.

The reports summarizes, "The insistence on spending limits by Democrats, as the immutable core of any campaign finance reform proposal, seems to be impeding any progress toward reform. Since durable reform depends on the creation of what is seen by all partisans as a level playing field, it might be more useful to focus on other aspects of the problem."

STUDY SHOWS SPENDING LIMITS INHIBIT COMPETITION TOO LOW IN SENATE; NOT FLEXIBLE IN HOUSE

WASHINGTON.—If the amount needed for challengers to win against incumbents in the last 15 years in any guide, then the spending limits proposed in both the campaign finance reform bill passed this spring by the U.S. Senate and the one being proposed for consideration by the House of Representatives before its fall recess inhibit competition.

According to a study released today, more than half (55.3 percent) of the Senate challengers who won since 1978 exceeded, in CPI adjusted dollars, the flexible spending limits passed by the U.S. Senate this spring. More than a third (35.2 percent) of winning House challengers exceeded the flat $600,000 limit in the proposed House legislation.

The study was released by The Committee for the Study of the American Electrorate (CSAE), a non-partisan, non-profit, Washington-based organization, which conducts research about and develops non-partisan public policy solutions addressing the problem of low voter participation in the United States.

The issue of spending limits has been the subject of heated partisan debate during the last four Congresses. Democrats argue that spending limits are the only way to control costs and create a level political playing field. Republicans argue that spending limits inhibit competition and protect incumbents by enhancing the substantial advantages incumbents have in name recognition, staff, constituent service, free mailing privileges and media access.

The CSAE study is an attempt to quantify, in CPI adjusted dollars, the amount of advantage incumbents enjoy, by focussing on the amount spent by those challengers who were successful in defeating incumbents during the period 1978–1992.

"It appears, on the basis of this study, that the Republicans have the better of the argument," said Curtis B. Gans, CSAE's director. "The Senate spending limits are clearly too low and the House limits are not flexible enough to permit competition in some areas where campaign costs are higher.

"The issue is not whether incumbents are unduly protected," Gans said. "In the absence of issues of moral turpitude, failure to perform their jobs, an overriding public issue or a sea change in public attitudes, incumbents should expect public support. The issue is whether the spending limits in the proposed campaign finance laws are too low to permit challengers to get their message across and thus inhibit competition."

The study showed that by a 3–2 (87–58) majority, the challengers who won were outspent by their incumbent opponents. In recent years, it has become much more likely for challengers to be outspent. In the 1978 to 1984 period, 47 of 86 successful challengers outspent their incumbent opponents. Between 1986 through 1992, only 11 of 59 successful challengers outspent their incumbent opponents.

On average, Senate incumbents outspent winning challengers by $3,874,621 to $3,148,358. House incumbents outspent challengers, on average, $643,199 to $553,712. But these relatively narrow spending differentials mask races in which incumbents substantially outspent those challengers who won.

In 1990, former Sen. Rudy Boschwitz outspent Sen. Paul Wellstone by 4–1. In the 1992 primaries, former Rep. Guy Vander Jagt outspent Rep. Peter Hoekstra by nearly 7.5–1. Former Rep. Steven Solarz outspent his winning challenger opponent, Nydia Velázquez, in the 1992 primary by 4.85–1.

"Competition does not, as some have argued, depend on equal levels of spending," Gans said. "Money, per se, does not win elections. The critical question appears to be whether challengers have sufficient funds to get their message across."

Among the findings of the study with respect to races for the U.S. Senate were:

During the period 1978–1992, the average amount spent by winning challengers was a CPI adjusted $1.54 per eligible vote. If that average were applied to a spending limit for

California, it would mean a spending limit of $35 million, as opposed to the proposed $8.25 million in the bill which passed the Senate in 1992.

In 1992 the average spending of winning Senate challengers was $0.71 an eligible vote or a spending limit of more than $15 million in California, as compared to the proposed $8.25 million limit.

Of the successful Senate challengers, 21 of 38 exceeded the proposed spending limit in their states. (The campaign finance reform bill passed by the U.S. Senate this spring would establish "voluntary" spending ceilings of $2,004,000 to $8,250,000 depending on the size of the state.)

Among the sitting Senators who exceeded the proposed spending limits at the time they gained office at the expense of an incumbent are: Carol Mosely Braun, Paul Coverdell, Lauch Faircloth, Diane Feinstein, Richard Bryan, John Kerrey, Joseph Leiberman, Bob Graham, Richard Shelby, Tom Harkin, Mitch McConnell, Paul Simon, Jeff Bingaman and Charles Grassley.

The findings of the study with respect to the U.S. House of Representatives include:

Average spending for challengers in races in which they beat incumbents in the period 1978–1992 was $553,712 (excluding the Rep. Donald Huffington's 1992 race in which he spent more than $5 million). This figure is below the $600,000 proposed "voluntary" spending limit for House races contained in both 1992 proposed legislation and previous versions of such legislation.

However, more than one in three successful challengers (51 of 145) exceeded the $600,000 proposed spending limit.

The average amount spent by successful challengers in both the House and Senate has been declining in recent years without the benefit of spending limits. In 1984, winning House challengers spent an average of $742,852 CPI adjusted dollars. In 1986, they spent $709,373. In 1988, they spent $686,302. In 1990, they spent $513,310. And in 1992, they spent $489,662. A similar pattern exists in U.S. Senate spending. From a high of $2.99 per eligible vote in 1988, challenger spending decreased to $0.71 an eligible vote in 1992.

"This study raises two important questions: Whether spending limits are necessary and whether they are desirable," Gans said.

"It is theoretically possible to establish a set of flexible spending limits for the U.S. Senate which would not inhibit competition, but those levels would likely be so high that many would not see much point to them," Gans said. "It should also be possible to establish a flexible, rather than a uniform, set of spending limits for the House to account for those places—localities and media markets—in which challengers must regularly spend more than $600,000 to win.

"But there are both substantive and political considerations as to why such limits might not be attempted," Gans said.

"First, whether due to the recession, public cynicism or just plain common sense, per race spending seems to be declining without such limits. And spending limits which are too low or inflexible seem to inhibit competition.

"But perhaps of equal import, the insistence on spending limits by Democrats, as the immutable core of an campaign finance reform proposal, seems to be impeding any progress toward reform. Since durable reform depends on the creation of what is seen by all partisans as a level playing field, it might be more useful to focus on other aspects of the problem," Gans said.

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

Mr. GEJDENSON. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, let me just say that the gentleman from Louisiana [Mr. LIVINGSTON] has been factually incorrect for a substantial portion of his statement. Under our system, we would have saved $40 million in spending in the last session.

Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. ROSE], the eminent chairman of the Committee on House Administration, who has been of tremendous help in this effort, and without him we would not be here today with as good a package as we have.

Mr. ROSE. Mr. Chairman, I thank the gentleman from Connecticut [Mr. GEJDENSON] for yielding time to me.

Mr. Chairman, I always enjoy hearing my friend, the gentleman from Louisiana [Mr. LIVINGSTON], when he really gets a head of steam behind him on an issue like this. That was well done, and I know now why the gentleman from Illinois, Mr. BOB MICHEL, chose him to be the first recipient of the Silvio Conte Joy of Politics award. He rightfully deserves it.

Mr. Chairman, when I established the task force on campaign finance reform in the 102d Congress, I saw the mission of the task force as designing a complete and comprehensive package of reforms which would restore the public's trust and confidence in Federal campaigns. President Bush vetoed the bill produced in that Congress, and we are here today for the continuation of this process of restoring campaign integrity. I especially want to commend my colleague from Connecticut [Mr. GEJDENSON] for all of his efforts in carrying through on this difficult path and putting together this reform bill.

I have consistently stated that my goal is to address the concerns of the American people, and as I read those concerns, they are particularly frustrated by the role of "big money" in elections. H.R. 3 directly addresses big money contributions. This bill limits to $200,000 the amount candidates may raise from political action committees. Importantly, this bill also limits to $200,000 the amount candidates may raise from so-called high-rollers. Candidates will only be able to accept a total of $200,000 from wealthy individuals who can easily afford give $1,000 per shot.

I believe that these overall contribution limits are a cornerstone to reform. They are intended to provide a balance to the sources of money being poured into campaigns from interested persons. These limits are intended to reduce the dependency on big money and give more attention to the small contributor, the average working man and woman, who may only be able to give $100 or $200.

I say to my colleagues who criticize PAC's, that eliminating the PAC's is not the answer. Small contributors, average working people, must have a role to play in the political process. PAC's are themselves a reform, and their role in the political process is protected by the freedom of association guaranteed by the first amendment. By placing an aggregate limit on the amount PAC's may give in any particular race, and by placing an aggregate limit on the amount wealthy individuals may contribute in any political race, small contributors are given an equal chance to be heard.

I would also say to my colleagues that I believe that these aggregate contribution limits are constitutional. These limits are intended to eliminate the perception of corruption that big money contributions brings. Not one of us can deny that his or her constituents are fed up with the high rollers who are seeking influence through their big money contributions. We must address this issue, and H.R. 3 does so in a very reasonable and fair fashion.

There are other important reforms in this legislation, which will also be discussed during this debate. H.R. 3 addresses the wishes of the American people to have us conduct responsible campaigns. I urge my colleagues to vote for H.R. 3.

□ 1000

Mr. LIVINGSTON. Mr. Speaker, I yield 3 minutes to the gentlewoman from Washington [Ms. DUNN], a great member of the Committee on House Administration.

Ms. DUNN. Mr. Speaker, it is with a great sense of frustration that I watch us bring H.R. 3, the supposed campaign finance reform bill, to the floor of this House.

During the process of debate on this bill as it has moved through the committee system, I have heard it stated that one of the reasons to support the Democrat version and oppose the Republican alternative was that the Republican bill proposed that a certain percentage of campaign dollars were raised locally. Mr. Speaker, I do not think and I doubt that our constituents think that it is unreasonable for a percentage of our campaign dollars to come from people of our State and our district. After all, we are supposed to be representing them and them alone.

Yet my Democrat colleagues have argued with great passion to require a certain percentage of campaign dollars be homegrown would be a tremendous burden to women and minority Members of Congress. For all of my colleagues who are concerned about being unfair to women, let me say this: Relax. Do not worry. Women will be just fine. This is one woman, one Republican woman, who can make it with requirements for homegrown campaign money. In this last election, which was my first election to the Congress, I

raised over 70 percent of my campaign funds in the State of Washington.

The requirement that a set amount of funds be of home origin is a good requirement. It allows the people in your district to see that the support for your candidacy comes from people who are your neighbors, your coworkers, and your friends.

Mr. Chairman, most importantly, a homegrown requirement provides your constituents a sense that you are not beholden to interests that are hundreds or thousands of miles away.

One other point, to all of my freshman colleagues, to all of my reform-minded friends on both sides of the aisle, and to all my Democrat friends who earlier this year voted for the President's tax increase bill, I urge you to remember the promises we have all made to rein in Federal spending are serious promises.

I think this vote will be ironic. On the eve of voting for significant spending reduction plans of various colleagues, the gentleman from Minnesota [Mr. PENNY], the gentleman from Ohio [Mr. KASICH], the gentleman from Massachusetts [Mr. FRANK], the gentleman from Connecticut [Mr. SHAYS], and others, we are on the verge of voting to provide taxpayer dollars to benefit ourselves and our campaigns. Mr. Chairman, this is outrageous. It is wrong.

As my colleague, the gentleman from Louisiana, has so aptly put it, this is nothing more than welfare for politicians. Welfare for politicians, in the final analysis, that is all this bill really is. Simply, a vote for this bill is a guarantee that the taxpayers of America will remember that you voted to fund your campaign with their hard-earned tax dollars.

Mr. Chairman, two things: First, I urge my colleagues to ignore the arguments that homegrown campaign fund requirements would hurt women candidates. Do not worry about this. We will do just fine.

And, second, remember that after voting for this welfare-for-politicians bill, the next vote you may take will be to cut spending for your State and your constituents. I doubt that that irony will be lost on the constituents in your district.

Mr. GEJDENSON. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Chairman, I thank the gentleman for yielding me this time.

I rise in strong support of the bill, H.R. 3, the underlying document.

I congratulate the gentleman from Connecticut [Mr. GEJDENSON] and the members of the Committee on House Administration for coming forth with this. I regret that it is not a bipartisan bill, unfortunately.

Efforts were made, but did not work out in terms of a bipartisan measure, so we are left with facing sort of the political harangue here of bumper-sticker slogans by the opponents slapped onto a problem that is very complex. Frankly, I think it is a disservice to the Members and the people of this country.

The choice here is between whether you want the continued policy path of special interests funding campaigns or you want to interject something that is going to bring about a reform and a change in terms of how we fund campaigns, which does have an effect, I think all too often, or at least the perception, in terms of what is the public's negative view of campaign funding.

The issue here is whether or not we want to set up a voluntary process within the Government to help limit what the total overall spending is. The only bill that limits the spending in this—albeit too high from my perspective—is the Gejdenson bill, the Democrat bill proposed here today.

There is a fundamental difference here. Some think there ought to be no limits, no limits, no government participation, just the special interests, and only those selected special interests that happen to feather the nest of a particular group of candidates. I do not think that is what would be called a level playing field.

I think what is happening here is we are trying to reengage the American people and try to claim back or gain credibility so that they have the faith in what we are doing in Congress. There is no taxpayer funding in this bill, nor is there any designs to do so in the concepts advanced in this measure. It is a voluntary system where people make voluntary contributions to try to gain back the control in terms of an election system that is careening out of control. That is what the policy attempts to do in this measure. It limits spending in line with the law.

We have to live within the precepts of the Constitution. The public does not understand that, and some get up here and make all of these bumper-sticker slogans about the features to achieve such limits, but the fact is that the 1976 decision limits what you can do and how you do it. You cannot limit independent expenditures. You cannot limit what an individual candidate will spend overall. You cannot limit what an individual will give to himself nor the total amount spent, most significant to the public perception. That is the 1976 law, a confusing and awkward law of the land that we must comply with.

So what you have to do is to create a system wherein you will actually accomplish some sort of a spending limit and different controls. That is exactly what the Gejdenson bill does. It is not a simple process. It is complex, because not everyone will accept that type of spending limit. They are going to go through it.

□ 1010

So you have to address those particular phenomena. Election law is not simple. Some people talk about election law; they think they are going to take politics out of elections; they are going to thwart the system. You have to provide an opportunity to challenge it. In my district I do not need $600,000. I hope I never do. I hope I never see the day.

Someone got up here and talked about local funding of campaigns. How about local control and State control of laws that govern our campaigns? We cannot have that because that was ruled unconstitutional. By the court, we don't have that option. So the fact is, let us face the issue as it is, honestly. Can the bumper sticker slogans and move on to a bill that will work, the Gejdenson bill.

Mr. Chairman, I rise in strong support of H.R. 3, the Congressional Campaign Spending Limit and Election Reform Act of 1993. As a cosponsor of this important reform legislation, I want to commend the leadership for allowing us to move forward with campaign reforms. These reforms are long overdue. Hopefully, today's positive action will bring needed reforms one step closer to reality.

As my colleagues know, H.R. 3 is very similar to legislation that the House considered and approved in the last Congress. This bill will set voluntary spending limits for House candidates. For those candidates who agree to the spending limits, assistance is providing to communicate with the voters. The legislation also limits the contributions that a candidate can receive from special interests' political action committees and wealthy individuals. The legislation also prohibits the use of soft money and addresses negative campaign ads.

Mr. Chairman, H.R. 3 is not perfect. We all have changes that we would like to see incorporated in the legislation. Personally, I believe that the spending ceiling is too high and could be significantly lowered without stifling effective campaigns. However, these objections should not be used to derail comprehensive Federal campaign reform.

Congress must lead if campaign reform is to become a reality. Regrettably, a State-by-State approach has not been permitted to work. My own State of Minnesota implemented meaningful congressional campaign spending limits, which I actively supported and observed. Unfortunately, the opponents of campaign reform successfully overturned the Minnesota law. With the action, the hope of State leadership on Federal reform was ended.

H.R. 3 addresses the problem of campaign spending head-on by limiting campaign spending. Without adequate spending limits, any campaign reforms will be meaningless. Spending on congressional campaigns is too high. The American voter wants election campaigns based on ideas not 30-second sound bites. The enactment of the spending limits in H.R. 3 is an important step to take our national elections out of the hands of media gurus like Ed Rollins while returning campaigns to the one-on-one contact with the American voter.

H.R. 3 is complex principally because of the careful mine field of limitations that campaign

reform must march through to become law. The 1975 decision in Buckley versus Valeo limits what the law can do directly by preventing mandatory spending limits overall; preserving the right of an individual candidate to spend as much personal resources as the candidate wishes; permitting unlimited independent expenditures as special interests in support or opposition to a specific candidate. These factors thwart the ability to write laws that level the campaign playing field. Some of our constituents do not understand these factors. When added to the swamp of political rhetoric seeking political advantage rather than true reform, this debate sinks into a swamp of controversy and public confusion.

H.R. 3 is not simple to understand because of the need to avoid the constitutional limitation requirements and to fundamentally advance the issue of reform. Despite these constraints, H.R. 3 limits political action committee support, encourages small contributions, and sets in place a voluntary public funding program, albeit without the funding mechanism left as an important future step clearly reflecting the special House and Member hostility reserved for any tax measures.

Finally, H.R. 3 holds out the real hope of limiting spending in the high-cost House contests, as well as in the more modest races in which some of us have contained spending. This legislation is a major positive step forward, and I urge my colleagues to support it.

Mr. LIVINGSTON. Mr. Chairman, I am very, very pleased to yield 2 minutes to the great gentleman from Nebraska [Mr. BARRETT], a member of the Committee on House Administration.

Mr. BARRETT of Nebraska. I thank my friend, the gentleman from Louisiana [Mr. LIVINGSTON] for yielding this time to me.

Mr. Chairman, the American people made one thing perfectly clear in the last election. They wanted change and reform—not just any reform, but constructive reform.

H.R. 3 does not achieve this goal. Instead, it merely represents an incumbent protection plan.

This bill is vague in many respects. The financing portion has been stripped from the bill, and the $600,000 spending limit is very misleading.

With exemptions for runoff elections, contested primaries, administrative campaign expenses, indexing for inflation, and an unlimited amount for legal and accounting expenses, the final cost for a candidate could rise to $1,000,000.

Because of the unpopularity of using taxpayer dollars to finance campaigns, it was taken out of the bill at the last moment.

However, it is expected to be introduced as separate legislation next year. In other words, it is business as usual—spend now, worry about how to tax later to pay the tab.

Can we afford to use tax dollars for that kind of spending, and at the same time tell the public, the Government must make cutbacks in other programs??

I ask my colleagues on the other side of the aisle who oppose public financing, to join us in defeating a bill with this type of welfare for politicians.

There are additional concerns I have with this bill. I take exception to the claim that "leveling the playing field" among candidates will occur with the bill.

Under any circumstances, when everything is even between an incumbent and challenger, the advantage goes directly back to the incumbent because of the incumbent's privileges of office, particularly the franking privilege.

The bill also goes wrong by imposing spending limits.

While it may not be difficult for an incumbent to raise the maximum amounts allowable for contributions, challengers may have problems in reaching these limits.

In the last election cycle, only 5 out of a possible 435 challengers reached the $200,000 PAC contribution limit. This illustrates just part of the problem with having contribution and spending limits.

If we are to be honest with the American public about reform, then we should consider true reform that would improve the status quo.

After examining the numerous flaws in this bill, I can't support it, and I urge my colleagues to oppose it as well.

Mr. GEJDENSON. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. NADLER].

Mr. NADLER. Mr. Chairman, this bill is not perfect. But it does mark very significant progress toward achieving the two chief goals of campaign finance reform: First, democratizing our election process by making it easier for candidates of modest means to raise enough money to communicate their names, programs, and critiquest of their opponents to the voters so that the voters have a real choice, not the illusory choice so common today in which the voter knows the name and record only of the incumbents or the celebrity; second, decreasing the influence of special-interest money on Congress.

Supporters of campaign finance reform have tended to focus on the second goal, and indeed H.R. 3 makes important progress by placing limits on aggregate contributions a campaign may accept in large contributions and from political action committees. But the most important virtue of H.R. 3 in my view is that by limiting total spending and at the same time providing public resources in the form of "communication vouchers" redeemable for postage or broadcast time will greatly narrow the disparity in resources that so often determine election outcomes.

Let us speak freely about the reality of congressional elections: As the cost of mounting campaigns has increased, it has become increasingly difficult for an average person to run for Congress. We are coming closer and closer to the point where the only people who can be elected are incumbents, millionaires, celebrities, and people willing to become indentured servants to the special interests.

The American people want elections that offer choices between contrasting policies, personalities and values. A real choice does not exist, cannot exist, if only one candidate has the resources to compete, to have his or her views heard. Real choice requires an election that features the clash of ideas, not the sound of one hand clapping.

In a perfect world I would have liked to see a bill with more public financing, to narrow further the opportunity gap between those candidates best able to raise money, and all the rest.

I would have liked for us to have found a way to limit the ability of people of great wealth to practically buy, in quotes, a seat in Congress.

A $5 million personally funded campaign is no obscenity. I would have liked for the public financing provisions of this bill to be applicable to primaries as well as general elections. But it is important in this difficult area not to let the best become the enemy of the good.

H.R. 3 take vitally important steps toward securing genuinely competitive elections and reducing the influence of big money and special interests on our congressional elections.

Mr. Chairman, I support this bill, I urge my colleagues to put aside whatever reservations they may have on specific provisions, and make the most of the opportunity to finally vote for a bill that represents our only choice to pass meaningful campaign finance reform.

Mr. GEJDENSON. Mr. Chairman, I yield myself 10 seconds.

Mr. Chairman, I just hope the speakers on the other side debate the bill and not create a bill that does not exist. I just say we have campaign spending limits, they do not; we do not have taxpayer funds in here. Do not argue against taxpayer funds. And if Lyndon LaRouche were running for Congress, Lyndon LaRouche could not get funded under this bill. Argue against this bill.

Mr. LIVINGSTON. Mr. Chairman, I am pleased to yield 3 minutes to the gentleman from Ohio [Mr. HOKE], a member of the Republican task force on elections on campaign finance reform.

Mr. HOKE. I thank the gentleman for yielding this time to me.

Mr. Chairman, we agree on one thing, and that is that campaigns cost too much money. We agree on another thing, and that is their bill does in fact impose spending limits. Let us talk about what those limits are.

We are talking about a million dollars in spending limits; $600,000, $200,000

in contested primary, $200,000 if you are in a State with a runoff, 10 percent of all of that as overhead plus legal and accounting. We are talking about a total of——

Mr. GEJDENSON. Mr. Chairman, if the gentleman will yield, that statement is inaccurate. It is not 10 percent of all of that.

Mr. HOKE. Ten percent of what? I reclaim my time.

The fact is that it would add up to $1 million whether it is 10 percent of $600,000 or 10 percent of a million dollars, you get over a million dollars. That is the limit. The gentleman is right, there is a ceiling there. Right now the mean average expenditure for 1992, according to the CRS, for a congressional campaign was $391,000. So what you have done is you have created a system that you can talk about, that you can talk about, that will in fact have a spending limit. That spending limit, of course, is 2½ times the amount of the average campaign in 1992, but, yes, you can talk about it. I think the distinguished chairman of the Committee on House Administration put it very well when he said just moments ago these limits seek to eliminate the perception of corruption. He is absolutely right. That is exactly what they do, they seek to eliminate the perception of corruption. They do nothing, nothing to eliminate the actual corruption itself.

But do not believe me, please. Let us go to see what other people around the country think about the campaign finance reform bill offered by the Democrats.

The Washington Post editorial, of November 15, 1993, says it violates the first amendment, it is bad policy, it has overkill on the fringes and weakness at the core.

Now let us take a look at the New York Times editorial of September 27, 1993, more to the point. Mr. FOLEY offers his colleagues credit for changing a corrupt system without having to give up their ties to wealthy favor seekers—or give challengers the resources they need to compete.

□ 1020

The gentleman from Washington [Mr. FOLEY] offers his colleagues credit for changing a corrupt system without having to give up their ties to wealthy favor seekers or give challengers the resources they need to compete.

Finally, they call it a fake bill. The bill is a sham, designed to protect incumbents and wealthy special interests at the expense of democracy and a cleaner Government.

Mr. GEJDENSON. Mr. Chairman, I yield 2 minutes to the gentlewoman from California [Ms. HARMAN].

Ms. HARMAN. Mr. Chairman, like President Clinton, Vice President GORE and the rest of the class of 1992, I was elected to change the way government works. Changing the way Members of Congress are elected is a critical piece of my reform agenda. This Congress' willingness to embrace change and reform will be tested today as we debate campaign finance reform.

I was pleased to co-chair the Freshman Democratic Task Force on Campaign Reform which endorsed the reform principles contained in H.R. 3, as does the Common Cause pledge that most of us signed during our campaigns, and I am committed to fighting any attempt to scuttle this legislation.

As a first-time candidate in 1992 for California's new 36th District, my primary and general campaigns were some of the most expensive in the Nation. Spending caps are essential to permit more time to address the issues and less to fundraising, and to persuade average people that elections are open and fair. With less cost and more accountability in the system, everyone wins.

It is also critically important to preserve in law the ability of non-connected PAC's, like Emily's List, to give credibility to and generate contributions for women candidates.

Our freshman class is the reform class. Working together, we will make sure that the promise of 1992 is fulfilled.

Mr. LIVINGSTON. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Chairman, this Member rises in strong support of campaign finance reform, but in even stronger opposition to H.R. 3. Mr. Chairman, coming from what is perhaps the least partisan State in the Nation, by orientation, I find the excessive partisanship of the Congress to be appalling. Coming from a good government State, I find the currently evolved campaign finance system has a corrosive affect on the Congress' ability to routinely act to serve the public interest and our national interest. America needs campaign finance reform, but during the previous 102d Congress, the campaign finance reform bill was constructed primarily to generate partisan advantages, and the truth is that there was certainly no legitimate effort by the House and Senate majority leadership to work in a bipartisan way to achieve real and very necessary reform. A partisan bill was forced from the Congress which was intended to invoke a Bush veto.

In the current 103d Congress the Democrat leadership once again is proceeding under the "business as usual" theory, and refusing to listen to the American people who are demanding workable, bipartisan campaign finance reform—and one which does not include public financing of congressional campaigns. We do need to address the problem of incumbent advantages, and we do need to establish spending limits. However, this is the fourth time in the last 3 years that a campaign finance reform bill was constructed to primarily generate partisan advantages—there was, once again, no legitimate effort by the House Democrat leadership to work in a bipartisan way to achieve real and very necessary reform. This Member is disappointed with the Democrat tactics and with H.R. 3 to say the least.

While H.R. 3 includes some positive features, it has numerous major problems. Foremost among its problems is the provision providing almost irrelevantly high spending limits—certainly too high to be a limiting factor in the great majority of congressional races or districts. In short, the measure sets the spending limit for House races too high, at $600,000, even though the average cost of winning a House seat was $410,000 in 1990, and in 1992, only a third of current House Members spent more than $600,000 to win their seats. Under H.R. 3, however, no campaign would ever be subject to the so-called $600,000 spending limit; once exemptions and inflation are factored in, the spending cap will be closer to $1 million for most House races by the time it takes effect for the 1996 election. This is a political ploy designed to make spending limits so high as to be meaningless in most districts. Of course the legislation should still be made to be totally effective in 1994—not 1996.

Another problem is the partial public financing provided in H.R. 3 which is estimated to cost taxpayers $1 billion over the next decade. While the supporters of H.R. 3 argue that the "vouchers" provided in this measure are not public financing, the American public knows that their tax dollars will be used to pay for these "food stamps for politicians." Public financing would be seen as just one more advantage incumbents are giving themselves. Most Americans do not want the taxpayer or Government to finance congressional elections. They do not want to fund what will surely be called "welfare politicians." Polling in Nebraska and national polling shows that more than 70 percent of the people strongly oppose public financing of elections.

However, this Member notes that on June 17, 1993, the Senate passed its version of campaign finance reform which included a compromise limiting proposed public financing of congressional campaigns to candidates whose opponents exceed voluntary spending limits. While this Member remains opposed to comprehensive public financing for congressional races, this Member believes that the Senate compromise is a good effort to find a workable way to reduce some of the major defects in the current campaign finance system. It is, therefore, only folly and a purely partisan step to pass H.R. 3 with its over-reaching version of public financing.

Furthermore, H.R. 3 does not include a way to pay for its benefits. In fact the measure will not have any effect at all unless the financing legislation is passed later. The Democrat leadership was only able to overcome the financing stumbling block to its legislation by completely severing from the bill the funding mechanism. The funding part of the measure would have had to pass through the House Ways and Means Committee, where apparently there were grave concerns about proposed new taxes on candidate contributions and a new, larger proposed tax check-off to fund the system. Therefore, the House is now considering only half of the legislation and not the entire Democrat-sponsored campaign reform bill. We will only get to consider the additional unspecified funding next year. This "two-bill" plan is a ridiculous and an issue-cowardly way for the House to do business.

This is one Member who is not afraid to say that this is a bad bill with completely flawed and unworkable sections. The measure's ban on "bundling" exempts PAC's that are not connected to a business or labor group. This is merely an obvious and totally unjustified attempt to create a special exemption for PAC's like Emily's list and wish list. This provision practically guarantees that every PAC in the country will reorganize in order to avoid the already too high limits on PAC contributions. Furthermore, the bill's so-called ban on "soft money"—money that is not subject to Federal guidelines—creates numerous loopholes that subvert the intent of any real soft money reform. Instead of an outright ban on soft money, H.R. 3 provides a myriad of exceptions. For example, Federal candidates are prohibited from raising soft money for party committees, but they could raise soft money for State candidates. In this Member's opinion, you either ban soft money completely or you do not—but you do not create so many exceptions as to make a so-called ban meaningless.

Additionally, in reality there is no effective limit on special interest contributions from PAC's. The bill's PAC limit is insignificant in that it would affect only those receiving more than $200,000 from PAC's. This Member has called for the elimination of PAC contributions or at least the sharp reduction in the individual PAC contributions limit to $1,000.

A real reduction in PAC contributions is needed to help challengers become more competitive, since statistics from the last election indicated that 71 percent of PAC funds went to incumbents. It simply will be business as usual under the PAC provisions of H.R. 3—at the same time the public is complaining or at least widely suspicious about the undue influence of PAC's.

In light of the real need for campaign finance reform, on February 2, 1993, this Member reintroduced his campaign finance reform package (H.R. 708). While this Member's omnibus bill does not represent comprehensive campaign finance reform, it certainly represents changes that must be included in any comprehensive campaign reform bill that Congress passes during the 103d Congress. This Member has long been a supporter of campaign finance reform and believes that it is a crucial reform of our political system which is long overdue. The voters have nationally called rather loudly for change; therefore, this Member's campaign finance reform legislation would:

First, reduce the PAC contribution limit to $1,000 per PAC;

Second, prohibit bundling of contributions through connected PAC's;

Third, prohibit transfers among PAC's and candidate committees;

Fourth, leadership PAC's;

Fifth, prohibit soft money use to benefit Federal candidates in joint Federal-State activities;

Sixth, require a majority of funds raised by House candidates to come from local residents;

Seventh, prohibit corporations and unions from using their own money to indirectly influence Federal elections;

Eighth, require a clearer disclaimer on independent expenditure communications; and

Ninth, require unions to get written approval of any members whose dues or agency fees are used for political purposes and require annual notice to such members if such funds are used for political purpose.

In addition, this Member is an original cosponsor of H.R. 3470, the House Republican campaign finance reform package which this Member will support today when the Michel alternative to H.R. 3 is offered. This package has received favorable coverage from the media. Roll Call called this plan tough, and ambitious. The Christian Science Monitor reported that the Republican proposals to ban all PAC's and require local fundraising "have wide public support." Indeed this reform package would improve competition, reduce special interest influence, increase disclosure, and return power back to in-district individuals.

The House Republican package provides real reform without public financing or unconstitutional spending limits or taxes. Our comprehensive reform proposal will:

First, ban all PAC's. If a ban on nonconnected PAC's is determined to be unconstitutional, the allowable nonconnected PAC contribution would be reduced to $1,000.

Second, ban the use of soft money to influence Federal elections.

Third, ban bundling by PAC's and lobbyists.

Fourth, require that a majority of a candidate's funds be raised from in-district individuals.

Fifth, allow political parties to contribute matching payments to challengers up to the amount of the war chest carried over by an incumbent.

Sixth, drop the contribution limits to a candidate whose opponent spends more than $250,000 in personal funds.

Seventh, implement the Beck decision to require unions to get written approval of any members whose dues or agency fees are used for political purposes and require annual notice to union members if such funds are used for political purpose.

Eighth, increase the contribution limit to State parties to $20,000, the same level currently allowed for contributions to national parties.

Ninth, require disclosure of spending by unions, corporations, and nonprofits on political activities undertaken to influence Federal elections.

Tenth, require that reform apply to the 1994 elections.

However, the bill before us today, H.R. 3, is designed to ensure partisan advantages by giving overwhelming advantages to incumbents. It mocks the claims of its supporters of "leveling the playing field." We can and must be better—the American people are demanding genuine campaign finance reform, but H.R. 3 is merely a poor imitation. This Member will not support this sham attempt at campaign finance reform. This Member urges his colleagues to join in opposition to H.R. 3 and to support the Michel substitute.

Mr. GEJDENSON. Mr. Chairman, I yield 4 minutes to the gentleman from Alabama [Mr. BROWDER], who has been a tremendous worker in favor of campaign finance reform.

Mr. BROWDER. Mr. Chairman, I would like to engage the gentleman from Connecticut in a brief colloquy.

May I ask the gentleman from Connecticut [Mr. GEJDENSON], this bill sets up a framework for spending limits, some restrictions on PAC's, and the possibility of matching funds. Is that right?

Mr. GEJDENSON. Mr. Chairman, if the gentleman will yield, that is correct.

Mr. BROWDER. On the question of matching funds, are there any funds provided in this bill for those matching funds?

Mr. GEJDENSON. No, there are not. There is a Fund for Democracy to be filled at a later date.

Mr. BROWDER. So do any of the provisions of this bill go into effect until that funding mechanism is passed by the Congress of the United States?

Mr. GEJDENSON. No. There will be a supplemental vote where the Members of Congress can decide how to fill that fund.

Mr. BROWDER. May I ask the gentleman from Connecticut [Mr. GEJDENSON], there has been a lot of talk about public financing and every Member of

this Congress is a beneficiary to a certain extent of public financing in campaigns, if you just talk about the franking privilege, as an example.

I think it is going to be very important that we make it very clear, and I want to make it very clear to the gentleman, that we have worked together on this bill, but one of the things that allowed us to work together was the agreement that there would be no public financing included in this bill.

I would like to make it very clear that when the debate on this funding mechanism occurs that I will rejoin that fight, and if there is any attempt to use taxpayer financed funds for these campaigns, I will be in vigorous opposition.

Mr. Chairman, I support this bill.

Mr. GEJDENSON. Mr. Chairman, I thank the gentleman. Let me say to the gentleman's efforts we have included in the report language a provision that says that no general revenues will be used to finance that section, so that when people get up and say it is a taxpayer-funded bill they are simply not accurately portraying what is in the bill or what is intended by the bill.

Mr. BROWDER. Mr. Chairman, may I say to the gentleman from Connecticut [Mr. GEJDENSON], have a plan that I think would work. The gentleman from Wisconsin [Mr. OBEY] and others have plans that they think would work, but there are probably 400 and some Members who have a plan that they think would work. We will have that debate later on.

Mr. GEJDENSON. Mr. Chairman, I thank the gentleman for his efforts.

Mr. LIVINGSTON. Mr. Speaker, I yield myself 30 seconds to say that the gentleman from Alabama had a wonderful quote when he said you could put lipstick on a pig and call it Madonna, but it is still a pig.

Public financing is in this bill. Later on to make this bill effective, they have to pass a tax act and the taxes will go into the public treasury to fund the public vouchers, or the communications vouchers.

This is a public financing bill. If the gentleman from Alabama does not understand that, he is dead wrong.

Mr. Chairman, I yield 1 minute to the gentleman from Maryland [Mr. GILCHREST].

Mr. GILCHREST. Mr. Chairman, I thank the gentleman for yielding this time to me.

I would like to say up front, it is my judgment that political action committees have poisoned the political process. If somebody has $5 to give to your campaign and they believe in you, send that $5 direct, that $1, that $15, send it direct to the candidate that you like. Do not send it to any other organization.

The Republican plan bans PAC money. The majority side does not.

The Republican plan bans soft money and bundling. The Democratic plan does not.

The Republicans require unions to tell their members how the union dues are going to be spent. The Democrats do not.

I have heard a great deal about wealthy Republicans. In my last election when I ran against a Democrat, my Democratic opponent spent more money on catering than I spent in the whole election. He outspent me by way more than $1 million.

This plan would continue to allow that type of spending to occur.

The Republicans receive a majority of their funds from inside the District. The Democrats do not. Eighty percent of my opponent's campaign funding in the last election came from outside the District.

Mr. Chairman, I urge my colleagues to vote for the Republican substitute.

Mr. GEJDENSON. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. OLVER].

Mr. OLVER. Mr. Chairman, I thank the distinguished gentleman from Connecticut for yielding this time to me.

Mr. Chairman, I rise today in strong support of H.R. 3, the Congressional Campaign Spending Limit and Election Reform Act of 1993.

Although H.R. 3 does not go as far as I would like, in reducing overall spending and PAC contributions, it is a strong step in the right direction. Congress will not earn the trust and faith of the American people until we reform the political process.

I have long supported comprehensive campaign finance reform, both on the State and Federal level. I was an original cosponsor of similar legislation that passed the House last year, but was vetoed by George Bush.

By curbing the influence of big money, we can level the playing field for challengers and make it easier for the best candidate to win rather than solely the best-financed candidate.

With the spending limits, the limits on political action committees, and controls on "soft" money in this bill, I believe we can create fairer, less expensive campaigns.

I urge my colleagues to vote for this legislation as a good first step, and to come back next year to work on the financing provisions needed to give this reform real teeth.

Americans are sick and tired of multimillion dollar campaigns and endless fundraising by their elected Representatives. This is our chance to clean up the election process. If we fail, the voters will rightfully send new Members down here to get the job done.

□ 1030

Mr. LIVINGSTON. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut [Mr. FRANKS].

Mr. FRANKS of Connecticut. Mr. Chairman, if we adopt a bill that would put limits on campaign financing, it would give the incumbent a significant advantage. Most incumbents have higher name recognition than their challengers, and the incumbent has direct mail privileges during an election year. It may cost a challenger $100,000 or $200,000 to be able to get the name recognition necessary to become a serious challenger.

Mr. Chairman, that was the case in my first election in 1990. In 1992 incumbents had approximately $150,000 in direct mail privileges. Thus one could argue that the challenger is $250,000 in the hole before the election truly begins.

Now, if the Democrat incumbent protection plan is adopted, in real terms the challenger's resources would equal $350,000 while the incumbent would have $600,000. Where is the fairness?

We should, yes, have campaign finance reform, but this bill should be defeated.

Mrs. MALONEY. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. KLEIN].

Mr. KLEIN. Mr. Speaker, I rise in support of H.R. 3, the first real attempt at campaign reform this House has made in 20 years. As a Member of the largest class of new Members in Congress since 1944, I know firsthand the value of change to this institution.

The American people have told us over and over in election after election that they have had enough business as usual in Congress. My constituents in the proud Garden State are fed up with political operatives telling stories that elections can be bought. New Jersey's voters are angry, and they are not alone.

Now many of our colleagues on the other side of the aisle are going to stand up, and have stood up, and told us we should vote down this bill because it is not perfect. To them I say, "Enough grandstanding." The people on the other side of the aisle know full well that the bill that they propose cannot be passed. They do not want it passed. We have a bill here that has teeth in it, and the American people want us to support it.

H.R. 3 has very significant, important elements. It has spending limits in it. It limits the amount that PACs can contribute and the amount that big givers can contribute. It limits soft money. It eliminates public financing. It does the things that we need to have done to create a level playing field.

This bill may not be perfect, but it is a real bold step forward in an area where we have seen too much talking and not enough action. It is a strong enough measure that it meets the test of Common Cause and other public advocacy groups that have fought for two decades to advance the cause of campaign reform.

Mr. Chairman, the time for reform is now. Support H.R. 3.

Mr. LIVINGSTON. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, I think it is important to look at the agenda of the Democratic leadership in this so-called campaign reform bill. Incumbent reelection; that is not our words, but our own Democratic colleagues' words.

I ask, "How do you rig elections?" Let us take a look at the previous actions of this House even before this bill.

So we increase the size of the Federal workforce, where their paycheck is beholden to you, and you control their lives, and then let us, by the way, let us have Hatch Act reform so that they can take part in those campaigns. How about motor voter? Let us not forget an amendment to strike illegal immigrants from being able to vote under motor voter was defeated. And by the way, the terrorist that bombed the Trade Center could vote under motor voter.

The gentleman says that the rich benefit from the current system. Well, let us take a look.

How about the unions? Unlimited contributions in soft money. The Republicans ban all PAC's. The Democratic plan would allow $5,000 PAC contributions, and how about the rich Hollywood set? How difficult is it for a poor candidate to work against those odds?

I ask, "How do you control the size of the vote? You increase the Federal Government, you attack small business on purpose, you put controls on banks, the environmental movement, to shut down construction, unfunded mandates, health care rules, regulations, OSHA, to cut small business. Why? Because small business votes with the Republicans, they vote with the Chamber."

And by the way, let us give unions more power. Let us cut off all bundling except let us exempt Emily's list that's been so supportive of Democratic Members.

Yes, there is a power grab, Mr. Chairman.

There is an agenda in the Democrat leadership, and that is to control campaigns. They want to liberalize, socialize and federalize this country. I strongly oppose this bill and urge support of the Republican substitute.

Mr. GEJDENSON. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Mr. Chairman, make no mistake about it. We need campaign finance reform, and only one alternative here brings us campaign finance reform, and that is the committee's bill.

Campaigns today are too expensive. Expenditures in House elections have more than doubled from 1980 to 1992. The average cost of winning a House seat was $178,000 in 1980. It is $554,000 in 1992.

In 1980, Mr. Chairman, 28 House candidates spent more than $500,000 in their campaigns. By 1992 that number rose to 249 House Members. In 1990, 50 candidates spent over $1 million.

Mr. Chairman, the current law favors incumbents. Clearly incumbents outspent challengers. In 1992, of the 182 candidates who spent over $600,000, 139 were incumbents, and only 10 were challengers.

The public perception of special interests is there because of the heavy reliance on political action committees and large contributors.

There is no perfect bill. Mr. Chairman, there is no perfect bill. I am disappointed this bill does not provide the financing necessary for the vouchers. I am disappointed that we have not handled primaries in a more straightforward way because many of us have problems in our primaries that are not addressed in this bill.

But this bill, the committee bill, is the best alternative. It provides a structure to bring down the cost of campaigns, to reduce the amount of special interest dollars in campaigns and to control spending.

I urge my colleagues to vote yes for the committee bill.

Mr. LIVINGSTON. Mr. Chairman, I yield 1 minute to the gentlewoman from Florida [Mrs. FOWLER].

□ 1040

Mrs. FOWLER. Mr. Chairman, I rise in opposition to H.R. 3.

In their rush to leave here under the mantle of reform, the leadership has put forth this bill that sounds like reform, they will tell people it is reform, but it is not reform.

This bill gives incumbents more protection than they have under the current rules.

The bill leaves PAC's virtually untouched. It leaves the limit at $5,000 per cycle and the overall limits could reach $366,000. That is not reform, Mr. Chairman, that is business as usual.

The public funding provisions in this legislation should anger every taxpayer.

And wait until they find out that this bill only takes effect if, and when, a separate bill is passed to raise the taxes to pay for the taxpayer-subsidized campaigns.

Mr. Chairman, the reform package I offered on behalf of the freshman Republicans would have given the American people real reform without false promises and legal challenges. I urge my colleagues to vote no on H.R. 3.

Mr. LIVINGSTON. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Mr. Chairman, you know, almost every piece of legislation we pass in one way or another is a transfer of wealth. Obviously, appropriations bills and tax bills transfer wealth in a more direct way. Remember back to the Presidential campaigns, we heard Perot, we heard Bush, we heard Clinton, all say that somehow we have got to slow down the tremendous influence that special interest lobbyists have in this legislative process. Traditionally, there is a direct relation in political campaigns between spending and winning. Lobbyist PAC money too often is nothing short of a bribe, trying to get a transfer of wealth to their particular special interests.

This bill that is now before us is a smoke screen, because it does not deal with the real problems of special interest lobbyists buying influence. Let us use H.R. 3 as the vehicle bill for real campaign finance reform.

Mr. GEJDENSON. Mr. Chairman, I yield 2 minutes to the gentlewoman from New York [Mrs. MALONEY], who has really done an outstanding job and put in a tremendous effort to get this bill to the floor today.

Mrs. MALONEY. Mr. Chairman, I rise in strong support of H.R. 3, the Comprehensive Campaign Finance Reform bill. It has taken us 20 years to get this close to making campaign finance a true reality. We cannot afford to waste this opportunity.

It is extremely difficult to pass legislation that literally makes it more difficult for incumbents to get reelected, and that is exactly what this bill does, by establishing real spending limits—the Republican alternative has no spending limits—and by making communication vouchers available to challengers.

This plan is not perfect, but as Common Cause, Public Citizen and countless editorials across this Nation have all pointed out, H.R. 3, the Gejdenson bill, represents a true major step forward. It includes the five principles of campaign finance reform that were in the President's proposal, in the Common Cause proposal, and in the freshman class' proposal. They include spending limits, limits on PAC's, limits on soft money, control of independent expenditures, and alternative resources.

Mr. Chairman, this will level the playing field and encourage more people to run for office. Overall, this plan represents real change. Now it is time to put up or shut up. America needs elections, not auctions. A vote for H.R. 3 will show Americans that their Government is not for sale to the highest bidder. This vote can reaffirm the belief that we serve the people's interests, not the special interests. Vote for H.R. 3.

Mr. LIVINGSTON. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from Georgia [Mr. COLLINS].

Mr. COLLINS of Georgia. Mr. Chairman, I appreciate the gentleman yielding.

Campaign reform: Is that really the type of reform we need? No. We do not need to worry so much about reforming how we get here. What needs reforming

is what we do after we get here. The actions of Congress, that is what needs reforming.

In a campaign in Georgia, the incumbent spent $1.1 million. The challenger spent less than $250,000. Neither the money nor the name recognition salvaged that incumbent.

No, it was his actions in Congress; the fact that he voted for the 1990 tax increase, a deficit reduction package. Sound familiar? He also voted for a large salary increase at a time when working Americans' spending power in the home budget was declining because of the increase in taxation and the lack of a strong economy. He also had accumulated $1.5 million in lifetime benefits from a lucrative congressional pension plan. Those actions are what sent that incumbent home. Think about it.

The reform this Congress needs is what you do after you get here. I urge Members to vote against this package of reforms that are going to call for more tax dollars to be spent on campaigns.

If there is one place that we need reform, it is in the PAC contributions. Eliminate the PAC contributions. That same incumbent had a major portion of that $1.1 million that came from special interests.

Mr. GEJDENSON. Mr. Chairman, it is my privilege to yield 2 minutes to the gentleman from South Carolina [Mr. CLYBURN].

The CHAIRMAN. The Chair would indicate at this point that when the gentleman is finished, the gentleman from Connecticut [Mr. GEJDENSON] will have 2½ minutes remaining, and the gentleman from Louisiana [Mr. LIVINGSTON] will have 4½ minutes remaining.

Mr. CLYBURN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in strong support of H.R. 3. I believe it to be a fair and balanced compromise.

The district I represent has approximately 70,000 taxpaying households. According to the Center on Budget Priorities, over 63,000 of those households are eligible for the earned income tax credit. That means that over 90 percent of the people who sent me here earn less than $25,000 per year.

The alternative being proposed by the other side, calling for the elimination of PAC contributions and calling for 51 percent of all contributions to come from one's congressional district, says to those people that I represent that we must oppress the contributions coming from people outside of the district in order to remain eligible as a candidate.

Mr. Chairman, I believe that this alternative, as well as others, makes it very clear that in order for us to be fair to all of the citizens in this great Nation, in order for us to be balanced with our representation here in this body, we ought to pass this great compromise that I believe would do justice to our entire system.

Mr. LIVINGSTON. Mr. Chairman, I am pleased to yield 3 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. Mr. Chairman, I rise as a reformer in opposition to this bill. The narrow rule has prohibited amendments representing constructive alternatives, and I might say very tough provisions, and forces us to choose between a Democratic plan and a Republican plan. Of the two, the Republican plan is far superior. But without the individual amendments, neither plan is going to represent the quality of reform that America needs and that the American people know is desperately in order.

Notwithstanding the gag rule under which we are operating, my hat is off to the gentleman from Connecticut's Second District who chaired the majority's effort to craft a campaign reform bill. It is a thankless task, and he and his staff deserve our gratitude for putting in many frustrating hours to reach this point.

I wish I could be as complimentary of the product. Regrettably, the result is H.R. 3, a hopelessly incongruous collection of reform ideas that represent a giant step backward because they limit challenger spending, provide direct subsidies to incumbents, and do little to change the current PAC system which has clearly fallen into disrepair and ill-repute.

The Michel bill, H.R. 3470, is clearly superior in addressing these issues. Our bill imposes campaign limits that at least require a majority of campaign funds to come from local individuals. It also bans PAC money, soft money, bundled money, and involuntary union wage deductions of political activities.

The gentleman from Peoria, IL, also deserves our praise and gratitude for his abiding commitment to this institution and the principles of good government. The minority leader's bill is superior because it deals with reality. BOB MICHEL is truly "Mr. Reform."

Over 1 year ago, I introduced my own bill to limit fundraising sources, tighten contribution limits, and level the playing field for challengers. Everyone has their own ideas for reform, to be sure. But the local sourcing requirement in my bill, which is the central feature of the Michel bill and advocated strongly by the gentleman from California [Mr. THOMAS], our foremost expert on the details of campaign reform, should be the basis of any serious campaign finance reform we might achieve together.

Even Tony Coelho, former majority ship and chairman of the Democrat Congressional Campaign Committee for several years, liked this idea. Now there's a source close to home. I quote excerpts from page 313 of Brooks Jackson's "Honest Graft," a handbook on campaign finance reform:

The Coelho-Common Cause measure has a partisan flavor and mainly relies on unenforceable spending limits. Still, Coelho's plan does contain some real, though modest, reforms. It would require candidates to raise at least $32,000 in small donations (under $250) from residents of their home state in order to qualify for federal subsidies—a tiny step toward returning power to constituents.

Only the Michel bill, H.R. 3470, requires that candidates raise a majority of their fund from individual contributors who live within their districts.

My friends, H.R. 3 is not reform but a one-sided, well-disguised incumbent protection plan. Let us defeat this bill, open up the process, and pass real reform with bipartisan support.

□ 1050

Mr. GEJDENSON. Mr. Chairman, I yield 2 minutes to another great freshman, the gentlewoman from Utah [Ms. SHEPHERD], who has been doing yeoman work on the campaign finance bill.

Ms. SHEPHERD. Mr. Chairman, on this bill every single person in this body has a conflict of interest. We have a conflict of interest as individuals, and we have a conflict of interest as parties.

Furthermore, the stakes are very high. We could each lose or win our elections over this bill, and parties could lose or win their majority in this House based on this bill. So we are all experts on what serves us best and what serves our parties best, but I do not think we are the experts on what serves this country best.

And I do not think we are the last and final word on this. The experts in the country are the good government groups who have been studying this for years. And every single solitary one of those groups supports this bill. They say it is the best that we have ever come up with. They say there is no other alternative that meets it.

It is a nonpartisan bill. It has limits on PAC's, limits on soft money, above all, limits on spending, and it provides a clean and alternative funding source that is most definitely not a public funding source for the money to encourage people to hold to the limits.

Give citizens back the influence they deserve. Vote for this bill.

Mr. LIVINGSTON. Mr. Chairman, I yield 1 minute to the gentleman from Wyoming [Mr. THOMAS].

Mr. THOMAS of Wyoming. Mr. Chairman, at a time when the Nation is faced with massive Federal deficits, I simply cannot support a bill that provides for taxpayer finance. I have just come from downstairs where we are wrestling with the idea of some kind of deficit reduction. We cannot come to grips over 5 years with reducing 1 cent out of every dollar we are going to spend.

Yet, here is a bill that could result in outlays of over $300 million in fiscal years 1995 to 1996.

After asking American taxpayers to bear the brunt of the largest tax hike in history, the Democrats are now asking them to pay for campaigns, too.

The President and the majority have been talking about deficit reduction all year. We saw how that worked.

Public financing of elections is simply more of the same. I, like everyone else, favor campaign changes, but I do not favor public financing, and I am strongly opposed to the proposal that is brought before us today.

Mr. LIVINGSTON. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Louisiana [Mr. LIVINGSTON] is recognized for 1½ minutes.

Mr. LIVINGSTON. Mr. Chairman, I thank the Chair for the time, for the debate and for his courtesy. But this bill, H.R. 3, the Gejdenson proposal, is a charade.

It is so phony, it does not even go into effect until a tax increase bill is passed to fund the so-called communications vouchers, and that tax bill may never pass and, hence, this bill may never come into effect.

But even if it does, the American taxpayer will be paying the bill for public welfare, for welfare for politicians.

Mr. Chairman, the Gejdenson bill is awful. It is goofy. It is complex. It is unfair. It is unbelievable. It is unconstitutional.

I think its sponsor should be ashamed of the bill, because I think it is a silly bill. It demeans the electoral process of this Nation. And if it passes into law, than every single Member who voted for it should go home to their districts in the appropriate uniform like that.

The CHAIRMAN. The Chair would remind the Member from Louisiana that it is against the rules of the House to wear hats.

Mr. GEJDENSON. Mr. Chairman, I thank the Chair for pointing that out.

Mr. Chairman, I yield the balance of my time to the gentleman from Vermont [Mr. SANDERS].

Mr. SANDERS. Mr. Chairman, we appreciate the humor that the Republicans have injected into this debate, but that is not the funniest part of the debate. They missed the whole point. What is most amazing about their campaign finance reform proposal is that in the name of reform what they are saying is that a candidate can spend as much money as he or she wants. Boy, that is really reform.

The American people are outraged that big money is buying this institution. That is what the outrage is about. Does anybody in America really think that the problem in this institution now is that working people and poor people have too much power? Do they really think that is what the problem is about? Nobody except those Members over there think that is what the problem is.

So while the gentleman's little red nose may be funny, what really is a lot funnier is his "reform proposal," which says that if a millionaire wants to run for office, he or she could spend as much money as they want and then go out and raise as much money as they want.

Now, the truth of the matter is, as an Independent, I have problems with the Democrats' bill. It does not go anywhere near far enough in limiting the amount of money that should be expended. It does not articulate very clearly how we can raise the public money that, in fact, we need.

But as Public Citizen, as Common Cause, as the New York Times and as people serious about reform have said, it is a step in the right direction. And I support it.

Mr. STENHOLM. Mr. Chairman, I regretfully rise in opposition to H.R. 3. I believe that we must reform our campaign finance system to eliminate the unfair advantages that incumbents have in the current system and reduce the role of money in campaigns. However, I believe that both proposals before us fall far short of this goal. The bill before us, H.R. 3, will not make any campaigns any less expensive or more competitive. I fear that passing this bill today will effectively prevent this body from making real reforms of the campaign finance system this Congress. I urge my colleagues to defeat this bill so that we can go back to the drawing board to put together a real campaign finance reform bill that can receive strong bipartisan support.

We should enact tough restrictions on soft money contributions which have been used to circumvent campaign finance regulations. We should ban leadership PAC's, transfers between PAC's and bundling of campaign contributions. I support proposals to limit campaign spending at $600,000. Spending limits would prevent candidates from buying elections by outspending opponents. If it is not possible to impose spending limits without also providing public financing, I would support proposals to tax campaign spending above $600,000 at corporate rate. I have cosponsored legislation introduced by my colleague, Representative GLENN BROWDER, which would tax campaigns on expenditures above $600,000. Although I do not share the sentiment that PAC's are inherently bad and believe that they have an important role in our political system, I support proposals to place tighter limits on the amount that PAC's are allowed to contribute to a candidate.

I believe that we should enact a tax deduction for small contributors. Such a credit would encourage candidates to place emphasis on small contributors and less on wealthy special interest. This approach would have the additional benefit of encouraging average Americans to participate directly in the electoral process.

The amendment by my colleague from Oklahoma, Mr. SYNAR, comes much closer to the type of real reforms that we should make. We should be voting on this proposal today. Representative BROWDER's "big spender's sin tax" bill and proposals to allow a tax deduction for small contributors should be included in campaign finance reform legislation. Unfortunately, the rule does not allow the House to express its will on any of these proposals. We are left with an unacceptable bill that I must oppose. I urge my colleagues to vote "no" on this bill so that the House may pass real campaign finance reform.

Mr. REED. Mr. Chairman, I rise today in support of H.R. 3, the House Campaign Spending Limit and Election Reform Act, and in opposition to the substitute.

Though not a perfect bill, this is a package that is both substantive and enforceable and most importantly, contains the elements of real reform. It limits spending, caps contributions from interest groups and wealthy individuals and closes loopholes to prevent abuses of soft money contributions.

What seems to go ignored in many so-called reform proposals is the plain fact that there is too much money in campaigns. In 1980, the average cost of winning a House seat was $178,000; in 1992, races cost on average $554,000.

This legislation takes the necessary step forward to real reform by bringing campaign spending under rein. The voluntary two-year election cycle spending will take candidates away from time spent raising money and provide more time to focus on the issues.

This legislation also gets tough on one of the worst abuses of the current system: Soft money. Campaign contributions meant to support Federal candidates are sometimes routed through State parties to avoid the restrictions of Federal law. Most State parties run legitimate and necessary campaign programs. However, funds directly benefiting Federal candidates should meet Federal standards. In adopting the Senate soft money provisions, H.R. 3 achieves this objective.

The communication vouchers established in this bill are the key to effective reform. These vouchers could be used to pay for radio and TV broadcasts, print advertising, postage and campaign materials like brouchers and bumperstickers. What these vouchers represent is an incentive for candidates to accept voluntary limits and raise contributions from a small donor base. These are resources meant to promote alternative priorities in the campaign process. However, the promise of reform will be an empty one unless Congress follows swiftly to enact the necessary revenue financing for this legislation.

Mr. Chairman, it's clear to me that many of my colleagues continue to underestimate their constituents' genuine concern over the current campaign finance process. Nearly 20 years have passed since significant reform has been enacted. Last November, voters sent Congress a clear message to "mend thy ways." This vote today may present the best evidence of whether anyone is listening.

I urge my colleagues to support H.R. 3.

Mr. BORSKI. Mr. Chairman, I rise today in support of H.R. 3, the House Campaign Spending Limit and Election Reform Act. This legislation takes a positive step toward curbing runaway spending in campaigns and addressing other problems of the current campaign financing system.

H.R. 3 would establish a voluntary spending limit of $600,000 per election with higher limits for candidates with closely contested primaries or runoff elections. This legislation would also prohibit any candidate from receiving more than $200,000 in PAC contributions, or more than $200,000 in large individual contributions.

These spending limits strike a fair balance between restraining excessive expenditures and allowing lesser known candidates the opportunity to obtain the resources they need to effectively challenge incumbents.

As an incentive to abide by the bill's spending limits, H.R. 3 would provide eligible candidates up to $200,000 in vouchers to buy television, radio, postage, and other means of communicating with voters. These vouchers would be financed through future legislation, and would not take effect until such a measure is passed.

H.R. 3 would also close current loopholes that allow soft money and bundling to be used to evade the current limits on contributions. While these restrictions are tough, they preserve the legitimate responsibilities of State party committees and other organizations to help organize and coordinate election efforts for both Federal and non-Federal candidates.

While H.R. 3 may not be perfect or ideal, it includes all the critical elements for reform—spending limits, curbs on the role of special interests, and communication vouchers to level the playing field between challengers and incumbents.

Mr. Chairman, Congress passed similar campaign finance reform legislation last year. Regrettably, President Bush vetoed that bill. Now we have a President in office who will sign a campaign finance reform measure. Let's approve this year's bill and send it to conference with the Senate so that we can forward it to the President's desk early next year.

Mr. HUGHES. Mr. Chairman, I rise today in support of H.R. 3, legislation which seeks to limit the amount of money which candidates can raise and spend in congressional campaigns.

I was very disappointed when President Bush vetoed the campaign finance reform bill we passed last year, forcing us to start all over again in this session of Congress.

Most people know that our campaign finance system is broken and needs to be fixed. In recent years, there has been a steady deterioration of the public's trust in Government. Indeed, I have never seen so much cynicism and distrust of government as we see and hear today.

Much of this skepticism is because so many people have lost faith in the campaign process, and understandably so. Campaigns have become too long, too expensive, too confusing, and too negative.

The fundraising process has become so dominated by special interest groups that a growing number of voters believe they have been frozen out of the process. Many ordinary citizens who used to contribute to political campaigns no longer do so, because they don't think their contributions make a difference.

Moreover, many qualified candidates are discouraged from even running for Congress today, because it takes so much time and is so difficult to raise the money needed to mount a competitive race.

I hate to say it, but we are reaching the point where campaigns are being driven more by money than by the qualifications or views of the candidates. That is a sad commentary for a country which prides itself in being the greatest democracy in the world.

The legislation before us today is certainly not perfect, but it does make a start at leveling the playing field by restoring some basic fairness and competitiveness to the campaign process. In so doing, it should help to rebuild some public confidence in our elected officials and system of government.

While I intend to support this bill, I do so with great reservations. Frankly, it doesn't go nearly as far as I had hoped in addressing the major deficiencies in our system. I think both parties must share the blame for this.

Instead of working together in a bipartisan fashion to develop a campaign finance reform bill which truly represents the best interests of our country, both parties have sought to protect their special interests and gain political advantage through this legislation. It's disappointing that we couldn't do better.

Earlier this year, I introduced my own campaign finance reform bill, H.R. 2198, which took a fair and straightforward approach to the issue of campaign finance reform.

My bill would have set a $600,000 spending limit on campaigns, capped PAC contributions at $200,000, and required candidates to raise the majority of their funds in small donations from their own constituents, just as I have tried to do in my own campaigns.

Just as important, it would have achieved these limits without relying on taxpayer-subsidized public financing, or such goodies as discontinued mailings costs or advertising rates.

While I am pleased that H.R. 3 incorporates the basic elements of my bill, I am very concerned that it provides for partial public financing of general election campaigns. Public financing may very well be the best long-term solution for campaign finance reform.

At the present time, however, I just don't think there is broad public support for using taxpayer dollars to pay for political campaigns while we face such great budget deficits. Moreover, the bill doesn't identify where this money is supposed to come from. That too is problematic, to say the least.

Mr. Chairman, H.R. 3 is far from perfect, but it's a start. It will begin to shift the focus of fundraising away from Washington and back to the candidates' districts and independent contributors, where it belongs. It will begin to restore some fairness and fiscal sanity to the process. I urge my colleagues to support the bill.

Mr. BILIRAKIS. Mr. Chairman, today we are debating a momentous issue—campaign finance reform. The issue of campaign reform is, at one time, both exceedingly complex and politically charged. There are more than a few potential landmines in proposing a serious alternation of current rules.

I believe it is imperative that we take action to correct perceived flaws in our political system. We need to restore the faith of the American people in their election process, and indeed, to reaffirm their faith in our system of government. In my opinion, low voter turnout and public cynicism is not a problem—but a symptom. It is indicative of an underlying disenchantment with the operation of our political system. Therefore, the time has come to address the need for campaign finance reform.

Today, I voted in favor of the Republican substitute because it included provisions to promote competition and create a level playing field for all congressional candidates. The Republican substitute totally banned soft money in Federal elections. In my cases, soft money comes into a race later and under the radar. Direct campaign activities are funded from outside the campaign structure and campaign account of the candidate. This should end.

The Republican substitute, however, did allow political parties to fund matching payments to challengers up to the amount of an incumbent's retained warchest. This provision, then, ensured that challengers could have effective access to a system which has often been criticized as stacking the deck in favor of incumbents. Importantly, the substitute accomplished this end without a resort to taxpayer money.

Of course, I am disappointed that the House of Representatives did not approve this alternative. Although the substitute did gain 11 votes from the other side of the aisle, unfortunately, the matter of campaign reform has been tinged with partisan bickering, charges and countercharges.

When one takes a step back from the fray: There is no reason why reform of our elections should have become a matter of party politics. Certainly, voter dissatisfaction with our political system is not partisan. The voters don't like what they see. Period.

This, instead, is a regrettable end to an effort which began over 2 years ago when a special bipartisan task force was organized to analyze legislation and recommend a course of action. Somewhere along the line, bipartisanship went out the window and we arrived today with competing Republican and Democrat proposals. I will not try to assign blame for this event, but it should not have happened. Not on an issue which is as important as campaign reform.

In this regard, although I have some strong concerns about certain aspects of H.R. 3—particularly the financing mechanism and the possibility that taxpayer money will be used to pay for Federal campaigns—I will support this legislation.

Quite simply, I feel it is vital that Congress move forward on campaign finance reform. I want the process to continue and I would hope that further consideration of this matter in the other body and in any conference committee will refine the present bill. I believe it would be disastrous for us to refuse to act, to perpetuate a system of elections which nearly everyone agrees must be changed.

But I must make one important and overriding condition regarding my support of H.R. 3, and that is—if we cannot resolve the matter of public financing—I will vote against any conference report which uses taxpayer money to fund elections or allows for the possibility that taxpayer money might be so used.

I just believe that using taxpayer money for elections is fundamentally wrong and at odds with our system of government. The public should be involved in political campaigns—the government should not. The public should work on behalf of the candidates of their choice, voluntarily contribute their time and money. The government should not use its revenues, obtained under the threat of law, to fund this intrinsically private activity.

To directly involve the government in matters of campaign finance creates a conflict of

interest which I do not believe can be resolved. We will create a system with perverse incentives. Tax money will not open up the process as its proponents argue. Instead, I believe it will be ultimately used for further self-preservation, for protection of the status quo.

In Alice in Wonderland, the queen shouted out "No, No * * * sentence first—verdict afterwards." I think we will engage in equally flawed judgment if we approve public financing as part of our system of elections. We will have concluded that private citizens cannot be fully trusted with their personal decision on who they should elect, or not elect, as their representative. We will level the playing field by paving it with taxpayer dollars. This is wrong and it should not stand.

Mr. POSHARD. Mr. Chairman, I rise tonight to explain what I view to be the real issues in this debate over campaign finance reform.

I first want to emphasize that I am someone who considers it an honor and a privilege to serve here on behalf of the people of the 19th District of Illinois and our Nation. As a history and government teacher, I spent a lot of time talking to kids about the blessings of freedom and the rights and responsibilities of living in a democracy. I am not one to run for Congress by running against Congress. I believe with all my heart in what this institution stands for and in its ability to confront the major problems facing this country.

But there is clearly a need to change direction in terms of how we finance the campaigns that allow us the opportunity to serve.

I voted against the rule (H. Res. 319) because it did not allow for consideration of the proposal by my friend and colleague, Congressman SYNAR of Oklahoma. In my judgment, that bill is the best bipartisan option for proceeding on campaign finance reform.

I do not want anything I am about to say to be taken as an indictment of any individual member. I have tremendous respect for each and every one of my colleagues on both sides of the aisle. But I must tell you that I think the system we have created and will perpetuate under the guise of reform is clearly not in our best interest.

In 1988, I ran for Congress with the benefit of political action committee money. Shortly upon arriving in Washington, I was faced with a number of votes where my analysis of the issues told me to vote one way, but my commitment to the PAC donors based on their issue surveys led me another way. After doing that once or twice, I returned to my office and told my staff that from this point on, I would no longer accept PAC money.

That has been one of the best decisions I have made in public life.

In 1990, I was fortunate to be re-elected without spending a great deal of money, running my campaign with the support of individual donors who thought I was right on the issues and perhaps appreciated the manner in which I endeavored to serve.

In 1991, Illinois, like every other State, went through the difficult process of redistricting, going from 22 to 20 seats in the U.S. House of Representatives. The seat I was representing was divided into thirds, and I was forced to make a decision as to where I would run if I wanted to continue to serve in the House. I decided to run in what is now the 19th District, against a friend and colleague, because I wanted to continue to fight for the issues which had propelled me into public service in the first place.

I like to think I ran a campaign of ideas. I know I ran a campaign that had limited financial resources. We faced a tremendous uphill battle, seeing as how I had very little money in my campaign fund while my opponent had accumulated some $700,000 in his. We took off over a 27 county area and tried our best to raise money at chili suppers and fundraisers where a $50 ticket is considered steep. But the money came in enough to keep us going, and in the end we were able to raise about $125,000. I would guess that when the final totals were in we were outspent at least five-to-one. But the people carried us to victory.

In the general election, I faced a challenger making his first run for public office, a commendable undertaking and one which should be available to every citizen with good ideas and an interest in service. We were able to raise more than the challenger, but by refusing PAC money and refusing to send out newsletters under the Congressional frank, I believe I at least offered a competitive opportunity for us to discuss the issues and take our message to the public.

My colleagues, I've been on both sides of this coin. I've taken PAC money and thought nothing of it, only to learn quickly how injurious I believe this practice is to our system. And I have run in elections where I have faced a huge financial disadvantage and also where I've had to defend my record as an incumbent with limited financial resources. It can be done.

And it is the kind of reform we need. We need to eliminate the PAC contributions, or at the very least, cut the donation limit to $1,000, and also reduce the individual contribution limit from $1,000 to $500, to dampen the influence of special interest money and big donors.

I know my colleagues bring forth their proposals in an honest and genuine fashion. But I think we need a complete overhaul of our thinking in terms of how we view Congressional service and how we view what it takes to win elections.

Decatur is different from Dallas. I am not suggesting that what works in the 19th District of Illinois is the only way to run an election. But let's be serious with the American people, who truly want reform and attentiveness to the issues of the day.

Let's stop taking special interest money and depend on the generosity of individual donors to fund our campaigns. And let us also reform our Congressional offices—stop the mass mailings, reduce our mailing budgets and do everything we can to level the playing field between incumbents and challengers.

Mr. BEILENSON. Mr. Chairman, I rise in support of H.R. 3, the House of Representatives Campaign Spending Limit and Election Reform Act, but I do so with the hope that significant improvements will be made to this legislation in conference with the Senate.

Reforming our campaign finance system is without a doubt one of the most difficult and complex issues before us, and I greatly respect and appreciate the hard work our leadership has done to produce a bill that a majority of Members will, hopefully, support. But having participated in the development of such legislation several times in the last dozen years, it has become clear that the process of drafting a campaign finance bill to win a sufficient number of votes simply does not yield a satisfactory response to the problems we all know we have with our current campaign finance system.

H.R. 3 takes a step in the right direction, but it does not do nearly enough to solve the major problems with our system: the large role special interests play, the high cost of campaigns and the huge amount of time candidates spend raising money, and the advantages the system gives to incumbents over challenges. It is a system that makes people feel that Members of Congress are more responsive to those who contribute to their campaigns than to the people who elect them, and it has to be changed far more than is done through this bill if we are to succeed in restoring public confidence in our electoral process, and in Congress.

First, because H.R. 3 allows candidates to accept as much as $200,000 in political action committee [PAC] contributions per election cycle, and makes no change in the amount of money an individual PAC can contribute, the bill falls far short of what ought to be done to reduce the role of special interests in congressional campaigns.

By allowing candidates to accept $200,000 in PAC contributions, it virtually guarantees that incumbent candidates, in particular, will continue to raise money from Washington-based special interests rather than from the people they represent. Campaign finance reform should shift the focus of fundraising away from Washington and back to districts where the elections are taking place; it should make fundraising an integral part of a candidate's outreach to the voters he or she hopes to represent. This bill takes a step in that direction, but it is much too modest.

If we cannot eliminate PAC contributions altogether—which would be my preference—we should at least reduce the amount an individual PAC can contribute to a candidate and set the aggregate level of allowable contributions at a level somewhat lower than $200,000.

Second, the spending limit in the bill is far too high. The $600,000 voluntary per-cycle spending limit, which will first apply in the 1996 elections, will actually be closer to $1 million for many candidates when indexing for inflation and the various exemptions are factored in. Very few candidates spend that much now, so it will be difficult to argue that a spending "limit" of $1 million represents a new control on the amount of money candidates spend on their campaigns. And, it will not reduce the amount of time and effort candidates must spend raising money to run a competitive campaign.

Third, this bill does very little to make House elections more competitive because it does so little to reduce the role of PAC's. PAC's have been giving between 8 to 12 times as much money to House incumbents as to challengers in recent elections, and the majority of incumbent candidates receive a majority of their campaign funds from PAC's. We must curb PAC contributions much more tightly to level

the playing field between incumbents and challengers.

Finally, while this bill would, for the first time, make House candidates who comply with the spending limit eligible for $200,000 worth of Federal communication vouchers, that amount is not enough to substantially change the way candidates raise money. The purpose of providing public funding is to free candidates from relying on PAC's and wealthy individuals to finance their campaigns; but with the high spending limit allowed under this bill, the average candidate is likely to continue raising as much money from PAC's and wealthy donors as they have in the past.

Moreover, it is very disturbing that the provision for funding the communication vouchers is not included in this bill, and that the legislation will not take effect until a subsequent measure is enacted. By separating the funding mechanism from the rest of the bill, we are postponing a legislative struggle we ought to be undertaking right now; we may well find it impossible to enact that future revenue-raising component of this package, in which case this will have been a hollow exercise.

Mr. Chairman, it is unfortunate that, even though the public is more vocal in calling for campaign finance reform than ever before, we are apparently unable to pass the kind of legislation that we need to make a real change in this area. However, because H.R. 3 is a step in the right direction, and an improvement over the status quo, I will give it my support with the hope that we will revisit many of its provisions in conference with the Senate.

Mr. ORTON. Mr. Chairman, today, I will be supporting H.R. 3, the campaign finance reform bill. Much of the public cynicism toward Congress is based on the general belief that their lawmakers are bought and paid for by lobbyists and campaign contributors. Until we enact strong legislation to reduce the influence of special interest money, this cynicism will not abate. Today, by passing H.R. 3, the House can take a preliminary step to arrest this influence.

No one in the House believes this bill is perfect. As many on the other side of the aisle have pointed out, this bill will not become effective until a funding mechanism is enacted. But moving forward on this legislation is far preferable to doing nothing.

After enactment of this bill today, I urge my colleagues in this body to work in earnest to develop a funding mechanism to provide the incentives necessary to induce candidates to abide by the spending limits. I want to make it clear that I will not vote for any such financing mechanism that uses public, taxpayer funds. However, I believe we can avoid this. Potential funding sources include a combination of a voluntary, add-on contribution on tax returns, a tax on political action committees, and a levy against campaign contributions. Preliminary estimates indicate that these sources are more than sufficient to pay for the incentives provided for in this bill.

Our task is not complete until we enact these funding sources. Voters are fed up with the way campaign contributions and lobbyists dominate public policy in Congress. We cannot let them down. I urge a "yes" vote on H.R. 3.

Mr. LEWIS of Florida. Mr. Chairman, I rise in opposition to H.R. 3 and in support of the Michel substitute. H.R. 3 is nothing more than hide and seek campaign reform. The Democrat leadership is hiding behind a bill proclaiming voluntary spending limits of $600,000 which, in fact, translates into more than $1 million. In addition, the Democrat solution to federally funded communication vouchers of up to $200,000 per candidate seeks to pick the pockets of the American taxpayers to pay for it.

The bill contains no honest attempt at PAC reform as it allows the Democrats to continue the status quo of PAC influence, while pretending to be in favor of campaign reform. The bill postpones enactment until 1996 while the Democrats look for funding sources from the taxpayers.

This bill is nothing but a shell game and the Democrats are the hucksters. I oppose the bill and I oppose this effort to deceive the American public.

Instead, I voted in favor of real campaign reform, a substitute to H.R. 3, which bans all PAC contributions and requires candidates to raise at least one-half of their funds from local residents. This bill has no hidden public financing agendas and eliminates special interests, bundling, and soft money and would be enacted for the 1994 elections. This is not gameplaying; it is real reform.

Mr. PACKARD. Mr. Chairman, the Democrats campaign finance bill is a taxpayer financed fraud. It sets meaningless spending and PAC donation limits. H.R. 3 will use taxpayer money to fund elections. Worse, there is no funding mechanism contained in this bill—it was severed from the legislation and will not be considered until next year. That means Congress will have to consider how to take more of the taxpayers hard-earned money—for what? For their elections! Interestingly, CBO estimates that the bill will cost taxpayers $43 million in 1995. Why 1995, you ask? Because the bill will not take effect until after 1995.

Have my colleagues forgotten the clear message that rang in our ears at the beginning of the 103d Congress? We were sent to Washington with an angry mandate to reform the way we do business. And yet instead of real change, the Democrat's so-called reform bill was passed so that Members can go back to their constituents and say "I voted to change the system."

The reality is, the bill that Democrats want us to pass today is the worst kind of deception: It masquerades as reform while preserving the status quo.

I urge my colleagues to support the Michel alternative which makes substantive changes in campaign finance law, not just cosmetic touch-ups. The Republican alternatives bans PAC's, soft money and requires candidates to raise most of their funds from their own district. In addition, the Michel alternative applies to next years elections.

I had high hopes the 103d Congress would make historic changes because of the huge number of new Members who rode the wave of change into office. I still hope new Members and those of us who want substantive change will coalesce behind the idea of truly reforming the way campaigns are financed. I hope I will not be disappointed.

Mr. YOUNG of Florida. Mr. Chairman, far too often in this House we are asked to vote for something with a good sounding title that is just bad legislation. The bill before us this afternoon, H.R. 3, the Congressional Campaign Spending Limit and Election Reform Act of 1993, is a perfect example.

Not only does it fail to limit the cost of political campaigns, it does not provide a single election reform without the enactment of subsequent legislation. Last year, similar legislation was brought before the 102d Congress under the guise of providing spending limits and election reform. I opposed that bill because it was an empty shell full of hollow promises. The bill before us today is even worse.

This legislation is so bad that even the leading proponents of campaign finance reform, such as Common Cause, Public Citizen, and the League of Women Voters have asked for support of the bill, not because it is good legislation, but to keep the process alive by sending it to a House-Senate conference committee. Almost 2 years ago to the day, I voted for a campaign finance reform bill before the House for the same reason. Not because I thought it was the best possible bill, but because I thought we should keep alive the debate on limiting campaign spending. It was my hope that with that vote, the House and Senate would listen to the American people and come up with a tough bill that provided enforceable spending limits and election reforms.

As I said earlier, the legislation that emerged from the conference committee last year was a fraud. The legislation before us today is even more phony and is an insult to the American people who are clamoring for real change. Instead, they are being given a warmed-over version of last year's bill.

This time around, I cannot in good conscience cast my vote in support of this legislation just to keep the process alive. It is obvious that the only way we can convey our demand for change to the Democrat leadership in the House and Senate is to defeat this bill and send the committee back to the drawing board to draft a version more along the lines of the Republican substitute which I will support later today.

According to the bill's title, the first goal of H.R. 3 is to limit congressional campaign spending. It says that the limit is $600,000, but that is before you add in all the exceptions that increase the limit to more than $1 million per candidate. Keep in mind that only 35 candidates spent more than $1 million in 1992. This legislation would encourage candidates to increase, not decrease, the cost of their campaigns.

The exceptions included in the spending limit section of the bill are similar to those in last year's bill, but in some cases are actually more lenient. Candidates would be allowed to spend an additional $200,000 if there is a runoff election. An additional $200,000 can be spent if a candidate had a closely contested primary, a race in which the candidate won with less than a 20 percent margin. How ridiculous. A win of 20 percent is considered a landslide in anyone's definition. Last year's bill classified a closely contested primary as one with less than a 10 percent margin. Why the change? Candidates can add an additional 10 percent, or $60,000, to their spending limit to cover the costs of fundraising, staff, overhead,

and accounting, plus an unlimited amount for legal and tax costs. Finally, the so-called spending limits are indexed for inflation beginning this year even though they do not become effective until January 1, 1995, after the 1994 congressional elections.

This spending limit of $1 million does not even count the additional $200,000 in taxpayer funds each candidate can receive for the purchase of radio and television broadcasting, print advertisements, campaign mailings, and postage. The committee does not call this public financing, it calls these funds voter communication vouchers. As with the spending limit section of the bill, candidates may qualify for an additional $66,600 in voter communication vouchers if they were in a closely contested primary. But, who pays for these vouchers?

It is estimated that if implemented, this new system of voter communication vouchers would cost the American taxpayers upwards of $1 billion over the next decade. Yet the bill provides no provisions to pay for the vouchers and requires the enactment of subsequent financing legislation before any of this bill's provisions take effect. This is outright fraud and is more than enough reason to send the bill back to the committee.

With regard to political action committees [PAC's], many of my constituents have called for PAC's to be eliminated entirely. The Republican substitute I support today bans PAC's. But the committee bill before us today allows candidates to accept more than $400,000 in PAC contributions.

The Republican substitute requires candidates to raise the majority of their campaign funds from within their own districts. The committee bill does nothing to encourage candidates to raise funds at home.

Finally, the Republican substitute would become effective immediately and apply to the 1994 election cycle. The committee bill does not become effective, as I said earlier, until subsequent legislation is enacted to pay for its public financing section, and even then it would not apply until the 1996 election cycle.

Mr. Speaker, we do not need to pass legislation to establish another costly new Federal program, this one to pay for political campaigns. Each of us has the ability to reduce the cost of political campaigns by taking our campaigns to the people and by deemphasizing media-based campaigns that rely on 30-second sound bites and catchy phrases.

The American people are smart. They are smart enough to make an informed decision on election day based upon the information they receive from candidates and based on the records of those candidates. They form their opinions from meeting their candidates and asking questions.

The American people are also smart enough to see through the charade before us that is labeled as campaign finance reform. They know that this legislation will neither limit campaign spending or provide for election reform. The truth is this legislation just preserves the status quo when it comes to congressional campaigns. It has been said so accurately that the committee bill is nothing more than an incumbent protection act.

For me Mr. Speaker, while the House and Senate spin their wheels on campaign finance reform, I will continue to maintain my own self-imposed campaign spending limitations by emphasizing people to people campaigns that rely on people spreading the word about my work in Congress. Personally taking the message directly to the people we represent is the best, most cost-effective campaign finance reform effort we can ever undertake.

Mr. ANDREWS of Texas. Mr. Chairman, I strongly support campaign finance reform, and I support this legislation. What deeply troubles me, however, is the possibility that this will lead us down the path to public financing.

Quality congressional reform is mandatory. This legislation has much-needed provisions; it sets voluntary spending limits, it cracks down on soft money abuse, and increases the reporting requirements for independent expenditures. I strongly support these provisions.

But while all of us will agree that campaign finance reform is needed, few will be successful in convincing the American people that they should be required to pay for this reform. Specifically, H.R. 3 has a potential for a public financing framework through the Make Democracy Work Fund. Through this fund, a candidate will receive a Federal benefit through communication vouchers in exchange for voluntarily complying with campaign spending limits. The bill does not, however, provide any mechanism for funding the communications vouchers and the Congress must enact legislation to fund the vouchers. My fear is that public financing is not far behind. The same efforts I have used to support this legislation will be used to oppose any efforts to provide for public financing.

I do believe that there must be a positive step towards reform in this Congress. The need for campaign finance reform is critical: elections should be a battle of ideas, not of bank accounts. The passage of this proposal will move the process forward, and there will be opportunities to improve upon this measure. What is critical is that we reform our campaign financing system by making campaigns more competitive and reducing the exorbitant costs of campaigns.

Mr. KYL. I rise in opposition to H.R. 3 because it will not accomplish the very campaign finance reforms that the American people want.

True reform must concentrate not on public financing or unconstitutional spending limits or new taxes but, instead, on improving competition, reducing special interest influence, increasing disclosure, and returning power back to the people who actually live in a represented district or State.

Clearly, the campaign finance reform legislation proposed by House Democrats, H.R. 3, will not accomplish these goals. The measure under consideration today will provide tax money to candidates, impose unconstitutional spending limits and taxes on campaign contributions, and sets meaningless PAC limits.

H.R. 3 will spend hundreds of million of taxpayer dollars on political campaigns; even though the American taxpayer has made it clear he or she does not want the national treasury funding political campaigns. This is evident from the unpopularity of the $1 check-off for presidential campaigns. Under H.R. 3, candidates who agree to comply with optional spending limits would be eligible for partial Federal funding of their general election campaigns. Up to $200,000, in vouchers to buy TV, radio, postage, and other means of communicating, would be available to candidates.

Public financing will not benefit the electorate. First, individual participation in the political process is not encouraged by public funding of political campaigns. Second, no one should be forced to contribute to the political fortunes of anyone with whom he or she disagrees. Candidates could receive individual political "donations" from thousands of individual taxpayers struggling to make ends meet, many of whom may completely disagree with the political ideology of the candidate for whom they are forced to contribute.

H.R. 3 would also impose "voluntary" spending limits on general elections. I am opposed to spending limits for a number of reasons, including their likely unconstitutionality. The Supreme Court has ruled that campaign spending is equivalent to speech and therefore protected by the first amendment. Unless a spending limit on political campaigns is voluntary then it is considered a free speech violation.

Under H.R. 3, if a candidate complies with the spending limit and the opponent does not, the candidate who has complied is eligible for taxpayer funds above the spending limits. Clearly, this provision is not voluntary. It also favors the incumbent. Accordingly to the Center for Responsible Politics, there is a direct correlation between the amount spent by challengers and their share of the total votes on election day. Campaign spending buys the means—TV, video, radio, etc.—to communicate with the American electorate. A limit on campaign spending would limit the ability of a candidate, particularly a challenger, to gain name ID equivalent to that of his or her opponent.

Those are just a few of the reasons H.R. 3 and a number of House-introduced bills are unsatisfactory and will not truly reform our campaign elections laws. During the 102d and 101st Congress, I introduced a bill known as the "Honest Campaign Act." The primary goal of my bill was to take away many of the monetary advantages of incumbency, and to give challengers a fair chance of winning. The House did not consider this legislation during either Congress. I would like to have offered amendments to the campaign finance bill under consideration but, unfortunately, the House majority-controlled Rules Committee did not allow for consideration of such amendments today.

The Republican alternative I support today is not perfect but is a vast improvement over H.R. 3 and will provide real reform, without public financing or unconstitutional spending limits.

The Republican leadership alternative would ban the use of soft money to influence Federal elections, ban bundling, and prohibit campaign contributions from political action committees [PAC's], unless a total ban is found to be unconstitutional, in which case the amendment drops the limit on PAC contributions to $1,000.

National parties would also be allowed to contribute to a challenger up to the amount any incumbent "carried over" from previous elections. Additionally, if a candidate's opponent spent more than $250,000, the personal

limit of $5,000 would be waived for the candidate's contributors. The alternative would also require unions, corporations, and nonprofit organizations to reveal all activities and spending affecting Federal elections to the FEC. Labor unions would also be required to obtain written permission from their members before using dues for political reasons.

Candidates would also be required to raise at least half of their funds from local sources. This is particularly important. A candidate would no longer be able to raise most of his or her campaign cash from out-of-State groups whose interests have nothing to do with the State or district the candidate will potentially represent.

The ban of PAC's will most likely raise objections from constitutional scholars who say the Supreme Court is almost certainly unwilling to permit Congress to outlaw PAC's. PAC's allow those associated with groups the opportunity to be heard collectively on issues of importance to them. However, PAC's, in some instances, are used to gain influence. They sometimes contribute only to senior incumbents, perpetuating their power. We must continue to work toward elimination of this kind of PAC abuse.

We should be working toward campaign reforms that will not constrict political freedom and will bring the power of the campaign back to local individuals. We should reject H.R. 3 and pass the Republican leadership campaign finance reform alternative.

Mr. ZIMMER. Mr. Chairman, this bill falls far short of the comprehensive reform we need to reduce the corrosive effect of big money on the political process. The best that can be said about the bill is that it is better than nothing and that it may be improved by the House-Senate conference committee. For these reasons I am casting an unenthusiastic yes vote.

The main purpose of campaign finance reform should be to reduce the influence of large contributors and encourage candidates to solicit the bulk of their funds from small contributors who live in their districts. Earlier today I voted for a Republican substitute that would have taken us in that direction.

The two biggest flaws in our current system is the failure to limit the use of "soft money" and its excessive reliance on PAC contributions.

While this bill does significantly reform the rules governing soft money, its restrictions on PAC are so loaded with loopholes as to be laughable. We ought to reduce the maximum contribution from a single PAC far below the current level of $5,000. This bill keeps the level at its current amount, perpetuating one of the greatest advantages for incumbents.

The legislation includes some other modest reforms such as reducing the influence of independent expenditures and limiting the amount of personal money a wealthy candidate can throw into his or her own race.

It's a shame the House couldn't do better than this. I look forward to the day when we get more serious about campaign finance reform. But for now I'll vote for this tiny step forward.

Mr. EWING. Mr. Chairman, I rise in strong opposition to H.R. 3, the Democrat campaign reform legislation, which would more aptly be called the "welfare for politicians act." I strongly support the substitute offered by Mr. MICHEL, which includes real reforms in the way campaigns are financed.

H.R. 3 would impose voluntary spending limits on Congressional campaigns of $600,000. Those candidates who agree to the limit would in return receive vouchers from the Federal Treasury worth up to $200,000 for various campaign expenses.

The Democrats are silent about where this money will come from because H.R. 3 contains no financing mechanism. That will need to be passed later. Congress will need to either raise taxes, cut other programs, or increase the deficit to start paying for campaigns. The Congressional Budget Office estimated that this bill would cost the taxpayers $43 million in fiscal year 1995, $137 million in fiscal year 1996, $44 million in fiscal year 1997 and $142 million in fiscal year 1998. I wouldn't be surprised to see these figures climb even higher.

Asking the taxpayers to start picking up the tab for Congressional campaigns is a slap in the face to working women and men everywhere. This Congress has done a miserable job in managing the finances of the Federal Government. We are running deficits close to $300 billion and now the majority party expects the taxpayers to start paying for their campaigns! This is a sham and a fraud.

H.R. 3 would not even take effect until after the next election. The American people want reform, and they want it now. The alternative being offered by Mr. MICHEL would take effect immediately and would be in place for the 1994 election cycle.

The Michel plan does not contain taxpayer financing of elections. Instead, it contains commonsense reforms which will reduce the dependency of candidates on special-interest contributions and strengthen the role of small contributors and average voters in campaigns.

The Michel plan would severely restrict the role of political action committees [PAC's]. It proposes to eliminate PAC's or, if a complete ban of PAC's is found to be unconstitutional, the Michel plan would reduce the maximum PAC contribution to a candidate to $1,000. This is down from the current $5,000 limit and places PAC's on the same level as individual contributors.

Another very important proposal in the Michel plan would require that candidates raise a majority of their funds from individual contributors who live in the district they are seeking to be elected to represent. Contributions ought to come from the home folks, not special interests in Washington, DC or somewhere else.

The Michel plan also bans all "soft money" contributions from national party organizations, a loophole in the current system which allows candidates to get around financing limits. It would also ban "bundling" by PAC's, another loophole in the current system which allows special interest to evade contribution limits.

I strongly oppose H.R. 3 and strongly support the Michel alternative.

Mr. MANZULLO. Mr. Chairman, today we have a historic opportunity to debate how we can reform the campaign finance system. Unfortunately, I cannot support either plan because the proposals laid out by both parties were deficient in achieving the goal of real reform. That's why I voted against both the Democratic and Republican plan and voted to send both back to committee to draw a real campaign financing reform bill.

The Democrat's proposal (H.R. 3) is a half-hearted attempt at campaign finance reform because it places an arbitrary limit on the amount of money that can be spent in a campaign and ends up as a first stepping stone toward taxpayer financed congressional elections. The bill provides up to $200,000 in federally funded communication vouchers for candidates who agree to spending limits. The vouchers may be used during the general election to purchase broadcast time, newspaper advertisements, brochures, posters, yard signs and postage for campaign mailings all paid for taxpayers whether they like the candidate or not.

The Republican bill, also, contains some real problems. For example, in the event a candidate spends $250,000 of his own money in a campaign, then the opponent can disregard the regular rule of not being able to take more than $1,000 from any individual and can take up to $25,000 from any number of individuals. This is not campaign reform. The purpose of the present limit of $1,000 per person is to make sure that a campaign is financed by a broad based group as opposed to key individuals.

I suggest real campaign reform include at least some of the following: First, requiring that the residents of a candidate's state provide the majority of the candidate's funds; second, eliminating PAC contributions from one PAC to another; third, requiring the inclusion of the entire name of the organization which establishes a PAC in that PAC's name; fourth, prohibiting bundling while allowing nationally solicited direct contributions; fifth, requiring lobbyists to declare their lobbyist status on contributions; sixth, requiring lobbyists to file a report on all political contributions with the Federal Election Commission; seventh, itemizing all out of state contributions on FEC reports; eighth, banning all "soft" money from being used to influence federal elections; ninth, putting into law stiff measures to prohibit employees from being coerced into political activity by their employers or labor unions; tenth, eliminating or cutting back on the amount of free unsolicited mass mailings such as newsletters.

I believe each Member of Congress must set the standard for election and congressional reform. That is why I don't use the free mass mailings privilege for newsletters. That is why for my first term in Congress I pledged to give back 10 percent of my salary for scholarships for students in my congressional district. This is why I helped lead the fight in the House of Representatives to not fund four select subcommittees that served no purpose except to waste several millions of dollars per year.

Someday we'll get a true reform bill and at that point I'll vote for true reform.

Ms. WOOLSEY. Mr. Chairman, I rise today in support of the campaign finance reform measure being considered by the House today. This bill will take a big step toward cleaning up our government and saving taxpayer dollars.

There are many Members of Congress who do not want this bill to pass. In fact, Mr.

Speaker, many of them are opposed to any meaningful finance reform. However, while some Members of Congress don't want it, I can guarantee you that the American people demand it. I have received hundreds of letters from the people of Marin and Sonoma Counties about campaign finance reform. Many of them have demanded that we get it done before the end of the year, and I urge my colleagues to make this happen.

The campaign reform bill we are debating today accomplishes many of the reforms that the American people have called for. It limits the amount of money that candidates can accept from political action committees, curbs the influence of wealthy contributors, and imposes voluntary spending limits—allowing candidates to spend more time with the people and less time raising money. Most importantly, Mr. Speaker, this bill begins to put the power back into the hands of the American people.

This bill could certainly use some improvements, Mr. Speaker. It could have contained formal spending limits, thus making better progress toward relieving candidates of the burden of raising money. The goal of campaign finance reform should be to stop forcing candidates to spend their time raising money—and instead spending more time meeting with the people they represent and learning more about the needs and concerns of their constituents. By creating a voluntary $600,000 spending limit with incentives to stay below the cap, the bill we are debating today takes strong steps in that direction. However, I believe that tougher limits are appropriate and would have improved the bill.

Nevertheless, the fact remains that this campaign finance reform is meaningful, and it takes important steps toward cleaning up the system. I urge my colleagues to answer the call of the American people by passing a meaningful campaign finance reform now. I urge my colleagues to vote in favor of this bill. Thank you, Mr. Speaker.

Mr. FAZIO. Mr. Chairman, I rise in strong support of H.R. 3, the House Campaign Spending Limit and Election Reform Act of 1993.

Mr. Speaker, the American people have asked this Congress to enact real reform in how campaigns are conducted. The Campaign Spending Limit and Election Reform Act of 1993 is that real reform.

The U.S. Supreme Court in Buckley versus Valeo acknowledged the First Amendment rights at stake by recognizing campaign contributions as a form of protected political expression. The bill before the House today protects the First Amendment rights of all citizens while enacting reasonable, constitutionally sound limitations on political contributions.

The bill sets voluntary spending limits of $600,000 per House candidate for incumbents and challengers alike. In addition, candidates who agree to the spending limits cannot contribute or loan their own campaign more than $50,000 of their personal funds for the race. Once a candidate has committed to abide by the voluntary spending limits, the bill's enforcement measures provide the level playing field we seek for all candidates.

While the overall spending limits are voluntary, the provisions limiting contributions from Political Action Committees [PACs] and large individual contributions are mandatory; they apply to all candidates, even those who refuse to abide by the voluntary spending cap of $600,000. The bill limits each House candidate to $200,000 in PAC contributions per election cycle and limits large individual contributions of more than $200 to a total of $200,000 per election cycle.

Let me be clear about the mandatory limits on contributions by PACs. PACs are not in and of themselves a bad thing. They enable average citizens to pool their resources in support of a common interest. Many working Americans contribute to PACs. Civil organizations also contribute money to candidates of their choice through their own PACs. In short, pooling money into PACs is just one important part of the average citizen's participation in government.

This legislation also closes a variety of campaign loopholes dealing with independent expenditures, bundling of contributions, and so-called soft money. To enforce the closing of these loopholes, the bill expressly grants the Federal Election Commission [FEC] injunctive relief powers. If a candidate is violating any provision of this bill, the FEC can issue a temporary restraining order against that candidate. In addition, the bill contains penalties for candidates that spend or raise more than the limits.

Mr. Speaker, as you may remember, this House voted in favor of comprehensive campaign reform finance legislation in the last Congress when a similar measure was approved by both the House of Representatives and the Senate. Unfortunately, former President Bush vetoed that bill. President Clinton is a strong advocate of political reform and has worked with Congress to develop a bipartisan consensus on a sweeping overhaul of campaign financing.

Mr. Speaker, I remain steadfastly committed to strong campaign finance reform. This legislation is an important step forward in restoring and strengthening the public's faith in our political system. This legislation offers real reform while protecting every citizen's First Amendment right to be a full participant in the electoral process. I urge my colleagues to vote for the House Campaign Spending Limit and Election Reform Act of 1993.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute printed in the bill, modified by the amendment printed in part 1 of House Report 103–402, is considered as an original bill for the purpose of amendment and is considered as read.

The text of the amendment in the nature of a substitute, as modified, is as follows:

H.R. 3

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "House of Representatives Campaign Spending Limit and Election Reform Act of 1993".

(c) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

TITLE I—CONTROL OF CONGRESSIONAL CAMPAIGN SPENDING

Subtitle A—[Reserved]

Subtitle B—Expenditure Limitations, Contribution Limitations, and Voter Communication Vouchers for Eligible House of Representatives Candidates

Sec. 121. Provisions applicable to eligible House of Representatives candidates.

Sec. 122. Registration as eligible House of Representatives candidate.

Sec. 123. Definitions.

TITLE II—LIMITATIONS ON POLITICAL COMMITTEE AND LARGE DONOR CONTRIBUTIONS THAT MAY BE ACCEPTED BY HOUSE OF REPRESENTATIVES CANDIDATES

Sec. 201. Limitations on political committee and large donor contributions that may be accepted by House of Representatives candidates.

TITLE III—INDEPENDENT EXPENDITURES

Sec. 301. Clarification of definitions relating to independent expenditures.

Sec. 302. Reporting requirements for certain independent expenditures.

Sec. 303. Broadcast and cable independent expenditure communications against eligible House of Representatives candidates.

TITLE IV—CONTRIBUTIONS AND EXPENDITURES BY POLITICAL PARTY COMMITTEES

Sec. 401. Definitions.

Sec. 402. Contributions to political party committees.

Sec. 403. Provisions relating to national, State, and local party committees.

Sec. 404. Reporting requirements.

Sec. 405. Restrictions on fundraising by candidates and officeholders.

Sec. 406. Increase in authorized political committee contributions to congressional campaign committees.

Sec. 407. Increase in the amount that multicandidate political committees may contribute to national political party committees.

Sec. 408. Merchandising and affinity cards.

Sec. 409. Increased limitation amount for certain contributions to political committees of State political parties.

TITLE V—CONTRIBUTIONS

Sec. 501. Restrictions on bundling.

Sec. 502. Contributions by dependents not of voting age.

Sec. 503. Prohibition of acceptance by a candidate of cash contributions from any one person aggregating more than $100.

Sec. 504. Contributions to candidates from State and local committees of political parties to be aggregated.

Sec. 505. Prohibition of false representation to solicit contributions.

Sec. 506. Limited exclusion of advances by campaign workers from the definition of the term "contribution".

Sec. 507. Amendment to section 316 of the Federal Election Campaign Act of 1971.

Sec. 508. Prohibition of certain election-related activities of foreign nationals.

TITLE VI—REPORTING REQUIREMENTS

Sec. 601. Change in certain reporting from a calendar year basis to an election cycle basis.

Sec. 602. Personal and consulting services.

Sec. 603. Reduction in threshold for reporting of certain information by persons other than political committees.

Sec. 604. Computerized indices of contributions.
Sec. 605. Identification.
Sec. 606. Political committees.
Sec. 607. Use of candidates' names.
Sec. 608. Reporting requirements.
Sec. 609. Simultaneous registration of candidate and candidate's principal campaign committee.

TITLE VII—FEDERAL ELECTION COMMISSION

Sec. 701. Appearance as amici curiae.
Sec. 702. Federal Election Commission public service announcements.
Sec. 703. Authority to seek injunction.
Sec. 704. Expedited procedures.
Sec. 705. Insolvent political committees.

TITLE VIII—BALLOT INITIATIVE COMMITTEES

Sec. 801. Definitions relating to ballot initiatives.
Sec. 802. Amendment to definition of contribution.
Sec. 803. Amendment to definition of expenditure.
Sec. 804. Organization of ballot initiative committees.
Sec. 805. Registration of ballot initiative committees.
Sec. 806. Reporting by ballot initiative committees.
Sec. 807. Enforcement for ballot initiative committees.
Sec. 808. Prohibition on contributions and expenditures by ballot initiative committees.

TITLE IX—MISCELLANEOUS

Sec. 901. Broadcast rates and preemption.
Sec. 902. Campaign advertising amendments.
Sec. 903. Telephone voting by persons with disabilities.
Sec. 904. Transfer of presidential election financing provisions to Federal Election Campaign Act of 1971.

TITLE X—HOUSE OF REPRESENTATIVES CAMPAIGN ELECTION FUNDING AND RELATED MATTERS

Sec. 1001. Make Democracy Work Election Fund.

TITLE XI—EFFECTIVE DATES; SEVERABILITY

Sec. 1101. Effective date.
Sec. 1102. Severability.
Sec. 1103. Expedited review of constitutional issues.
Sec. 1104. Regulations.
Sec. 1105. Budget neutrality.

TITLE I—CONTROL OF CONGRESSIONAL CAMPAIGN SPENDING

Subtitle A—[Reserved]

Subtitle B—Expenditure Limitations, Contribution Limitations, and Voter Communication Vouchers for Eligible House of Representatives Candidates

SEC. 121. PROVISIONS APPLICABLE TO ELIGIBLE HOUSE OF REPRESENTATIVES CANDIDATES.

(a) IN GENERAL.—The Federal Election Campaign Act of 1971 is amended by adding at the end the following new title:

"TITLE VI—EXPENDITURE LIMITATIONS, CONTRIBUTION LIMITATIONS, AND VOTER COMMUNICATION VOUCHERS FOR ELIGIBLE HOUSE OF REPRESENTATIVES CANDIDATES

"SEC. 601. EXPENDITURE LIMITATIONS.

"(a) IN GENERAL.—An eligible House of Representatives candidate may not, in an election cycle, make expenditures aggregating more than $600,000.

"(b) RUNOFF ELECTION AND SPECIAL ELECTION AMOUNTS.—

"(1) RUNOFF ELECTION AMOUNT.—If an eligible House of Representatives candidate is a candidate in a runoff election, the candidate may make additional expenditures aggregating not more than $200,000 in the election cycle.

"(2) SPECIAL ELECTION AMOUNT.—An eligible House of Representatives candidate who is a candidate in a special election may make expenditures aggregating not more than $600,000 with respect to the special election.

"(c) CLOSELY CONTESTED PRIMARY.—If, as determined by the Commission, an eligible House of Representatives candidate in a contested primary election wins that primary election by a margin of 20 percentage points or less, the candidate may make additional expenditures aggregating not more than $200,000 in the election cycle.

"(d) NONPARTICIPATING OPPONENT PROVISIONS.—

"(1) LIMITATION EXCEPTION.—The limitations imposed by subsections (a) and (b) do not apply in the case of an eligible House of Representatives candidate if any other general election candidate seeking nomination or election to that office—

"(A) is not an eligible House of Representatives candidate; and

"(B) receives contributions or makes expenditures in excess of 25 percent of the limitation under subsection (a).

"(2) CONTINUED ELIGIBILITY AND ADDITIONAL MATCHING FUNDS.—An eligible House of Representatives candidate referred to in paragraph (1)—

"(A) shall continue to be eligible for all benefits under this title; and

"(B) shall receive voter communication vouchers under section 604.

"(3) REPORTING REQUIREMENT.—A candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress—

"(A) who is not an eligible House of Representatives candidate; and

"(B) who makes contributions in excess of $50,000 of personal funds of the candidate and members of the candidate's immediate family to the authorized committee of the candidate or receives contributions or makes expenditures in excess of 25 percent of the limitation under subsection (a);

shall report that the threshold has been reached to the Clerk of the House of Representatives not later than 48 hours after reaching the threshold. The Clerk shall transmit a report received under this paragraph to the Commission as soon as possible (but no later than 4 working hours of the Commission) after such receipt, and the Commission shall transmit a copy to each other candidate for election to the same office within 48 hours of receipt.

"(e) EXEMPTION FOR LEGAL COSTS AND TAXES.—Any costs incurred by an eligible House of Representatives candidate or his or her authorized committee, or a Federal officeholder, for legal services or Federal, State, or local income and payroll taxes with respect to a candidate's authorized committees, or to comply with section 606, shall not be considered in the computation of amounts subject to limitation under this section.

"(f) EXEMPTION FOR ACCOUNTING OR FUNDRAISING COSTS.—

"(1) Any costs incurred by an eligible House of Representatives candidate or his or her authorized committee in connection with the solicitation of contributions on behalf of such candidate or for accounting services to ensure compliance with this Act shall not be considered in the computation of amounts subject to limitation under subsection (a) to the extent that the aggregate of such costs does not exceed 10 percent of the limitation under subsection (a).

"(2) An amount equal to 10 percent of salaries and overhead expenditures of an eligible House of Representatives candidate's campaign headquarters and offices shall not be considered in the computation of amounts subject to limitation under this section. Any amount excluded under this paragraph shall be applied against the accounting or fundraising expenditure exemption under paragraph (1).

"(g) CIVIL PENALTIES.—

"(1) LOW AMOUNT OF EXCESS EXPENDITURES.—Any eligible House of Representatives candidate who makes expenditures that exceed a limitation under subsection (a) or subsection (b) by 2.5 percent or less shall pay to the Commission an amount equal to the amount of the excess expenditures.

"(2) MEDIUM AMOUNT OF EXCESS EXPENDITURES.—Any eligible House of Representatives candidate who makes expenditures that exceed a limitation under subsection (a) or subsection (b) by more than 2.5 percent and less than 5 percent shall pay to the Commission an amount equal to three times the amount of the excess expenditures.

"(3) LARGE AMOUNT OF EXCESS EXPENDITURES.—Any eligible House of Representatives candidate who makes expenditures that exceed a limitation under subsection (a) or subsection (b) by 5 percent or more shall pay to the Commission an amount equal to three times the amount of the excess expenditures plus a civil penalty in an amount determined by the Commission.

"(h) INDEXING.—The dollar amounts specified in subsections (a), (b), and (c) shall be adjusted at the beginning of each calendar year based on the increase in the price index determined under section 315(c), except that, for the purposes of such adjustment, the base period shall be calendar year 1992.

"(i) The limitations of this section do not apply in the case of any recall action held pursuant to State law.

"SEC. 602. CONTRIBUTION LIMITATIONS.

"(a) PERSONAL CONTRIBUTIONS.—An eligible House of Representatives candidate may not, with respect to an election cycle, make contributions or loans to his or her own campaign totaling more than $50,000 from the personal funds of the candidate. The amount that the candidate may accept from persons referred to in section 315(i)(2) shall be reduced by the amount of contributions made under the preceding sentence. Contributions from the personal funds of a candidate may not be matched under section 604.

"(b) LIMITATION EXCEPTION.—The limitation imposed by subsection (a) does not apply in the case of an eligible House of Representatives candidate if any other candidate for that office—

"(1) is not an eligible House of Representatives general election candidate; and

"(2) makes contributions or loans to his or her own campaign totaling more than $50,000 from his or her own personal funds.

"SEC. 603. DECLARATION OF PARTICIPATION; CONTINUING ELIGIBILITY.

"The Commission shall determine whether a candidate is eligible under this title and, by reason of such eligibility may receive benefits under this title. Such determination shall—

"(1) in the case of an initial determination, be based on a declaration of participation submitted by the candidate; and

"(2) in the case of a determination of continuing eligibility, be based on relevant additional information submitted in such form and manner as the Commission may require.

"SEC. 604. VOTER COMMUNICATION VOUCHERS.

"(a) IN GENERAL.—An eligible House of Representatives candidate shall be entitled to receive, with respect to the general election, an amount of voter communication vouchers equal to the amount of contributions from individuals received by the candidate, but not more than $200,000, with not more than $200 to be taken into account per individual.

"(b) SPECIFIC REQUIREMENTS.—A candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress may receive voter communication vouchers under subsection (a) only if the candidate—

"(1) in an election cycle, has received 10 percent of the limit specified in section 601(a) in contributions from individuals, with not more than $200 to be taken into account per individual;

"(2) qualifies for the general election ballot;

"(3) has an opponent on the general election ballot; and

"(4) files a declaration of participation in which the candidate agrees to—

"(A) comply with the limitations under sections 601 and 315(i);

"(B) cooperate in the case of any audit by the Commission by furnishing such campaign records and other information as the Commission may require; and

"(C) comply with any repayment requirement under section 606.

"(c) WRITTEN INSTRUMENT REQUIREMENT.—No contribution in any form other than a gift of money made by a written instrument or a certification by the committee making the request that identifies the individual making the contribution by full name and address may be used as a basis for any matching payment under this section.

"(d) CERTIFICATION AND PAYMENT.—

"(1) CERTIFICATION.—Except as provided in paragraphs (2), (3), and (4) not later than 5 days after receiving a request for payment, the Commission shall certify for payment the amount requested under this section. The request by an eligible candidate to receive voter communications vouchers under this section shall contain—

"(A) such information and be made in accordance with such procedures as the Commission may provide by regulation; and

"(B) a verification signed by the candidate and the treasurer of the principal campaign committee of such candidate stating that the information furnished in support of the request, to the best of their knowledge, is correct and fully satisfies the requirements of this title.

"(2) PAYMENTS.—The initial payment of voter communication vouchers under subsection (a) to an eligible candidate shall be an amount equal to at least 10 percent of the limit specified in section 601(a). All payments shall be—

"(A) made not later than 48 hours after certification under paragraph (1); and

"(B) subject to proportional reduction in the case of insufficient funds.

"(3) PARTIAL CERTIFICATION.—If the Commission determines that any portion of a request does not meet the requirements for certification, the Commission shall withhold the certification for that portion only and inform the candidate as to how the candidate may correct the request.

"(4) CERTIFICATION WITHHELD.—The Commission may withhold certification if it determines that a candidate who is otherwise eligible has engaged in a pattern of activity indicating that the promises in the candidate's statement of participation cannot be relied upon.

"(e) CLOSELY CONTESTED PRIMARY.—If, as determined by the Commission, an eligible House of Representatives candidate in a contested primary election wins that primary election by a margin of 20 percentage points or less, the candidate shall be eligible to receive matching vouchers totaling not more than $66,600, in addition to any other amount received under this section. The amount available under the preceding sentence is subject to the matching requirements of this section.

"(f) INDEPENDENT EXPENDITURE PROVISION.—If, with respect to a general election involving an eligible House of Representatives candidate, independent expenditures totaling $10,000 are made against the eligible House of Representatives candidate or in favor of another candidate, the eligible House of Representatives candidate shall be entitled, in addition to any amount received under subsection (a), to voter communication vouchers equal to the amount of such independent expenditures, and expenditures may be made from such vouchers without regard to the limitations in section 601.

"(g) PROHIBITION OF CONVERSION TO PERSONAL USE.—An eligible candidate who receives voter communication vouchers under this section may not convert any amount to personal use or make any payments, directly or indirectly, to such candidate or to any members of the immediate family of the candidate.

"(h) INDEXING.—The dollar amount specified in subsections (a) and (e) (other than the amount taken into account per individual) shall be adjusted at the beginning of the calendar year based on the increase in the price index determined under section 315(c), except that, for the purposes of such adjustment, the base period shall be calendar year 1992.

"(i) USE OF VOTER COMMUNICATION VOUCHERS.—Voter communication vouchers shall be used by an eligible House of Representatives candidate—

"(1) to purchase broadcast time during the general election period in the same manner as other broadcast time may be purchased by the candidate;

"(2) to purchase print advertisements during the general election period;

"(3) to purchase voter contact campaign materials (brochures, bumper stickers, handbills, pins, posters, and yard signs) used during the general election period; or

"(4) to pay for postage expenses incurred during the general election period.

"(j) UNEXPENDED VOUCHERS.—Any amount of voter communication vouchers received by an eligible House candidate under this title and not expended on or before the date of the general election shall be repaid within 60 days of the election, except that a reasonable amount may be retained for a period not exceeding 120 days after the date of the general election for the liquidation of obligations to pay expenditures for the general election incurred during the general election period. At the end of the 120-day period, any unexpended vouchers received under this title shall be promptly repaid.

"SEC. 605. CLOSED CAPTIONING REQUIREMENT FOR TELEVISION COMMERCIALS OF ELIGIBLE HOUSE OF REPRESENTATIVES CANDIDATES.

"No eligible House of Representatives candidate may receive amounts under section 604 unless such candidate has certified to the Federal Election Commission that any television commercial prepared or distributed by the candidate will be prepared in a manner that contains, is accompanied by, or otherwise readily permits closed captioning of the oral content of the commercial to be broadcast by way of line 21 of the vertical blanking interval, or by way of comparable successor technologies.

"SEC. 606. EXAMINATION AND AUDITS; REPAYMENTS.

"(a) GENERAL ELECTION.—After each general election, the Commission shall conduct an examination and audit of the campaign accounts of 5 percent of the eligible House of Representatives candidates, as designated by the Commission through the use of an appropriate statistical method of random selection, to determine whether such candidates have complied with the conditions of eligibility and other requirements of this title. No other factors shall be considered in carrying out such an examination and audit. The Commission shall conduct an examination and audit of the accounts of all candidates from a congressional district where any eligible candidate is selected for examination and audit.

"(b) SPECIAL ELECTION.—After each special election, the Commission shall conduct an examination and audit of the campaign accounts of all eligible candidates in the election to determine whether the candidates have complied with the conditions of eligibility and other requirements of this title.

"(c) AFFIRMATIVE VOTE.—The Commission may conduct an examination and audit of the campaign accounts of any eligible House of Representatives candidate in a general election if the Commission, by an affirmative vote of 4 members, determines that there exists reason to believe whether such candidate may have violated any provision of this title.

"(d) PAYMENTS.—If the Commission determines that any amount of a payment to a candidate under this title was in excess of the aggregate payments to which such candidate was entitled, the Commission shall so notify the candidate, and the candidate shall pay an amount equal to the excess.

"SEC. 607. JUDICIAL REVIEW.

"(a) JUDICIAL REVIEW.—Any agency action by the Commission made under the provisions of this title shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition filed in such court within 30 days after the agency action by the Commission for which review is sought. It shall be the duty of the Court of Appeals, ahead of all matters not filed under this title, to advance on the docket and expeditiously take action on all petitions filed pursuant to this title.

"(b) APPLICATION OF TITLE 5.—The provisions of chapter 7 of title 5, United States Code, shall apply to judicial review of any agency action by the Commission.

"(c) AGENCY ACTION.—For purposes of this section, the term 'agency action' has the meaning given such term by section 551(13) of title 5, United States Code.

"SEC. 608. PARTICIPATION BY COMMISSION IN JUDICIAL PROCEEDINGS.

"(a) APPEARANCES.—The Commission is authorized to appear in and defend against any action instituted under this section and under section 607 either by attorneys employed in its office or by counsel whom it may appoint without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation it may fix without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title.

"(b) INSTITUTION OF ACTIONS.—The Commission is authorized, through attorneys and counsel described in subsection (a), to institute actions in the district courts of the United States to seek recovery of any amounts determined under this title to be payable to the Secretary.

"(c) INJUNCTIVE RELIEF.—The Commission is authorized, through attorneys and counsel described in subsection (a), to petition the courts of the United States for such injunctive relief as is appropriate in order to implement any provision of this title.

"(d) APPEALS.—The Commission is authorized on behalf of the United States to appeal from, and to petition the Supreme Court for certiorari to review, judgments or decrees entered with respect to actions in which it appears pursuant to the authority provided in this section.

"SEC. 609. REPORTS TO CONGRESS; CERTIFICATIONS; REGULATIONS.

"(a) REPORTS.—The Commission shall, as soon as practicable after each election, submit a full report to the House of Representatives setting forth—

"(1) the expenditures (shown in such detail as the Commission determines appropriate) made by each eligible candidate and the authorized committees of such candidate;

"(2) the aggregate amount of voter communication vouchers certified by the Commission under section 604 for each eligible candidate; and

"(3) the amount of repayments, if any, required under section 606, and the reasons for each repayment required.

Each report submitted pursuant to this section shall be printed as a House document.

"(b) DETERMINATIONS BY COMMISSION.—All determinations (including certifications under section 604) made by the Commission under this title shall be final and conclusive, except to the extent that they are subject to examination and audit by the Commission under section 606 or judicial review under section 607.

"(c) RULES AND REGULATIONS.—The Commission is authorized to prescribe such rules and regulations, in accordance with the provisions of subsection (d), to conduct such audits, examinations and investigations, and to require the keeping and submission of such books, records, and information, as it deems necessary to carry out the functions and duties imposed on it by this title.

"(d) REPORT OF PROPOSED REGULATIONS.—The Commission shall submit to the House of Representatives a report containing a detailed explanation and justification of each rule, regulation, and form of the Commission under this title. No such rule, regulation, or form may take effect until a period of 30 legislative days has elapsed after the report is received. As used in this subsection—

"(1) the term 'legislative day' means any calendar day on which the House of Representatives is in session; and

"(2) the terms 'rule' and 'regulation' mean a provision or series of interrelated provisions stating a single, separable rule of law.".

(b) REPORT ON USING VOTER COMMUNICATION VOUCHERS FOR PRIMARY ELECTIONS.—The Commission shall submit to the House of Representatives, not later than January 1, 1997, a report containing an evaluation for expanding the use of voter communication vouchers in primary elections for eligible candidates to the House of Representatives for the election year 2000 and thereafter. The report shall include a detailed cost estimate for such expansion and options for financing the use of Voter Communication Vouchers in primary elections.

SEC. 122. REGISTRATION AS ELIGIBLE HOUSE OF REPRESENTATIVES CANDIDATE.

(a) IN GENERAL.—Section 302(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(e)) is amended by adding at the end the following new paragraph:

"(6)(A) In the case of a candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress, who desires to be an eligible House of Representatives candidate, a declaration of participation of the candidate to abide by the limits specified in sections 601 and 315(i) and provide the information required under section 604(b)(4) shall be included in the designation required to be filed under paragraph (1).

"(B)(i) In the case of a candidate referred to in subparagraph (A), if the statement of candidacy does not include a declaration referred to in that paragraph, the candidate may amend the statement to include such declaration, if such amendment is filed under subsection (g) not later than 7 days after the earlier of—

"(I) the date the candidate qualifies for the general election ballot under State law; or

"(II) if, under State law, a primary or runoff election to qualify for the general election ballot occurs after September 1, the date the candidate wins the primary or runoff election.

"(ii) A declaration of participation that is included in a statement of candidacy or has been added by amendment under subparagraph (B) may not thereafter be revoked.".

SEC. 123. DEFINITIONS.

Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by striking paragraph (19) and inserting the following new paragraphs:

"(19) The term 'general election' means any election which will directly result in the election of a person to a Federal office, but does not include an open primary election.

"(20) The term 'general election period' means, with respect to any candidate, the period beginning on the day after the date of the primary or runoff election for the specific office the candidate is seeking, whichever is later, and ending on the earlier of—

"(A) the date of such general election; or

"(B) the date on which the candidate withdraws from the campaign or otherwise ceases actively to seek election.

"(21) The term 'immediate family' means—

"(A) a candidate's spouse;

"(B) a child, stepchild, parent, grandparent, brother, step-brother, sister or step-sister of the candidate or the candidate's spouse; and

"(C) the spouse of any person described in subparagraph (B).

"(22) The term 'primary election' means an election which may result in the selection of a candidate for the ballot in a general election for a Federal office.

"(23) The term 'primary election period' means, with respect to any candidate, the period beginning on the day following the date of the last election for the specific office the candidate is seeking and ending on the earlier of—

"(A) the date of the first primary election for that office following the last general election for that office; or

"(B) the date on which the candidate withdraws from the election or otherwise ceases actively to seek election.

"(24) The term 'runoff election' means an election held after a primary election which is prescribed by applicable State law as the means for deciding which candidate will be on the ballot in the general election for a Federal office.

"(25) The term 'runoff election period' means, with respect to any candidate, the period beginning on the day following the date of the last primary election for the specific office such candidate is seeking and ending on the date of the runoff election for such office.

"(26) The term 'voting age population' means the resident population, 18 years of age or older, as certified pursuant to section 315(e).

"(27) The term 'eligible House of Representatives candidate' means a candidate for election to the office of Representative in, or Delegate or Resident Commissioner to, the Congress, who, as determined by the Commission under section 603, is eligible to receive matching vouchers and other benefits under title VI by reason of filing a declaration of participation under section 302(e) and complying with the continuing eligibility requirements under section 603.

"(28) The term 'election cycle' means—

"(A) in the case of a candidate or the authorized committees of a candidate, the term beginning on the day after the date of the most recent general election for the specific office or seat which such candidate seeks and ending on the date of the next general election for such office or seat; or

"(B) for all other persons, the term beginning on the first day following the date of the last general election and ending on the date of the next general election.".

TITLE II—LIMITATIONS ON POLITICAL COMMITTEE AND LARGE DONOR CONTRIBUTIONS THAT MAY BE ACCEPTED BY HOUSE OF REPRESENTATIVES CANDIDATES

SEC. 201. LIMITATIONS ON POLITICAL COMMITTEE AND LARGE DONOR CONTRIBUTIONS THAT MAY BE ACCEPTED BY HOUSE OF REPRESENTATIVES CANDIDATES.

Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a) is amended by adding at the end the following new subsections:

"(i)(1) A candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress may not, with respect to an election cycle, accept contributions from political committees aggregating in excess of $200,000.

"(2) A candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress may not, with respect to an election cycle, accept contributions aggregating in excess of $200,000 from persons other than political committees whose contributions total more than $200.

"(3) In addition to the contributions under paragraphs (1) and (2), if an eligible House of Representatives candidate in a contested primary election wins that primary election by a margin of 20 percentage points or less, the candidate may accept contributions of—

"(A) not more than $66,600 from political committees; and

"(B) not more than $66,600 from persons referred to in paragraph (2).

"(4) In addition to the contributions under paragraphs (1) and (2), a House of Representatives candidate who is a candidate in a runoff election may accept contributions of (A) not more than $100,000 from political committees; and (B) not more than $100,000 from persons referred to in paragraph (2).

"(j) NONPARTICIPATING OPPONENT PROVISIONS.—The limitations imposed by section 315(i) do not apply in the case of an eligible House of Representatives candidate if any other candidate seeking nomination or election to that office—

"(1) is not an eligible House of Representatives general election candidate; and

"(2) makes contributions or loans to his or her own campaign totaling more than $50,000 from his or her own personal funds.

"(k) CIVIL PENALTIES.—

"(1) LOW AMOUNT OF EXCESS CONTRIBUTIONS.—Any eligible House of Representatives candidate who accepts contributions that exceed the limitations under this section by 2.5 percent or less shall refund the excess contributions to the persons who made the contributions.

"(2) MEDIUM AMOUNT OF EXCESS CONTRIBUTIONS.—Any eligible House of Representatives candidate who accepts contributions that exceed the limitations under this section by more than 2.5 percent and less than 5 percent shall pay to the Commission an amount equal to three times the amount of the excess contributions.

"(3) LARGE AMOUNT OF EXCESS CONTRIBUTIONS.—Any eligible House of Representatives candidate who accepts contributions that exceed the limitations under this section by 5 percent or more shall pay to the Commission an amount equal to three times the amount of the excess contributions plus a civil penalty in an amount determined by the Commission.

"(l) EXEMPTION FOR CERTAIN COSTS.—Any amount—

"(1) accepted by a House of Representatives candidate; and

"(2) used for costs incurred under section 601(e) and (f) shall not be considered in the computation of amounts subject to limitation.

"(m) INDEXING.—The dollar amounts specified in section 315(i) shall be adjusted at the beginning of the calendar year based on the increase

in the price index determined under section 315(c), except that, for the purposes of such adjustment, the base period shall be calendar year 1992.

"(n) TRANSFER PROVISION.—The limitations imposed by section 315(i) apply without regard to amounts transferred from previous election cycles or other authorized committees of the same candidate. Candidates shall not be required to seek the redesignation of contributions in order to transfer such contributions to a later election cycle.".

TITLE III—INDEPENDENT EXPENDITURES

SEC. 301. CLARIFICATION OF DEFINITIONS RELATING TO INDEPENDENT EXPENDITURES.

(a) INDEPENDENT EXPENDITURE DEFINITION AMENDMENT.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by striking paragraphs (17) and (18) and inserting the following:

"(17)(A) The term 'independent expenditure' means an expenditure for an advertisement or other communication that—

"(i) contains express advocacy; and

"(ii) is made without the participation or cooperation of, or consultation with, a candidate or a candidate's representative.

"(B) The following shall not be considered an independent expenditure:

"(i) An expenditure made by an authorized committee of a candidate for Federal office or a political committee of a political party.

"(ii) An expenditure made by a person who, during the election cycle, has made a contribution to a candidate, where the expenditure is in support of that candidate or in opposition to another candidate for the same office.

"(iii) An expenditure made by a person, or a political committee established, maintained or controlled by such person, who is required to register, under section 308 of the Federal Regulation of Lobbying Act (2 U.S.C. 267) or the Foreign Agents Registration Act (22 U.S.C. 611) or any successor Federal law requiring a person who is a lobbyist or foreign agent to register.

"(iv) An expenditure made by a person who, during the election cycle, has communicated with or received information from a candidate or a representative of that candidate regarding activities that have the purpose of influencing that candidate's election to Federal office, where the expenditure is in support of that candidate or in opposition to another candidate for that office.

"(v) An expenditure if, in the same election cycle, the person making the expenditure is or has been—

"(I) authorized to raise or expend funds on behalf of the candidate or the candidate's authorized committees; or

"(II) serving as a member, employee, or agent of the candidate's authorized committees in an executive or policymaking position.

"(18) The term 'express advocacy' means, when a communication is taken as a whole and with limited reference to external events, an expression of support for or opposition to a specific candidate, to a specific group of candidates, or to candidates of a particular political party, or a suggestion to take action with respect to an election, such as to vote for or against, make contributions to, or participate in campaign activity.".

(b) CONTRIBUTION DEFINITION AMENDMENT.—Section 301(8)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)(A)) is amended—

(1) in clause (i), by striking "or" after the semicolon at the end;

(2) in clause (ii), by striking the period at the end and inserting "; or"; and

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

"(iii) any payment or other transaction referred to in paragraph (17)(A)(i) that does not qualify as an independent expenditure under paragraph (17)(A)(ii).".

SEC. 302. REPORTING REQUIREMENTS FOR CERTAIN INDEPENDENT EXPENDITURES.

Section 304(c) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(c)) is amended—

(1) in paragraph (2), by striking out the undesignated matter after subparagraph (C);

(2) by redesignating paragraph (3) as paragraph (8); and

(3) by inserting after paragraph (2), as amended by paragraph (1), the following new paragraphs:

"(3)(A) Any person (including a political committee) making an independent expenditure (including those described in subsection (b)(6)(B)(iii) of this section) aggregating $1,000 or more made after the 20th day, but more than 24 hours, before any election shall file a report within 24 hours after such independent expenditure is made.

"(B) Any person (including a political committee) making an independent expenditure aggregating $5,000 or more made at any time up to and including the 20th day before any election shall file a report within 48 hours after such independent expenditure is made. An additional report shall be filed each time independent expenditures aggregating $5,000 are made with respect to the same election as the initial report filed under this section.

"(C) Such report shall be filed with the Clerk of the House of Representatives, the Secretary of the Senate, or the Commission, whichever is applicable, and the Secretary of State of the State involved and shall contain the information required by subsection (b)(6)(B)(iii) of this section, including whether the independent expenditure is in support of, or in opposition to, the candidate involved. The Clerk of the House of Representatives and the Secretary of the Senate shall as soon as possible (but not later than 4 working hours of the Commission) after receipt of a report transmit it to the Commission. Not later than 48 hours after the Commission receives a report, the Commission shall transmit a copy of the report to each candidate seeking nomination or election to that office.

"(D) For purposes of this section, the term 'made' includes any payment and any action taken to incur an obligation for payment.

"(4)(A) If any person (including a political committee) intends to make independent expenditures totaling $5,000 during the 20 days before an election, such person shall file a report no later than the 20th day before the election.

"(B) Such report shall be filed with the Clerk of the House of Representatives, the Secretary of the Senate, or the Commission, whichever is applicable, and the Secretary of State of the State involved, and shall identify each candidate whom the expenditure is actually intended to support or to oppose. The Clerk of the House of Representatives and the Secretary of the Senate shall as soon as possible (but not later than 4 working hours of the Commission) after receipt of a report transmit it to the Commission. Not later than 48 hours after the Commission receives a report under this paragraph, the Commission shall transmit a copy of the statement to each candidate identified.

"(5) The Commission may make its own determination that a person has made, or has incurred obligations to make, independent expenditures with respect to any Federal election which in the aggregate exceed the applicable amounts under paragraph (3) or (4). The Commission shall notify each candidate in such election of such determination within 24 hours of making it.

"(6) At the same time as an eligible candidate who has qualified under section 604(b) is notified under paragraph (3), (4), or (5) with respect to expenditures during a general election period, the Commission shall certify eligibility to receive benefits under section 604(b).

"(7) The Clerk of the House of Representatives and the Secretary of the Senate shall make any report received under this subsection available for public inspection and copying in the same manner as the Commission under section 311(a)(4), and shall preserve such statements in the same manner as the Commission under section 311(a)(5).".

SEC. 303. BROADCAST AND CABLE INDEPENDENT EXPENDITURE COMMUNICATIONS AGAINST ELIGIBLE HOUSE OF REPRESENTATIVES CANDIDATES.

Section 315 of the Communications Act of 1934 (47 U.S.C. 315) is amended—

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

(2) by inserting immediately before subsection (e) as redesignated the following new subsection:

"(d) If any person makes an independent expenditure through a communication on a broadcasting station or a cable system (as defined in section 602 of this Act) that expressly advocates the defeat of an eligible House of Representatives candidate, or the election of the opponent of an eligible House of Representatives candidate (regardless of whether such opponent is an eligible candidate), the licensee or cable operator, as applicable, shall, not later than one week after the communication (or not later than 24 hours after the communication, if the communication occurs not more than one week before the election) transmit to such candidate—

"(1) a statement of the date and time of the communication;

"(2) a script or tape recording of the communication, or an accurate summary of the communication if a script or tape recording is not available; and

"(3) an offer of an equal opportunity for such candidate to use the broadcasting station or cable system to respond to the communication at a charge determined in accordance with subsection (b).".

TITLE IV—CONTRIBUTIONS AND EXPENDITURES BY POLITICAL PARTY COMMITTEES

SEC. 401. DEFINITIONS.

(a) CONTRIBUTION AND EXPENDITURE EXCEPTIONS.—(1) Clause (xii) of section 301(8)(B) of Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)(B)(xii)) is amended—

(A) by inserting "in connection with volunteer activities" after "such committee"; and

(B) by striking "and" at the end of subclause (2), by inserting "and" at the end of subclause (3), and by adding at the end the following new subclause:

"(4) such activities are conducted solely by, and any materials are prepared for distribution, and are distributed solely by, volunteers;".

(2) Clause (ix) of section 301(9)(B) of Federal Election Campaign Act of 1971 (2 U.S.C. 431(9)(B)(ix)) is amended—

(A) by inserting "in connection with volunteer activities" after "such committee";

(B) by striking "and" at the end of subclause (2); and

(C) by adding at the end the following new subclause:

"(4) such activities are conducted solely by, and any materials are prepared for distribution and are distributed solely by, volunteers; and".

(b) GENERIC ACTIVITIES; STATE PARTY GRASSROOTS FUND.—Section 301 of Federal Election Campaign Act of 1971 (2 U.S.C. 431), as amended by section 123, is further amended by adding at the end the following new paragraphs:

"(29) The term 'generic campaign activity' means any campaign activity conducted by a

political party to promote a political party rather than any Federal or non-Federal candidate and which does not identify any Federal or non-Federal candidate.

"(30) The term 'State Party Grassroots Fund' means a separate segregated fund established and maintained by a State committee of a political party solely for purposes of making expenditures and other disbursements described in section 323(d).".

SEC. 402. CONTRIBUTIONS TO POLITICAL PARTY COMMITTEES.

(a) INDIVIDUAL CONTRIBUTIONS TO POLITICAL PARTY COMMITTEES.—Paragraph (1) of section 315(a) of Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(1)) is amended by striking "or" at the end of subparagraph (B), by redesignating subparagraph (C) as subparagraph (D), and by inserting after subparagraph (B) the following new subparagraph:

"(C) to—

"(i) a State Party Grassroots Fund established and maintained by a State committee of a political party in any calendar year which, in the aggregate, exceed $20,000;

"(ii) any other political committee established and maintained by a State committee of a political party in any calendar year which, in the aggregate, exceed $5,000,

except that the aggregate contributions described in this subparagraph which may be made by a person to the State Party Grassroots Fund and all committees of a State Committee of a political party in any State in any calendar year shall not exceed $20,000; or".

(b) MULTICANDIDATE COMMITTEE CONTRIBUTIONS TO STATE PARTY.—Paragraph (2) of section 315(a) of Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(2)) is amended by striking "or" at the end of subparagraph (B), by redesignating subparagraph (C) as subparagraph (D), and by inserting after subparagraph (B) the following new subparagraph:

"(C) to—

"(i) a State Party Grassroots Fund established and maintained by a State committee of a political party in any calendar year which, in the aggregate, exceed $15,000;

"(ii) to any other political committee established and maintained by a State committee of a political party which, in the aggregate, exceed $5,000,

except that the aggregate contributions described in this subparagraph which may be made by a multicandidate political committee to the State Party Grassroots Fund and all committees of a State Committee of a political party in any State in any calendar year shall not exceed $15,000; or".

(c) OVERALL LIMIT.—Paragraph (3) of section 315(a) of Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(3)) is amended to read as follows:

"(3)(A) No individual shall make contributions during any election cycle (as defined in section 301(29)(B)) which, in the aggregate, exceed $60,000.

"(B) No individual shall make contributions during any calendar year—

"(i) to all candidates and their authorized political committees which, in the aggregate, exceed $25,000; or

"(ii) to all political committees established and maintained by State committees of a political party which, in the aggregate, exceed $20,000.

"(C) For purposes of subparagraph (B)(i), any contribution made to a candidate or the candidate's authorized political committees in a year other than the calendar year in which the election is held with respect to which such contribution is made shall be treated as made during the calendar year in which the election is held.".

SEC. 403. PROVISIONS RELATING TO NATIONAL, STATE, AND LOCAL PARTY COMMITTEES.

(a) SOFT MONEY OF COMMITTEES OF POLITICAL PARTIES.—Title III of Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding after section 322 the following new section:

"SEC. 323. POLITICAL PARTY COMMITTEES.

"(a) LIMITATIONS ON NATIONAL COMMITTEE.—(1) A national committee of a political party and the congressional campaign committees of a political party may not solicit or accept contributions or transfers not subject to the limitations, prohibitions, and reporting requirements of this Act.

"(2) Paragraph (1) shall not apply to contributions—

"(A) that—

"(i) are to be transferred to a State committee of a political party and are used solely for activities described in clauses (xi) through (xvii) of paragraph (9)(B) of section 301;

"(ii) are described in section 301(8)(B)(viii); and

"(B) with respect to which contributors have been notified that the funds will be used solely for the purposes described in subparagraph (A).

"(b) ACTIVITIES SUBJECT TO THIS ACT.—Any amount solicited, received, expended, or disbursed directly or indirectly by a national, State, district, or local committee of a political party with respect to any of the following activities shall be subject to the limitations, prohibitions, and reporting requirements of this Act:

"(A) Any get-out-the-vote activity conducted during a calendar year in which an election for the office of President is held.

"(B) Any other get-out-the-vote activity unless subsection (c)(2) applies to the activity.

"(C) Any generic campaign activity.

"(D) Any activity that identifies or promotes a Federal candidate, regardless of whether—

"(i) a State or local candidate is also identified or promoted; or

"(ii) any portion of the funds disbursed constitutes a contribution or expenditure under this Act.

"(E) Voter registration.

"(F) Development and maintenance of voter files during an even-numbered calendar year.

"(G) Any other activity that—

"(i) significantly affects a Federal election, or

"(ii) is not otherwise described in section 301(8)(B)(xvii).

Any amount spent to raise funds that are used, in whole or in part, in connection with activities described in the preceding paragraphs shall be subject to the limitations, prohibitions, and reporting requirements of this Act.

"(c) GET-OUT-THE-VOTE ACTIVITIES BY STATE, DISTRICT, AND LOCAL COMMITTEES OF POLITICAL PARTIES.—(1) Except as provided in paragraph (2), any get-out-the-vote activity for a State or local candidate, or for a ballot measure, which is conducted by a State, district, or local committee of a political party shall be subject to the limitations, prohibitions, and reporting requirements of this Act.

"(2) Paragraph (1) shall not apply to any activity which the State committee of a political party certifies to the Commission is an activity which—

"(A) is conducted during a calendar year other than a calendar year in which an election for the office of President is held,

"(B) is exclusively on behalf of (and specifically identifies only) one or more State or local candidates or ballot measures, and

"(C) does not include any effort or means used to identify or turn out those identified to be supporters of any Federal candidate (including any activity that is undertaken in coordination with, or on behalf of, a candidate for Federal office).

"(d) STATE PARTY GRASSROOTS FUNDS.—(1) A State committee of a political party may make disbursements and expenditures from its State Party Grassroots Fund only for—

"(A) any generic campaign activity;

"(B) payments described in clauses (v), (x), and (xii) of paragraph (8)(B) and clauses (iv), (viii), and (ix) of paragraph (9)(B) of section 301;

"(C) subject to the limitations of section 315(d), payments described in clause (xii) of paragraph (8)(B), and clause (ix) of paragraph (9)(B), of section 301 on behalf of candidates other than for President and Vice President;

"(D) voter registration; and

"(E) development and maintenance of voter files during an even-numbered calendar year.

"(2) Notwithstanding section 315(a)(4), no funds may be transferred by a State committee of a political party from its State Party Grassroots Fund to any other State Party Grassroots Fund or to any other political committee, except a transfer may be made to a district or local committee of the same political party in the same State if such district or local committee—

"(A) has established a separate segregated fund for the purposes described in paragraph (1); and

"(B) uses the transferred funds solely for those purposes.

"(e) AMOUNTS RECEIVED BY GRASSROOTS FUND FROM STATE AND LOCAL CANDIDATE COMMITTEES.—(1) Any amount received by a State Party Grassroots Fund from a State or local candidate committee for expenditures described in subsection (b) that are for the benefit of that candidate shall be treated as meeting the requirements of subsection (b) and section 304(e) if—

"(A) such amount is derived from funds which meet the requirements of this Act with respect to any limitation or prohibition as to source or dollar amount specified in section 315(a) (1)(A) and (2)(A); and

"(B) the State or local candidate committee—

"(i) maintains, in the account from which payment is made, records of the sources and amounts of funds for purposes of determining whether such requirements are met; and

"(ii) certifies that such requirements were met.

"(2) For purposes of paragraph (1)(A), in determining whether the funds transferred meet the requirements of this Act described in such paragraph—

"(A) a State or local candidate committee's cash on hand shall be treated as consisting of the funds most recently received by the committee, and

"(B) the committee must be able to demonstrate that its cash on hand contains sufficient funds meeting such requirements as are necessary to cover the transferred funds.

"(3) Notwithstanding paragraph (1)—

"(A) any State Party Grassroots Fund receiving any transfer described in paragraph (1) from a State or local candidate committee shall be required to meet the reporting requirements of this Act, and shall submit to the Commission all certifications received, with respect to receipt of the transfer from such candidate committee; and

"(B) in the case of a subordinate committee of a State committee which maintains segregated accounts which are not commingled with other accounts of the State committee and which subordinate committee is subject to reporting and contribution limitation requirements of State law, the certification required by this paragraph may be made by such subordinate committee.

"(4) For purposes of this subsection, a State or local candidate committee is a committee established, financed, maintained, or controlled by a candidate for other than Federal office.".

(b) CONTRIBUTIONS AND EXPENDITURES.—(1) Section 301(8)(B) of Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)(B)) is amended—

(A) in clause (viii), by inserting after "Federal office" the following: "or any amounts received by any committee of any National or State political party to support the operation of a television and radio broadcast facility";

(B) by striking "and" at the end of clause (xiii);

(C) by striking clause (xiv); and

(D) by inserting after clause (xiii) the following new clauses:

"(xiv) any amount contributed to a candidate for other than Federal office;

"(xv) any amount received or expended to pay the costs of a State or local political convention;

"(xvi) any payment for campaign activities that are exclusively on behalf of (and specifically identify only) State or local candidates and do not identify any Federal candidate, and that are not activities described in section 323(b) (without regard to paragraph (6)(B)) or section 323(c)(1);

"(xvii) any payment for administrative expenses of a State or local committee of a political party, including expenses for—

"(I) overhead, including party meetings;

"(II) staff (other than individuals devoting a significant amount of their time to elections for Federal office and individuals engaged in conducting get-out-the-vote activities for a Federal election); and

"(III) conducting party elections or caucuses;

"(xviii) any payment for research pertaining solely to State and local candidates and issues;

"(xix) any payment for development and maintenance of voter files other than during the 1-year period ending on the date during an even-numbered calendar year on which regularly scheduled general elections for Federal office occur; and

"(xx) any payment for any other activity which is solely for the purpose of influencing, and which solely affects, an election for non-Federal office and which is not an activity described in section 323(b) (without regard to paragraph (6)(B)) or section 323(c)(1).".

(2) Section 301(9)(B) of Federal Election Campaign Act of 1971 (2 U.S.C. 431(9)(B)), as amended by section 401, is further amended by striking "and" at the end of clause (ix), by striking the period at the end of clause (x) and inserting a semicolon, and by adding at the end the following new clauses:

"(xi) any amounts expended by any committee of any National or State political party to support the operation of a television and radio broadcast facility;

"(xii) any amount contributed to a candidate for other than Federal office;

"(xiii) any amount received or expended to pay the costs of a State or local political convention;

"(xiv) any payment for campaign activities that are exclusively on behalf of (and specifically identify only) State or local candidates and do not identify any Federal candidate, and that are not activities described in section 323(b) (without regard to paragraph (6)(B)) or section 323(c)(1);

"(xv) any payment for administrative expenses of a State or local committee of a political party, including expenses for—

"(I) overhead, including party meetings;

"(II) staff (other than individuals devoting a significant amount of their time to elections for Federal office and individuals engaged in conducting get-out-the-vote activities for a Federal election); and

"(III) conducting party elections or caucuses;

"(xvi) any payment for research pertaining solely to State and local candidates and issues;

"(xvii) any payment for development and maintenance of voter files other than during the 1-year period ending on the date during an even-numbered calendar year on which regularly scheduled general elections for Federal office occur; and

"(xviii) any payment for any other activity which is solely for the purpose of influencing, and which solely affects, an election for non-Federal office and which is not an activity described in section 323(b) (without regard to paragraph (6)(B)) or section 323(c)(1).".

(c) LIMITATION APPLIED AT NATIONAL LEVEL.—Paragraph (3) of section 315(d) of Federal Election Campaign Act of 1971 (2 U.S.C. 441a(d)(3)) is amended by adding at the end the following new flush sentence:

"Notwithstanding the preceding sentence, the applicable congressional campaign committee of a political party shall make the expenditures described in this paragraph which are authorized to be made by a national or State committee with respect to a candidate in any State unless it allocates all or a portion of such expenditures to either or both of such committees.".

(d) LIMITATIONS APPLY FOR ENTIRE ELECTION CYCLE.—Section 315(d)(1) of Federal Election Campaign Act of 1971 (2 U.S.C. 441a(d)(1)) is amended by adding at the end the following new sentence: "Each limitation under the following paragraphs shall apply to the entire election cycle for an office.".

SEC. 404. REPORTING REQUIREMENTS.

(a) REPORTING REQUIREMENTS.—Section 304 of Federal Election Campaign Act of 1971 (2 U.S.C. 434) is amended by adding at the end the following new subsection:

"(d) POLITICAL COMMITTEES.—(1) The national committee of a political party and any congressional campaign committee of a political party, and any subordinate committee of either, shall report all receipts and disbursements during the reporting period, whether or not in connection with an election for Federal office.

"(2) A political committee (not described in paragraph (1)) to which section 323 applies shall report all receipts and disbursements including separate schedules for receipts and disbursements for State Grassroots Funds described in section 301(30).

"(3) Any political committee to which section 323 applies shall include in its report under paragraph (1) or (2) the amount of any transfer described in section 323(d)(2) and shall itemize such amounts to the extent required by section 304(b)(3)(A).

"(4) Any political committee to which paragraph (1) or (2) does not apply shall report any receipts or disbursements which are used in connection with a Federal election.

"(5) If a political committee has receipts or disbursements to which this subsection applies from any person aggregating in excess of $200 for any calendar year, the political committee shall separately itemize its reporting for such person in the same manner as subsection (b)(3)(A), (5), or (6).

"(6) Reports required to be filed by this subsection shall be filed for the same time periods required for political committees under subsection (a).".

(b) REPORT OF EXEMPT CONTRIBUTIONS.—Section 301(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)) is amended by adding at the end the following:

"(C) The exclusion provided in clause (viii) of subparagraph (B) shall not apply for purposes of any requirement to report contributions under this Act, and all such contributions aggregating in excess of $200 shall be reported.".

(c) REPORTS BY STATE COMMITTEES.—Section 304 of Federal Election Campaign Act of 1971 (2 U.S.C. 434), as amended by subsection (a), is amended by adding at the end the following new subsection:

"(e) FILING OF STATE REPORTS.—In lieu of any report required to be filed by this Act, the Commission may allow a State committee of a political party to file with the Commission a report required to be filed under State law if the Commission determines such reports contain substantially the same information.".

(d) OTHER REPORTING REQUIREMENTS.—

(1) AUTHORIZED COMMITTEES.—Paragraph (4) of section 304(b) of Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(4)) is amended by striking "and" at the end of subparagraph (H), by inserting "and" at the end of subparagraph (I), and by adding at the end the following new subparagraph:

"(J) in the case of an authorized committee, disbursements for the primary election, the general election, and any other election in which the candidate participates;".

(2) NAMES AND ADDRESSES.—Subparagraph (A) of section 304(b)(5) of Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(5)(A)) is amended—

(A) by striking "within the calendar year", and

(B) by inserting ", and the election to which the operating expenditure relates" after "operating expenditure".

SEC. 405. RESTRICTIONS ON FUNDRAISING BY CANDIDATES AND OFFICEHOLDERS.

Section 315 of Federal Election Campaign Act of 1971 (2 U.S.C. 441a), as amended by section 201, is further amended by adding at the end the following new subsection:

"(o) LIMITATIONS ON FUNDRAISING ACTIVITIES OF FEDERAL CANDIDATES AND OFFICEHOLDERS AND CERTAIN POLITICAL COMMITTEES.—(1) For purposes of this Act, a candidate for Federal office, an individual holding Federal office, or any agent of the candidate or individual may not solicit funds to, or receive funds on behalf of, any Federal candidate or political committee, or any party or other multicandidate committee organized under State law to support more than one candidate for non-Federal office—

"(A) which are to be expended in connection with any election for Federal office unless such funds are subject to the limitations, prohibitions, and requirements of this Act; or

"(B) which are to be expended in connection with any election for other than Federal office unless such funds are not in excess of amounts permitted with respect to Federal candidates and political committees under subsections (a)(1) and (2), and are not from sources prohibited by such subsections with respect to elections to Federal office.

The limitations of this subsection do not apply to the solicitation or receipt of funds by a Federal candidate on behalf of any committee or organization organized primarily for purposes other than the election of particular candidates for public office.

"(2)(A) The aggregate amount which a person described in subparagraph (B) may solicit from a multicandidate political committee for State committees described in subsection (a)(1)(C) (including subordinate committees) for any calendar year shall not exceed the dollar amount in effect under subsection (a)(2)(B) for the calendar year.

"(B) A person is described in this subparagraph if such person is a candidate for Federal office, an individual holding Federal office, an agent of such a candidate or individual, or any national, State, district, or local committee of a political party (including a subordinate committee) and any agent of such a committee.

"(3) The personal appearance or participation by a candidate for Federal office or individual holding Federal office in any fundraising event conducted by a committee of a political party or a candidate for other than Federal office shall not be treated as a solicitation for purposes of paragraph (1) if such candidate or individual does not receive, or make disbursements from, any funds resulting from such activity.

"(4) Paragraph (1) shall not apply to the solicitation or receipt of funds, or disbursements, by an individual who is a candidate for other than Federal office if such activity is permitted under State law.

"(5) For purposes of this subsection, an individual shall be treated as holding Federal office if such individual—

"(A) holds a Federal office; or

"(B) holds a position described in level I of the Executive Schedule under section 5312 of title 5, United States Code.".

SEC. 406. INCREASE IN AUTHORIZED POLITICAL COMMITTEE CONTRIBUTIONS TO CONGRESSIONAL CAMPAIGN COMMITTEES.

Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a), as amended by sections 201 and 405 is further amended by adding at the end the following new subsection:

"(p) AUTHORIZED POLITICAL COMMITTEE CONTRIBUTIONS TO CONGRESSIONAL CAMPAIGN COMMITTEE.—For purposes of the limitations imposed by this section and notwithstanding any other provision of this section, the authorized political committees of a House of Representatives or United States Senate candidate shall not make contributions aggregating more than $10,000 in any calendar year to the congressional campaign committees of a political party.".

SEC. 407. INCREASE IN THE AMOUNT THAT MULTICANDIDATE POLITICAL COMMITTEES MAY CONTRIBUTE TO NATIONAL POLITICAL PARTY COMMITTEES.

Section 315(a)(2)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(2)(B)) is amended by striking out "$15,000" and inserting in lieu thereof "$25,000".

SEC. 408. MERCHANDISING AND AFFINITY CARDS.

Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding at the end the following new subsection:

"(c) Notwithstanding the provisions of this section or any other provision of this Act to the contrary, an amount received from a corporation (including a State-chartered or national bank) by any political committee (other than a separate segregated fund established under section 316(b)(2)(C)) shall be deemed to meet the limitations and prohibitions of this Act if such amount represents a commission or royalty on the sale of goods or services, or on the issuance of credit cards, by such corporation and if—

"(1) such goods, services, or credit cards are promoted by or in the name of the political committee as a means of contributing to or supporting the political committee and are offered to consumers using the name of the political committee or using a message, design, or device created and owned by the political committee, or both;

"(2) the corporation is in the business of merchandising such goods or services, or of issuing such credit cards;

"(3) the royalty or commission has been offered by the corporation to the political committee in the ordinary course of the corporation's business and on the same terms and conditions as those on which such corporation offers royalties or commissions to nonpolitical entities;

"(4) all revenue on which the commission or royalty is based represents, or results from, sales to or fees paid by individual consumers in the ordinary course of retail transactions;

"(5) the costs of any unsold inventory of goods are ultimately borne by the political committee in accordance with rules to be prescribed by the Commission; and

"(6) except for any royalty or commission permitted to be paid by this subsection, no goods, services, or anything else of value is provided by such corporation to the political committee, provided that such corporation may advance or finance costs or extend credit in connection with the manufacture and distribution of goods, provision of services, or issuance of credit cards pursuant to this subsection if and to the extent such advance, financing, or extension is undertaken in the ordinary course of the corporation's business and is undertaken on similar terms by such corporation in its transactions with nonpolitical entities in like circumstances.".

SEC. 409. INCREASED LIMITATION AMOUNT FOR CERTAIN CONTRIBUTIONS TO POLITICAL COMMITTEES OF STATE POLITICAL PARTIES.

Section 315(a)(1)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(1)(B)) is amended—

(1) by inserting after "(B)" the following: "notwithstanding any other provision of law,"; and

(2) by inserting after "national" the following: "or State".

TITLE V—CONTRIBUTIONS

SEC. 501. RESTRICTIONS ON BUNDLING.

Section 315(a)(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(8)) is amended to read as follows:

"(8)(A) No person, either directly or indirectly, may act as a conduit or intermediary for any contribution to a candidate.

"(B)(i) Nothing in this section shall prohibit—

"(I) joint fundraising conducted in accordance with rules prescribed by the Commission by 2 or more candidates; or

"(II) fundraising for the benefit of a candidate that is conducted by another candidate.

"(ii) No other person may conduct or otherwise participate in joint fundraising activities with or on behalf of any candidate.

"(C) The term 'conduit or intermediary' means a person who transmits a contribution to a candidate or candidate's committee or representative from another person, except that—

"(i) a House of Representatives candidate or representative of a House of Representatives candidate is not a conduit or intermediary for the purpose of transmitting contributions to the candidate's principal campaign committee or authorized committee;

"(ii) a professional fundraiser is not a conduit or intermediary, if the fundraiser is compensated for fundraising services at the usual and customary rate;

"(iii) a volunteer hosting a fundraising event at the volunteer's home, in accordance with section 301(8)(b), is not a conduit or intermediary for the purposes of that event; and

"(iv) an individual is not a conduit or intermediary for the purpose of transmitting a contribution from the individual's spouse.

For purposes of this section a conduit or intermediary transmits a contribution when receiving or otherwise taking possession of the contribution and forwarding it directly to the candidate or the candidate's committee or representative.

"(D) For purposes of this section, the term 'representative'—

"(i) shall mean a person who is expressly authorized by the candidate to engage in fundraising, and who, in the case of an individual, is not acting as an officer, employee, or agent of any other person;

"(ii) shall not include—

"(I) a political committee with a connected organization;

"(II) a political party;

"(III) a partnership or sole proprietorship;

"(IV) an organization prohibited from making contributions under section 316; or

"(V) a person required to register under section 308 of the Federal Regulation of Lobbying Act (2 U.S.C. 267) or the Foreign Agents Registration Act (22 U.S.C. 611) or any successor Federal law requiring a person who is a lobbyist or a foreign agent to register.

"(E) For purposes of this section, the term 'acting as an officer, employee, or agent of any other person' includes the following activities by a salaried officer, employee, or paid agent of a person described in subparagraph (D)(ii)(IV):

"(i) Soliciting contributions to a particular candidate in the name of, or by using the name of, such a person.

"(ii) Soliciting contributions to a particular candidate using other than the incidental resources of such a person.

"(iii) Soliciting contributions to a particular candidate under the direction or control of other salaried officers, employees, or paid agents of such a person.

For purposes of this subparagraph, the term 'agent' shall include any person (other than individual members of an organization described in subparagraph (b)(4)(C) of section 316) acting on authority or under the direction of such organization.".

SEC. 502. CONTRIBUTIONS BY DEPENDENTS NOT OF VOTING AGE.

Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a), as amended by sections 201, 405, and 406, is further amended by adding at the end the following new subsection:

"(q) For purposes of this section, any contribution by an individual who—

"(1) is a dependent of another individual; and

"(2) has not, as of the time of such contribution, attained the legal age for voting for elections to Federal office in the State in which such individual resides,

shall be treated as having been made by such other individual. If such individual is the dependent of another individual and such other individual's spouse, the contribution shall be allocated among such individuals in the manner determined by them.".

SEC. 503. PROHIBITION OF ACCEPTANCE BY A CANDIDATE OF CASH CONTRIBUTIONS FROM ANY ONE PERSON AGGREGATING MORE THAN $100.

Section 321 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441g) is amended by inserting ", and no candidate or authorized committee of a candidate shall accept from any one person," after "make".

SEC. 504. CONTRIBUTIONS TO CANDIDATES FROM STATE AND LOCAL COMMITTEES OF POLITICAL PARTIES TO BE AGGREGATED.

Section 315(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)) is amended by adding at the end the following new paragraph:

"(9) Notwithstanding paragraph (5)(B), a candidate for Federal office may not accept, with respect to an election, any contribution from a State or local committee of a political party (including any subordinate committee of such committee), if such contribution, when added to the total of contributions previously accepted from all such committees of that political party, exceeds the limitation on contributions to a candidate under paragraph (2)(A).".

SEC. 505. PROHIBITION OF FALSE REPRESENTATION TO SOLICIT CONTRIBUTIONS.

Section 322 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441h) is amended—

(1) by inserting after "SEC. 322." the following: "(a)"; and

(2) by adding at the end the following:

"(b) No person shall solicit contributions by falsely representing himself as a candidate or as a representative of a candidate, a political committee, or a political party.".

SEC. 506. LIMITED EXCLUSION OF ADVANCES BY CAMPAIGN WORKERS FROM THE DEFINITION OF THE TERM "CONTRIBUTION".

Section 301(8)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)(B)), as amended by section 403, is further amended—

(1) in clause (xix), by striking "and" after the semicolon at the end;

(2) in clause (xx), by striking the period at the end and inserting: "; and"; and

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

"(xxi) any advance voluntarily made on behalf of an authorized committee of a candidate by an individual in the normal course of such individual's responsibilities as a volunteer for, or employee of, the committee, if the advance is reimbursed by the committee within 10 days after the date on which the advance is made, and the value of advances on behalf of a committee does not exceed $500 with respect to an election.".

SEC. 507. AMENDMENT TO SECTION 316 OF THE FEDERAL ELECTION CAMPAIGN ACT OF 1971.

Section 316(b)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)(2)) is amended—

(1) by striking "(2) For" and inserting "(2)(A) Except as provided in subparagraph (B), for";

(2) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively; and

(3) by adding at the end the following:

"(B) Expenditures by a corporation or labor organization for candidate appearances, candidate debates, voter guides, or voting records directed to the general public shall be considered contributions unless—

"(i) in the case of a candidate appearance, the appearance takes place on corporate or labor organization premises or at a meeting or convention of the corporation or labor organization, and all candidates for election to that office are notified that they may make an appearance under the same or similar conditions;

"(ii) in the case of a candidate debate, the organization staging the debate is either an organization described in section 301 whose broadcasts or publications are supported by commercial advertising, subscriptions or sales to the public, including a noncommercial educational broadcaster, or a nonprofit organization exempt from Federal taxation under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986 that does not endorse, support, oppose candidates or political parties and any such debate features at least 2 candidates competing for election to that office;

"(iii) in the case of a voter guide, the guide is prepared and distributed by a corporation or labor organization and consists of questions posed to at least two candidates for election to that office; and

"(iv) in the case of a voting record, the record is prepared and distributed by a corporation or labor organization and such preparation and distribution occurs either without consultation with any candidate whose record is included or in consultation with all such candidates;

provided that no communication made by a corporation or labor organization in connection with the candidate appearance, candidate debate, voter guide, or voting record contains express advocacy, or that no structure or format of the candidate appearance, candidate debate, voter guide, or voting record, nor any preparation or distribution of any such guide or record, reflects a purpose of influencing the election of a particular candidate.".

SEC. 508. PROHIBITION OF CERTAIN ELECTION-RELATED ACTIVITIES OF FOREIGN NATIONALS.

Section 319 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441e) is amended by adding at the end the following new subsections:

"(c) A foreign national shall not directly or indirectly direct, control, influence or participate in any person's election-related activities, such as the making of contributions or expenditures in connection with elections for any local, State, or Federal office or the administration of a political committee.

"(d) A separate segregated fund established in accordance with section 316(b)(2)(C) involved in the making of contributions or expenditures in connection with elections for any Federal, State, or local office shall include the following statement on all printed materials produced for the purpose of soliciting contributions:

"'It is unlawful for a foreign national to make any contribution of money or other thing of value to a political committee.'.".

TITLE VI—REPORTING REQUIREMENTS

SEC. 601. CHANGE IN CERTAIN REPORTING FROM A CALENDAR YEAR BASIS TO AN ELECTION CYCLE BASIS.

Paragraphs (2), (3), (4), (6), and (7) of section 304(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(2), (3), (4), (6), and (7)), are amended by inserting after "calendar year" each place it appears the following: "(election cycle, in the case of an authorized committee of a candidate for Federal office)".

SEC. 602. PERSONAL AND CONSULTING SERVICES.

(a) REPORTING BY POLITICAL COMMITTEES.—Section 304(b)(5)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(5)(A)), as amended by section 405, is further amended by inserting before the semicolon at the end the following: ", except that if a person to whom an expenditure is made is merely providing personal or consulting services and is in turn making expenditures to other persons (not including employees) who provide goods or services to the candidate or his or her authorized committees, the name and address of such other person, together with the date, amount and purpose of such expenditure shall also be disclosed".

(b) RECORDKEEPING AND REPORTING BY PERSONS TO WHOM EXPENDITURES ARE PASSED THROUGH.—Section 302 of Federal Election Campaign Act of 1971 (2 U.S.C. 432) is amended by adding at the end the following new subsection:

"(j) The person described in section 304(b)(5)(A) who is providing personal or consulting services and who is in turn making expenditures to other persons (not including employees) for goods or services provided to a candidate shall maintain records of and shall provide to a political committee the information necessary to enable the political committee to report the information described in section 304(b)(5)(A).".

SEC. 603. REDUCTION IN THRESHOLD FOR REPORTING OF CERTAIN INFORMATION BY PERSONS OTHER THAN POLITICAL COMMITTEES.

Section 304(b)(3)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(3)(A)) is amended by striking "$200" and inserting "$100".

SEC. 604. COMPUTERIZED INDICES OF CONTRIBUTIONS.

Section 311(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(a)) is amended—

(1) by striking "and" at the end of paragraph (9);

(2) by striking the period at the end of paragraph (10) and inserting "; and"; and

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

"(11) maintain computerized indices of contributions of $200 or more.".

SEC. 605. IDENTIFICATION.

Section 301(13)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(13)(A)) is amended by striking "mailing address" and inserting "permanent residence address".

SEC. 606. POLITICAL COMMITTEES.

Section 303(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 433(b)) is amended—

(1) in paragraph (2), by inserting ", and if the organization or committee is incorporated, the State of incorporation" after "committee"; and

(2) by striking the "name and address of the treasurer" in paragraph (4) and inserting "the names and addresses of the officers, including the treasurer".

SEC. 607. USE OF CANDIDATES' NAMES.

Section 302(e)(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(e)(4)) is amended to read as follows:

"(4)(A) The name of each authorized committee shall include the name of the candidate who authorized the committee under paragraph (1).

"(B) A political committee that is not an authorized committee shall not—

"(i) include the name of any candidate in its name, or

"(ii) except in the case of a national, State, or local party committee, use the name of any candidate in any activity on behalf of such committee in such a context as to suggest that the committee is an authorized committee of the candidate or that the use of the candidate's name has been authorized by the candidate.".

SEC. 608. REPORTING REQUIREMENTS.

Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434), as amended by section 404, is further amended by adding at the end the following new subsection:

"(f) WAIVER.—The Commission may relieve any category of political committees of the obligation to file 1 or more reports required by this section, or may change the due dates of such reports, if it determines that such action is consistent with the purposes of this Act. The Commission may waive requirements to file reports in accordance with this subsection through a rule of general applicability or, in a specific case, may waive or change the due date of a report by notifying all political committees affected.".

SEC. 609. SIMULTANEOUS REGISTRATION OF CANDIDATE AND CANDIDATE'S PRINCIPAL CAMPAIGN COMMITTEE.

Section 303(a) of Federal Election Campaign Act of 1971 (2 U.S.C. 433(a)) is amended in the first sentence by striking "no later than 10 days after designation" and inserting "on the date of its designation".

TITLE VII—FEDERAL ELECTION COMMISSION

SEC. 701. APPEARANCE AS AMICI CURIAE.

Section 306(f) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437c(f)) is amended by striking out paragraph (4) and inserting in lieu thereof the following new paragraph:

"(4)(A) Notwithstanding the provisions of paragraph (2), or of any other provision of law, the Commission is authorized to appear on its own behalf in any action related to the exercise of its statutory duties or powers in any court as either a party or as amicus curiae, either—

"(i) by attorneys employed in its office, or

"(ii) by counsel whom it may appoint, on a temporary basis as may be necessary for such purpose, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation it may fix without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title. The compensation of counsel so appointed on a temporary basis shall be paid out of any funds otherwise available to pay the compensation of employees of the Commission.

"(B) The authority granted under subparagraph (A) includes the power to appeal from, and petition the Supreme Court for certiorari to review, judgments or decrees entered with respect to actions in which the Commission appears pursuant to the authority provided in this section.".

SEC. 702. FEDERAL ELECTION COMMISSION PUBLIC SERVICE ANNOUNCEMENTS.

Title III of Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by sections 403 and 610, is further amended by inserting after section 324 the following new section:

"SEC. 325. PUBLIC SERVICE ANNOUNCEMENTS.

"(a) IN GENERAL.—Beginning on January 15, and continuing through April 15 of each year, the Federal Election Commission shall carry out a program, utilizing broadcast announcements and other appropriate means, to inform the public of the existence and purpose of the Make Democracy Work Election Fund and the role that individual citizens can play in the election process by voluntarily contributing to the Fund. The Commission shall seek to broadcast such announcements during prime time viewing hours in 30-second advertising segments equivalent to 200 gross rating points per network per week. The Commission shall attempt to ensure that the maximum number of taxpayers shall be exposed to these announcements. The Federal Election Commission shall attempt to utilize a variety of communications media, including television, cable, and radio networks, and individual television, cable, and radio stations, to provide similar announcements.

"(b) GROSS RATING POINT.—The term 'gross rating point' is a measure of the total gross weight delivered. It is the sum of the ratings for individual programs. Since a household rating period is 1 percent of the coverage base, 200 gross rating points means 2 messages a week per average household.".

SEC. 703. AUTHORITY TO SEEK INJUNCTION.

Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)) is amended—

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

"(13)(A) If, at any time in a proceeding described in paragraph (1), (2), (3), or (4), the Commission believes that—

"(i) there is a substantial likelihood that a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1986 is occurring or is about to occur;

"(ii) the failure to act expeditiously will result in irreparable harm to a party affected by the potential violation;

"(iii) expeditious action will not cause undue harm or prejudice to the interests of others; and

"(iv) the public interest would be best served by the issuance of an injunction,

the Commission may initiate a civil action for a temporary restraining order or a temporary injunction pending the outcome of the proceedings described in paragraphs (1), (2), (3), and (4).

"(B) An action under subparagraph (A) shall be brought in the United States district court for the district in which the defendant resides, transacts business, or may be found or in which the violation is occurring, has occurred, or is about to occur.";

(2) in paragraph (7), by striking "(5) or (6)" and inserting "(5), (6), or (13)"; and

(3) in paragraph (11), by striking "(6)" and inserting "(6) or (13)".

SEC. 704. EXPEDITED PROCEDURES.

Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)), as amended by section 703, is further amended by adding at the end the following new paragraph:

"(14)(A) If the complaint in a proceeding was filed within 60 days immediately preceding a general election, the Commission may take action described in this subparagraph.

"(B) If the Commission determines, on the basis of facts alleged in the complaint and other facts available to it, that there is clear and convincing evidence that a violation of this Act or of chapter 95 or 96 of the Internal Revenue Code of 1986 has occurred, is occurring, or is about to occur and it appears that the requirements for relief stated in paragraph (13)(A)(ii), (iii), and (iv) are met, the Commission may—

"(i) order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties; or

"(ii) if the Commission determines that there is insufficient time to conduct proceedings before the election, immediately seek relief under paragraph (13)(A).

"(C) If the Commission determines, on the basis of facts alleged in the complaint and other facts available to it, that the complaint is clearly without merit, the Commission may—

"(i) order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties; or

"(ii) if the Commission determines that there is insufficient time to conduct proceedings before the election, summarily dismiss the complaint.".

SEC. 705. INSOLVENT POLITICAL COMMITTEES.

(a) IN GENERAL.—Section 303(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 433(d)) is amended by adding at the end the following new paragraph:

"(3) Proceedings by the Commission under paragraph (2) constitute the sole means, to the exclusion of proceedings under title 11, United States Code, by which a political committee that is determined by the Commission to be insolvent may compromise its debts, liquidate its assets, and terminate its existence.".

(b) PROCEDURES.—Section 303(d)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 433(d)(2)) is amended by striking out "Nothing" and all that follows through "procedures" and inserting in lieu thereof "The Commission shall establish procedures to allow".

TITLE VIII—BALLOT INITIATIVE COMMITTEES

SEC. 801. DEFINITIONS RELATING TO BALLOT INITIATIVES.

Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431), as amended by sections 123 and 401, is further amended by adding at the end the following new paragraphs:

"(31) The term 'ballot initiative political committee' means any committee, club, association, or other group of persons which makes ballot initiative expenditures or receives ballot initiative contributions in excess of $1,000 during a calendar year.

"(32) The term 'ballot initiative contribution' means any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing the outcome of any referendum or other ballot initiative voted on at the State, commonwealth, territory, or District of Columbia level which involves—

"(A) the election of candidates for Federal office and the permissible terms of those so elected; or

"(B) the regulation of speech or press, or any other right guaranteed under the United States Constitution.

"(33) The term 'ballot initiative expenditure' means any purchase, payment, distribution, loan, advance, deposit or gift of money or anything of value made by any person for the purpose of influencing the outcome of any referendum or other ballot initiative voted on at the state, commonwealth, territory, or District of Columbia level which involves—

"(A) the election of candidates for Federal office and the permissible terms of those so elected; or

"(B) the regulation of speech or press, or any other right guaranteed under the United States Constitution.".

SEC. 802. AMENDMENT TO DEFINITION OF CONTRIBUTION.

Section 301(8)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)(B)), as amended by sections 403 and 506, is further amended—

(1) in clause (xx), by striking "and" after the semicolon;

(2) in clause (xxi), by striking the period and inserting "; and"; and

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

"(xxii) a ballot initiative contribution.".

SEC. 803. AMENDMENT TO DEFINITION OF EXPENDITURE.

Section 301(9)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(9)(B)), as amended by sections 401 and 403, is further amended—

(1) in clause (xvii), by striking "and" after the semicolon;

(2) in clause (xviii), by striking the period and inserting "; and"; and

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

"(xix) a ballot initiative expenditure.".

SEC. 804. ORGANIZATION OF BALLOT INITIATIVE COMMITTEES.

Section 302 of the Federal Election Campaign Act of 1971 (2 U.S.C. 432), as amended by section 602, is further amended by adding at the end the following new subsection:

"(k) Every ballot initiative committee shall comply with the organizational and recordkeeping requirements of this section, with respect to all ballot initiative contributions and ballot initiative expenditures.".

SEC. 805. REGISTRATION OF BALLOT INITIATIVE COMMITTEES.

Section 303 of the Federal Election Campaign Act of 1971 (2 U.S.C. 433) is amended by adding at the end the following new subsection:

"(e) Every ballot initiative committee shall comply with the registration requirements of this section.".

SEC. 806. REPORTING BY BALLOT INITIATIVE COMMITTEES.

Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434), as amended by sections 404 and 608, is further amended by adding at the end the following new subsection:

"(g) Every ballot initiative committee shall comply with the reporting requirements of subsections (a)(1), (a)(4), and (b), with respect to the reporting of all ballot initiative contributions and ballot initiative expenditures. The provisions of subsections (a)(5), (7), and (8) shall apply to reports filed by ballot initiative committees.".

SEC. 807. ENFORCEMENT FOR BALLOT INITIATIVE COMMITTEES.

Section 309 of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g) is amended by adding at the end the following new subsection:

"(e) The Commission may proceed in accordance with the requirements of this section, either on the basis of a complaint filed under subsection (a)(1) or on information ascertained in the normal course of carrying out its supervisory responsibilities, to determine whether a ballot initiative committee has complied with the requirements of sections 302, 303, and 304(a)(1), (a)(4) and (b).".

SEC. 808. PROHIBITION ON CONTRIBUTIONS AND EXPENDITURES BY BALLOT INITIATIVE COMMITTEES.

Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a), as amended by sections 201, 405, 406, and 502, is further amended by adding at the end the following new subsection:

"(r) Notwithstanding the provisions of subsection (a)(1), it shall be unlawful for any ballot initiative committee to make any contribution or expenditure for the purpose of influencing any election for Federal office.".

TITLE IX—MISCELLANEOUS

SEC. 901. BROADCAST RATES AND PREEMPTION.

Section 315 of the Communications Act of 1934 (47 U.S.C. 315) is amended—

(1) in subsection (b)(1)—

(A) by striking "forty-five" and inserting "30";

(B) by striking "sixty" and inserting "45"; and

(C) by striking "lowest unit charge of the station for the same class and amount of time for the same period" and insert "lowest charge of the station for the same amount of time for the same period"; and

(2) by inserting after subsection (b) the following new subsection:

"(c)(1) Except as provided in paragraph (2), a licensee shall not preempt the use, during any period specified in subsection (b)(1), of a broadcasting station by a legally qualified candidate for public office who has purchased and paid for such use pursuant to the provisions of subsection (b)(1).

"(2) If a program to be broadcast by a broadcasting station is preempted because of circumstances beyond the control of the broadcasting station, any candidate advertising spot scheduled to be broadcast during that program may also be preempted.".

SEC. 902. CAMPAIGN ADVERTISING AMENDMENTS.

Section 318 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441d) is amended—

(1) in the matter before paragraph (1) of subsection (a), by striking "Whenever" and inserting "Whenever a political committee makes a disbursement for the purpose of financing any communication through any broadcasting station, newspaper, magazine, outdoor advertising facility, mailing, or any other type of general public political advertising, or whenever";

(2) in the matter before paragraph (1) of subsection (a), by striking "an expenditure" and inserting "a disbursement";

(3) in the matter before paragraph (1) of subsection (a), by striking "direct";

(4) in paragraph (3) of subsection (a), by inserting after "name" the following "and permanent street address"; and

(5) by adding at the end the following new subsections:

"(c) Any printed communication described in subsection (a) shall be—

"(1) of sufficient type size to be clearly readable by the recipient of the communication;

"(2) contained in a printed box set apart from the other contents of the communication; and

"(3) consist of a reasonable degree of color contrast between the background and the printed statement.

"(d)(1) Any communication described in subsection (a)(1) or subsection (a)(2) that is provided to and distributed by any broadcasting station or cable system (as such terms are defined in sections 315 and 602 (respectively) of the Communications Act of 1934) shall include, in addition to the requirements of subsections (a)(1) and (a)(2), an audio statement by the candidate that identifies the candidate and states that the candidate has approved the communication.

"(2) If a communication described in paragraph (1) contains any visual images, the statement required by paragraph (1) shall—

"(A) appear in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds at the end of the communication; and

"(B) be accompanied by a clearly identifiable photographic or similar image of the candidate.

"(e) Any communication described in subsection (a)(3) that is provided to and distributed by any broadcasting station or cable system (as such terms are defined in sections 315 and 602 (respectively) of the Communications Act of 1934) shall include, in addition to the requirements of those subsections, in a clearly spoken manner, the following statement—

' is responsible for the content of this advertisement.'

with the blank to be filled in with the name of the political committee or other person paying for the communication and the name of any connected organization of the payor; and, if such communication contains visual images, shall also appear in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds.".

SEC. 903. TELEPHONE VOTING BY PERSONS WITH DISABILITIES.

(a) STUDY OF SYSTEMS TO PERMIT PERSONS WITH DISABILITIES TO VOTE BY TELEPHONE.—

(1) IN GENERAL.—The Federal Election Commission shall conduct a study to determine the feasibility of developing a system or systems by which persons with disabilities may be permitted to vote by telephone.

(2) CONSULTATION.—The Federal Election Commission shall conduct the study described in paragraph (1) in consultation with State and local election officials, representatives of the telecommunications industry, representatives of persons with disabilities, and other concerned members of the public.

(3) CRITERIA.—The system or systems developed pursuant to paragraph (1) shall—

(A) propose a description of the kinds of disabilities that impose such difficulty in travel to polling places that a person with a disability who may desire to vote is discouraged from undertaking such travel;

(B) propose procedures to identify persons who are so disabled; and

(C) describe procedures and equipment that may be used to ensure that—

(i) only those persons who are entitled to use the system are permitted to use it;

(ii) the votes of persons who use the system are recorded accurately and remain secret;

(iii) the system minimizes the possibility of vote fraud; and

(iv) the system minimizes the financial costs that State and local governments would incur in establishing and operating the system.

(4) REQUESTS FOR PROPOSALS.—In developing a system described in paragraph (1), the Federal Election Commission may request proposals from private contractors for the design of procedures and equipment to be used in the system.

(5) PHYSICAL ACCESS.—Nothing in this section is intended to supersede or supplant efforts by State and local governments to make polling places physically accessible to persons with disabilities.

(6) DEADLINE.—The Federal Election Commission shall submit to Congress the study required by this section not later than 1 year after the date of enactment of this Act.

SEC. 904. TRANSFER OF PRESIDENTIAL ELECTION FINANCING PROVISIONS TO FEDERAL ELECTION CAMPAIGN ACT OF 1971.

(a) GENERAL RULE.—The Federal Election Campaign Act of 1971 is amended by adding at the end the following:

"TITLE VIII—FINANCING OF PRESIDENTIAL ELECTION CAMPAIGNS

"Subtitle A—Presidential Election Campaign Fund

"Subtitle B—Presidential Primary Matching Payment Account".

(b) TRANSFER OF PROVISIONS FROM INTERNAL REVENUE CODE.—

(1) Sections 9001 through 9012 of the Internal Revenue Code of 1986 are hereby transferred to the Federal Election Campaign Act of 1971, inserted after the heading for subtitle A of title VIII of such Act (as added by subsection (a)), and redesignated as sections 801 through 812, respectively.

(2) Sections 9031 through 9042 of the Internal Revenue Code of 1986 are hereby transferred to the Federal Election Campaign Act of 1971, inserted after the heading for subtitle B of title VIII of such Act, and redesignated as sections 831 through 842, respectively.

(c) CONFORMING AMENDMENTS TO INTERNAL REVENUE CODE.—The Internal Revenue Code of 1986 is amended—

(1) by striking "section 9006(a)" in section 6096(a) and inserting "section 806(a) of the Federal Election Campaign Act of 1971",

(2) by striking subtitle H, and

(3) by striking the item relating to subtitle H in the table of subtitles.

(d) CONFORMING AMENDMENTS TO TRANSFERRED SECTIONS.—

(1) Each section transferred under subsection (b) is amended by striking each reference contained therein to another provision transferred and redesignated by subsection (b) and inserting a reference to the redesignated provision.

(2) Title VIII of the Federal Election Campaign Act of 1971 (as amended by the foregoing provisions of this section) is amended—

(A) by striking "This chapter" each place it appears and inserting "This subtitle",

(B) by striking "this chapter" each place it appears and inserting "this subtitle",

(C) by striking "of the Federal Election Campaign Act of 1971" each place it appears,

(D) by striking "chapter 96" in section 803(e) and inserting "subtitle B",

(E) by striking "section 6096" in sections 806(a), 808(a), and 810(c) and inserting "section 6096 of the Internal Revenue Code of 1986", and

(F) by striking "this subtitle" in section 810(c) and inserting "this title".

(e) SAVINGS PROVISIONS.—

(1) CONTINUATION OF FUNDS.—The fund established under section 806(a) of the Federal Election Campaign Act of 1971 (as amended by this section) shall be treated for all purposes of law as a continuation of the fund established by section 9006(a) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of this Act). A similar rule shall apply to the accounts required under sections 808 and 837 of the Federal Election Campaign Act of 1971 (as so amended).

(2) REFERENCES TO TRANSFERRED PROVISIONS.—Any reference in any law, rule, regulation, or other official paper to a provision of the Internal Revenue Code of 1986 which was transferred under subsection (b) shall be treated as reference to the appropriate provision of the Federal Election Campaign Act of 1971.

TITLE X—HOUSE OF REPRESENTATIVES CAMPAIGN ELECTION FUNDING AND RELATED MATTERS

SEC. 1001. MAKE DEMOCRACY WORK ELECTION FUND.

The Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by section 121, is further amended by adding at the end the following new title:

"TITLE VII—MAKE DEMOCRACY WORK ELECTION FUND

"SEC. 701. ESTABLISHMENT AND OPERATION OF THE FUND.

"(a) IN GENERAL.—There is hereby established on the books of the Treasury of the United States a special fund to be known as the Make Democracy Work Election Fund (hereinafter in this title referred to as the 'Fund'). The amounts designated for the Fund shall remain available without fiscal limitation for purposes of providing benefits under title VI and making expenditures for the administration of the Fund. The Secretary shall maintain such accounts in the Fund as may be required by this title or which the Secretary determines to be necessary to carry out the provisions of this title.

"(b) PAYMENTS UPON CERTIFICATION.—Upon receipt of a certification from the Commission under section 604, except as provided in subsection (c), the Secretary shall issue within 48 hours to an eligible candidate the amount of voter communication vouchers certified by the Commission to the eligible candidate out of the Fund.

"(c) REDUCTIONS IN PAYMENTS IF FUNDS INSUFFICIENT.—If on June 1, 1996, or on June 1 of a Federal election year thereafter, the Secretary determines that the moneys in the account are not, or may not be, sufficient to satisfy the full entitlement of all eligible candidates, the Secretary shall withhold from such payment the amount necessary to assure that each eligible candidate will receive a pro rata share of the candidate's full entitlement. Amounts so withheld shall be paid when the Secretary determines that there are sufficient moneys in the account to pay such amounts, or portions thereof, to all eligible candidates from whom amounts have been withheld, but, if there are not sufficient moneys in the account to satisfy the full entitlement of an eligible candidate, the amounts so withheld shall be paid in such manner that each eligible candidate receives a pro rata share of the full entitlement, except that—

"(1) in special elections, a candidate shall receive the full entitlement not a pro rata share; and

"(2) a candidate who receives vouchers from the Fund in response to an independent expenditure as provided in section 604(f) shall receive the full entitlement not a pro rata share.

"(d) NOTIFICATION.—The Secretary shall notify the Commission and each eligible candidate by registered mail of any reduction of any payment by reason of subsection (c).

"(e) REDEEMABILITY OF VOUCHERS.—Voter communication vouchers issued and used as provided in this section shall be redeemable at face value by the Secretary through the facilities of the Treasury of the United States. The Secretary shall issue regulations providing for the redemption of voter communication vouchers through financial institutions which are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation. No financial institution may impose a fee or other charge for the redemption of voter communication vouchers.".

TITLE XI—EFFECTIVE DATES; SEVERABILITY

SEC. 1101. EFFECTIVE DATE.

Except as otherwise provided in this Act, the amendments made by, and the provisions of, this Act shall take effect on the date of the enactment of this Act but shall not apply with respect to activities in connection with any election occurring before January 1, 1995.

SEC. 1102. SEVERABILITY.

(a) Except as provided in subsection (b), if any provision of this Act (including any amendment made by this Act), or the application of any such provision to any person or circumstance, is held invalid, the validity of any other provision of this Act, or the application of such provision to other persons and circumstances, shall not be affected thereby.

(b) If title VI of the Federal Election Campaign Act of 1971, section 315(i) through (j) (as added by this Act), or section 701 (as added by this Act), or any part thereof, is held to be invalid, all provisions of, and amendments made by title VI, section 315(i) through (j) of this Act, or section 701 of this Act shall be treated as invalid.

SEC. 1103. EXPEDITED REVIEW OF CONSTITUTIONAL ISSUES.

(a) DIRECT APPEAL TO SUPREME COURT.—An appeal may be taken directly to the Supreme Court of the United States from any final judgment, decree, or order issued by any court finding any provision of this Act, or amendment made by this Act to be unconstitutional.

(b) ACCEPTANCE AND EXPEDITION.—The Supreme Court shall, if it has not previously ruled on the question addressed in the ruling below, accept jurisdiction over, advance on the docket, and expedite the appeal to the greatest extent possible.

SEC. 1104. REGULATIONS.

The Federal Election Commission shall prescribe any regulations required to carry out the provisions of this Act within 12 months after the effective date of this Act.

SEC. 1105. BUDGET NEUTRALITY.

The provisions of this Act (other than this section) shall not be effective and shall not be considered to be an estimate required under the procedures specified in section 252(d) of the Balanced Budget and Emergency Deficit Control Act of 1985 until the enactment of revenue legislation effectuating section 701 of the Federal Election Campaign Act of 1971.

The CHAIRMAN. No amendment to the substitute, as modified, is in order except the amendment printed part 2 of House Report 103–402. The amendment may be offered only by a Member designated in the report, shall be considered as read and is not subject to amendment.

Debate time on the amendment will be equally divided and controlled by the proponent and an opponent of the amendment.

□ 1100

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. THOMAS OF CALIFORNIA

Mr. THOMAS of California. Mr. Chairman, I offer an amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. THOMAS of California: Strike out all after the enacting clause and insert the following:

SECTION 1. BAN ON ACTIVITIES OF POLITICAL ACTION COMMITTEES IN FEDERAL ELECTIONS.

(a) IN GENERAL.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 301 et seq.) is amended by adding at the end the following new section:

"BAN ON FEDERAL ELECTION ACTIVITIES BY POLITICAL ACTION COMMITTEES

"SEC. 323. Notwithstanding any other provision of this Act, no person other than an individual or a political committee may make contributions, solicit or receive contributions, or make expenditures for the purpose of influencing an election for Federal office.".

(b) DEFINITION OF POLITICAL COMMITTEE.—(1) Section 301(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(4)) is amended to read as follows:

"(4) The term 'political committee' means—

"(A) the principal campaign committee of a candidate;

"(B) any national, State, or district committee of a political party, including any subordinate committee thereof; and

"(C) any local committee of a political party which—

"(i) receives contributions aggregating in excess of $5,000 during a calendar year;

"(ii) makes payments exempted from the definition of contribution or expenditure under paragraph (8) or (9) aggregating in excess of $5,000 during a calendar year; or

"(iii) makes contributions or expenditures aggregating in excess of $1,000 during a calendar year.".

(2) Section 316(b)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)(2)) is amended by striking out subparagraph (C).

(c) CANDIDATE'S COMMITTEES.—(1) Section 315(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)) is amended by adding at the end the following new paragraph:

"(9) For the purposes of the limitations provided by paragraphs (1) and (2), any political committee which is established or financed or maintained or controlled by any candidate or Federal officeholder shall be deemed to be an authorized committee of such candidate or officeholder.".

(2) Section 302(e)(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(e)(3)) is amended to read as follows:

"(3) No political committee that supports or has supported more than one candidate may be designated as an authorized committee, except that a candidate for the office of President nominated by a political party may designate the national committee of such political party as the candidate's principal campaign committee, but only if that national committee maintains separate books of account with respect to its functions as a principal campaign committee.".

(d) RULES APPLICABLE WHEN BAN NOT IN EFFECT.—For purposes of the Federal Election Campaign Act of 1971, during any period in which the limitation under section 324 of that Act (as added by subsection (a)) is not in effect—

(1) the amendments made by subsections (a) and (b) shall not be in effect; and

(2) it shall be unlawful—

(A) for any person that is treated as a political committee by reason of paragraph (1) and is directly or indirectly established, administered, or supported by a connected organization which is a corporation, labor organization, or trade association to make contributions to any candidate or the candidate's authorized committee; and

(B) for any person that is treated as a political committee by reason of paragraph (1) and is not directly or indirectly established, administered, or supported by a connected organization which is a corporation, labor organization, or trade association to make contributions to any candidate or the candidate's authorized committee for any election aggregating in excess of $1,000.

SEC. 2. HOUSE OF REPRESENTATIVES ELECTION LIMITATION ON CONTRIBUTIONS FROM PERSONS OTHER THAN LOCAL INDIVIDUAL RESIDENTS.

Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a), is amended by adding at the end the following new subsection:

"(i)(1) A candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress may not, with respect to a reporting period for an election, accept contributions from persons other than local individual residents totaling in excess of the total of contributions accepted from local individual residents.

"(2) As used in this subsection, the term 'local individual resident' means an individual who resides in the congressional district involved.

"(3)(A) Any candidate who accepts contributions that exceed the limitation under this subsection with respect to the pre-election report period or the post-election report period shall pay to the Commission, for deposit in the Treasury, an amount equal to 5 times the amount of the excess contributions plus a civil penalty in an amount determined by the Commission.

"(B) Any candidate who accepts contributions that exceed the limitation under this subsection with respect to a period other than a period referred to in subparagraph (A) shall pay to the Commission, for deposit in the Treasury, an amount equal to 3 times the amount of the excess contributions.

"(C) Each report under section 304(a)(6) shall include a certification by the treasurer of the committee that the contributions reported do not exceed the limitation under this subsection.".

SEC. 3. BAN ON SOFT MONEY.

(a) IN GENERAL.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by section 1, is further amended by adding at the end the following new section:

"LIMITATIONS AND REPORTING REQUIREMENTS FOR AMOUNTS PAID FOR MIXED POLITICAL ACTIVITIES

"SEC. 324. (a) Any payment by the national committee of a political party or a State committee of a political party for a mixed political activity—

"(1) shall be subject to limitation and reporting under this Act as if such payment were an expenditure; and

"(2) may be paid only from an account that is subject to the requirements of this Act.

"(b) As used in this section, the term 'mixed political activity' means, with respect to a payment by the national committee of a political party or a State committee of a political party, an activity, such as a voter registration program, a get-out-the-vote drive, or general political advertising, that is both (1) for the purpose of influencing an election for Federal office, and (2) for any purpose unrelated to influencing an election for Federal office.".

(b) REPEAL OF BUILDING FUND EXCEPTION TO THE DEFINITION OF THE TERM "CONTRIBUTION".—Section 301(8)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)(B)) is amended—

(1) by striking out clause (viii); and

(2) by redesignating clauses (ix) through (xiv) as clauses (viii) through (xiii), respectively.

SEC. 4. ADDITIONAL POLITICAL PARTY CONTRIBUTIONS TO CHALLENGERS WHOSE INCUMBENT OPPONENTS USE FUNDS CARRIED FORWARD FROM EARLIER ELECTIONS.

Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a), as amended by section 2, is further amended by adding at the end the following new subsection:

"(j)(1) Subject to paragraph (2), if, in a general election for Federal office, a candidate who is the incumbent uses campaign funds carried forward from an earlier election cycle, any political committee of a political party may make contributions to a nonincumbent candidate of that political party to match the funds so carried forward by the incumbent. For purposes of this paragraph, funds shall be considered to have been carried forward if the funds represent cash on hand as of December 31 of the year of the election, less legitimate outstanding debts relating to the previous election up to the amount of the December 31 balance, plus any amount expended on or before that December 31 for a later election.

"(2) The political party contributions under paragraph (1) may be made without regard to any limitation amount otherwise applicable to such contributions under this section, but a nonincumbent candidate may not accept such contributions in excess of the total of funds carried forward by the incumbent candidate.".

SEC. 5. ELIMINATION OF LIMITATIONS ON CONTRIBUTIONS TO CANDIDATES WHOSE OPPONENTS USE LARGE AMOUNTS OF PERSONAL FUNDS.

(a) IN GENERAL.—Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a), as amended by sections 2 and 4, is further amended by adding at the end the following new subsection:

"(k) Each candidate in an election for the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress may declare, in the first report that the candidate files with the Commission after becoming a candidate, that the candidate will not make expenditures of more than $250,000 from the personal funds of the candidate. If a candidate does not so declare and makes expenditures of more than $100,000 from personal funds—

"(1) the limitations under subsections (a)(1)(A) and (i) shall not apply to any opponent of the candidate who so uses personal funds; and

"(2) the limitations under subsection (a)(2)(A) (insofar as such subsection applies to political party multicandidate political committees) shall not apply to contributions to any opponent of the candidate who so uses personal funds, up to the amount of personal funds expended by the noncomplying candidate.".

(b) NOTIFICATION.—Section 304(a)(6) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)(6)) is amended by adding at the end the following new paragraph:

"(C) The principal campaign committee of a candidate shall notify the Commission in writing by telegram, facsimile, or other electronic means of any incremental expenditure of personal funds totaling $50,000 or more. This notification shall be made not later than 24 hours after the expenditure.".

SEC. 6. LIMITATION ON CONTRIBUTIONS AND EXPENDITURES BY LABOR ORGANIZATIONS.

(a) CONTRIBUTIONS TO ALL POLITICAL COMMITTEES INCLUDED.—Paragraph (2) of section 316(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)(2)) is amended by inserting "political committee," after "campaign committee,".

(b) APPLICABILITY OF REQUIREMENTS TO LABOR ORGANIZATIONS.—Section 316(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)) is amended by adding at the end the following new paragraph:

"(8)(A) Subparagraphs (A), (B), and (C) of paragraph (2) shall not apply to a labor organization unless the organization meets the requirements of subparagraphs (B), (C), and (D).

"(B) The requirements of this subparagraph are met only if the labor organization provides, at least once annually, to all employees within the labor organization's bargaining unit or units (and to new employees within 30 days after commencement of their employment) written notification presented in a manner to inform any such employee—

"(i) that an employee cannot be obligated to pay, through union dues or any other mandatory payment to a labor organization, for the political activities of the labor organization, including, but not limited to, the maintenance and operation of, or solicitation of contributions to, a political committee, political communications to members, and voter registration and get-out-the-vote campaigns;

"(ii) that no employee may be required actually to join any labor organization, but if a collective bargaining agreement covering an employee purports to require membership or payment of dues or other fees to a labor organization as a condition of employment, the employee may elect instead to pay an agency fee to the labor organization;

"(iii) that the amount of the agency fee shall be limited to the employee's pro rata share of the cost of the labor organization's exclusive representation services to the employee's collective bargaining unit, including collective bargaining, contract administration, and grievance adjustment;

"(iv) that an employee who elects to be a full member of the labor organization and pay membership dues is entitled to a reduction of those dues by the employee's pro rata share of the total spending by the labor organization for political activities;

"(v) that the cost of the labor organization's exclusive representation services, and the amount of spending by such organization for political activities, shall be computed on the basis of such cost and spending for the immediately preceding fiscal year of such organization; and

"(vi) of the amount of the labor organization's full membership dues, initiation fees, and assessments for the current year; the amount of the reduced membership dues, subtracting the employee's pro rata share of the organization's spending for political activities, for the current year; and the amount of the agency fee for the current year.

"(C) The requirements of this subparagraph are met only if the labor organization provides all represented employees an annual examination by an independent certified public accountant of financial statements supplied by such organization which attests that the expenditures which the union claimed it made for certain expenses were actually made for those expenses. Such examination shall be conducted in accordance with generally accepted auditing standards.

"(D) The requirements of this subparagraph are met only if the labor organization—

"(i) maintains procedures to promptly determine the costs that may properly be charged to agency fee payors as costs of exclusive representation, and explains such procedures in the written notification required under subparagraph (B); and

"(ii) if any person challenges the costs which may be properly charged as costs of exclusive representation—

"(I) provides a mutually selected impartial decisionmaker to hear and decide such challenge pursuant to rules of discovery and evidence and subject to de novo review by the National Labor Relations Board or an applicable court; and

"(II) places in escrow amounts reasonably in dispute pending the outcome of the challenge.

"(E)(i) A labor organization that does not satisfy the requirements of subparagraphs (B), (C), and (D) shall finance any expenditures specified in subparagraphs (A), (B), or (C) of paragraph (2) only with funds legally collected under this Act for its separate segregated fund.

"(ii) For purposes of this paragraph, subparagraph (A) of paragraph (2) shall apply only with respect to communications expressly advocating the election or defeat of any clearly identified candidate for elective public office.".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to contributions and expenditures made after the date of the enactment of this Act.

SEC. 7. INCREASED LIMITATION AMOUNT FOR CERTAIN CONTRIBUTIONS TO POLITICAL COMMITTEES OF STATE POLITICAL PARTIES.

Section 315(a)(1)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(1)(B)) is amended by inserting after "national" the following: "or State".

SEC. 8. TRANSITION RULE RELATING TO EXCESS FUNDS OF CANDIDATES FOR THE HOUSE OF REPRESENTATIVES.

The limitations under section 315(i) of the Federal Election Campaign Act of 1971 (as added by section 2) shall be applied to the funds of a candidate carried over from previous elections and shall take effect on the day after the date of the 1994 primary election. A candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress, who, on the day after the date of the 1994 primary election, has campaign accounts containing amounts in excess of the contribution limit under section 315(i) of the Federal Election Campaign Act of 1971 shall deposit such excess in a separate account subject to section 304 of the Federal Election Campaign Act of 1971. The amount so deposited shall be returned to contributors or available for any lawful purpose other than use, with respect to the individual for an election for the office of Representative, in, or Delegate or Resident Commissioner to, the Congress. For purposes of this section, excess funds are those funds which exceed twice the amount of funds raised from local individual residents after December 31, 1992. From the day after the date of the 1994 primary election until the date of the 1994 general election, a candidate may transfer excess funds from the separate account to the campaign account so long as a majority of the total funds contributed or transferred to the campaign account were raised from local individual residents after December 31, 1992. No funds may be transferred from a separate account of a candidate to a campaign account of the candidate after the date of the 1994 general election.

SEC. 9. DISCLOSURE OF ELECTION-RELATED ACTIVITY BY CORPORATIONS, LABOR ORGANIZATIONS AND NONPROFIT ORGANIZATIONS.

Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) is amended by adding at the end the following new subsection:

"(d) Any corporation, labor organization, or nonprofit organization that makes a payment for a communication or other activity that—

"(1) relates to any election for Federal office; and

"(2) in the case of a corporation or labor organization, by reason of subparagraph (A) or (B) of paragraph (2) of section 316(b), is not a contribution or expenditure;

shall report such payment to the Commission in the same manner as a contribution or expenditure, as the case may be, is reported by a principal campaign committee of a candidate for the House of Representatives or the Senate under this section.".

SEC. 10. PROHIBITION OF BUNDLING OF CONTRIBUTIONS TO CANDIDATES BY POLITICAL ACTION COMMITTEES AND LOBBYISTS.

Section 316 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b) is amended by adding at the end the following new subsection:

"(c) No nonparty multicandidate political committee or person required to register under the Federal Regulation of Lobbying Act (2 U.S.C. 261 et seq.) may act as an intermediary or conduit with respect to a contribution to a candidate for Federal office.".

SEC. 11. PROHIBITION OF TRANSFERS AMONG NONCANDIDATE, NONPARTY POLITICAL COMMITTEES.

Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a), as amended by sections 2, 4, and 5, is further amended by adding at the end the following new subsection:

"(l) A noncandidate, nonparty political committee may not make contributions, or otherwise transfer funds, to any other noncandidate, nonparty political committee. As used in this subsection, the term 'noncandidate, nonparty political committee' means a political committee that is not an authorized committee of a candidate for Federal office and is not a political committee of a political party.".

SEC. 12. PROHIBITION OF LEADERSHIP COMMITTEES; RESTRICTION ON CONTRIBUTIONS BETWEEN PRINCIPAL CAMPAIGN COMMITTEES.

(a) LEADERSHIP COMMITTEE PROHIBITION.—Section 302 of the Federal Election Campaign Act of 1971 (2 U.S.C. 432) is amended by adding at the end the following new subsection:

"(j) A candidate for Federal office may not establish, maintain, finance, or control a political committee, other than the principal campaign committee of the candidate.".

(b) PRINCIPAL CAMPAIGN COMMITTEE RESTRICTION.—Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a), as amended by sections 2, 4, 5, and 11, is further amended by adding at the end the following new subsection:

"(m) A principal campaign committee of a candidate for Federal office may not make any contribution to any other principal campaign committee (other than the principal campaign committee of the same individual as a candidate for another Federal office).".

SEC. 13. EFFECTIVE DATE.

The amendments made by this Act shall take effect on the date of the enactment of this Act.

The CHAIRMAN. Pursuant to the rule, the amendment in the nature of a substitute is not subject to amendment.

The gentleman from California [Mr. THOMAS] will be recognized for 30 minutes, and a Member opposed will be recognized for 30 minutes.

Mr. GEJDENSON. Mr. Chairman, I am in opposition to the amendment in the nature of a substitute.

The CHAIRMAN. The gentleman from California [Mr. THOMAS] will be recognized for 30 minutes, and the gentleman from Connecticut [Mr. GEJDENSON] will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. THOMAS].

Mr. THOMAS of California. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, we have heard some amazing statements on the floor. The gentleman from Vermont [Mr. SANDERS] has indicated that somehow the Republican side was deficient because we allowed millionaires to spend their own money. Perhaps the gentleman from Vermont [Mr. SANDERS] does not realize that a little thing like the Constitution stands in the way. However, the Republicans in their bill do address the question of whether or not someone spending their own money can do so with limits being placed on their opponent. What we do is remove those limits, if in fact someone exercises their constitutional right to spend money. I imagine a number of folks on the other side of the aisle will not let a little thing like the Constitution stand in their way.

Last night, Mr. Chairman, we had some amazing statements made on the floor. The gentlewoman from California [Ms. SCHENK] used the word "hypocrisy." It appears on page 31549 in the CONGRESSIONAL RECORD.

Mr. Chairman, I walked over to the dictionary here, the Random House Dictionary of the English Language, Second Edition, Unabridged. On page 943 it says "hypocrisy: A pretense of having some desirable or publicly approved attitude," a "pretense."

Mr. Chairman, on the floor last night on page 31553 of the CONGRESSIONAL RECORD, the Speaker said, "We have promised to deal with this issue this year. We should deal with it this year." A pretense of having some desirable or publicly approved attitude. We will not deal with this issue this year. The bill that the Democrats have put on the table cannot go into effect this year. It cannot go into effect next year. It cannot go into effect ever, unless and until the Democrats vote new revenue. They have to vote new revenue or nothing in the bill goes into effect.

Last night, Mr. Chairman, we heard the gentleman from Connecticut [Mr. GEJDENSON]. We know in the sports scene today when we see two members jawing on the floor either in basketball or football, they use the term "trash talk." The gentleman from Connecticut [Mr. GEJDENSON] I am sure did not realize, but he was engaged in what I think we could only call trash talk last night when he, getting a little carried away with his rhetoric, indicated that tens of millions of dollars could be raised from political action committees under the Republican proposal.

Now, I know his skin is a little thin when we use the term "$1 million" in talking about the Democrats' package, but Mr. Chairman, this is not coming from us. If the Members will look at

the Congressional Quarterly on page 309–1 for November 13, the headline, by a very respected reporter around here who knows how to read bills, the headline reads, "House Will Vote On Limits Nearing $1 Million." Everybody knows the Democrat package is a $1 million package.

Mr. Chairman, I am going to talk about a number of issues in terms of the Republican bill, but I frankly want to spend some time on the one section where apparently the Democrats simply do not understand how it works. The Democrats simply do not understand how it works. The Democrats have said over and over again that "We have spending limits in our bill. You don't have spending limits in your bill." Yes, they have an arbitrary amount which is about $1 million applied to every district in the United States, whether that district is a whole State, whether the district is an urban district, whether that district is a suburban or rural district. It is an automatic, artificial, clamped-on $1 million limit, regardless of the kind of campaign they are able to run or the district they represent.

What the Republicans have said is "Let's get hold of campaign spending". Who should we give it to? Who best, who most properly should control the amount of money spent in a campaign? Guess who we came up with; a radical new idea, revolutionary. Maybe that is why it is so difficult for some of the Democrats to understand. The radical, revolutionary idea that Republicans offer in the Michel substitute is that the people who vote in the election get to control how much money is spent in the campaign.

I have heard the Democrats say, "Gee, we spend too much time trying to raise money." Of course they do. Why? Because they are never in their district. They are in New York. They are in Hollywood. They are in some other major urban center, but never in their district.

The reason they are never in their district is, there is no requirement that they have to raise money in their district. In this bill they can spend $1 million and still do not have to raise any money in their district. What the Republicans say is, "Before you can get a dime from a political action committee, before you can get a dime from somewhere outside your district, you have got to raise a dime in your own district."

Democrats keep talking about $1,000 contributions. We know who really is upset with the political system today. It is the people who give $5 or $10 or $15 or $20. They do not count, and they know they do not count. Guess why? With the Republican proposal, if we are required to get $1 from our district before we can get $1 from anywhere else, all of a sudden that guy who has $5 to offer is a lot more powerful. We have to actually go home to our districts and work with those people before we can take PAC money, any PAC money, under our proposal.

Let me tell the Members—we enable the small person, we make the system work. We reunite the voting precinct and the financial precinct. The amount of money determined to be spent in the campaign is determined by the people back home, not by some arbitrary limit slapped on by incumbents who want to make sure they are taken care of at the $1 million level. It is the people back home who determine how much money is spent in the Republican proposal.

I know Democrats have a difficult time understanding that, because it is so radical. It seems to me, Mr. Chairman, that if we really listen to the public, what they are complaining about is all the money brought in from the outside, from all the big organizations. What we say is, "Get your money from back home."

Guess what, when we are taking the $5 or the $10 contribution, we are taking it from someone who can vote in the election. We do not need as much money if we are actually spending time in our districts talking to people in our districts. I know that it is radical, I know it is revolutionary, I know they have a hard time understanding it, but what we have here is an opportunist to really radically change elections, to put the people who can vote in the driver's seat, and to take a look at the suggestion that a majority of our money has to come from people who can actually vote in the election.

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

Mr. GEJDENSON. Mr. Chairman, I consider it a privilege and an honor to yield 5 minutes to the gentleman from Wisconsin [Mr. OBEY], the cosponsor of the so-called Obey-Railsback bill, one of the real leaders in this Congress for reform.

Mr. OBEY. Mr. Chairman, the first goal of campaign reform ought to be, "Don't make the system worse than it is right now." The fact is, if we pass the Republican substitute, that is exactly what we will do. The issue is not whether people have too much influence on Government because of contributions which they give collectively through PAC's. The issue is whether wealthy people have too much influence on this Government, whether they give individually or collectively, and I suggest that the Democratic bill is by far superior in scaling back the power that wealthy people have in this society to influence events on this floor.

□ 1110

If you eliminate PAC's, as our old friend, Dick Bolling, used to say—and no one can question his credentials as a reformer—if you eliminate PAC's, all you do is drive the money trail underground. You go back to the old system under which people give money through circuitous routes, and it takes an army of detectives to determine whether or not those people have the same collective interest.

The virtue of PAC's, whatever you think of them, it that they bring the money trail above ground where it is visible, where people can see who gives what.

Much has been made in the Republican attack on the Democratic bill, that it is incomplete. It is. I regret that very much. In some ways, it really does represent a horse without legs, because we do not have the financing mechanism yet attached to the bill. That will happen at a later stage.

But I do strenuously question, in fact, I am somewhat amused by the Republican attacks on this bill as containing public financing. First of all, if it did, I would make absolutely no apology for that, because I cannot think of another activity in this country which is a more public activity than is the process by which we elect people to public office. It is a public activity. It ought not to be considered a private activity.

Second, while the Republican attack on this bill attempts to scare taxpayers into thinking that there is a method by which we are going to forcibly dig into taxpayers' pockets, I want to make clear what this proposal would provide by the time it gets to the financing bill passed in stage 2.

What we have in mind is something very simple, simply a campaign run by the Federal Election Commission which would simply on network television explain to people the existence of the democracy fund, to tell them that if they want to take their Government back, they might consider contributing up to $5 in voluntary contributions above and beyond the amount that they owe on their income tax. If they do not want to contribute it, they do not contribute it. But if they think it would be good to provide a public source of money, which is a voluntary action on their part, they would be able to do so.

Mr. Chairman, I find this much superior, for instance, than the Common Cause suggestion that we ought to simply require taxpayers to provide public funding for campaigns.

I believe in the principle of public funding, but I think we ought to give the public an opportunity to vote with their pencils to see whether or not they do also, and that is what you do by creating a voluntary ability to contribute additional funds into campaigns.

I just have to say that if you vote for the Republican substitute, you are voting to turn campaign contributions largely over to the wealthiest people in this society. That does not surprise me.

If you take a look at the tax plans which the Republican Party has supported through the years and the tax

policy they have supported through the years, it is apparent that they have an old habit of defending the interests of the very wealthy, and that simply carries over into this campaign bill.

The Democratic alternative in contrast tries to limit to some degree the influence that wealthy people have on the campaign system. That is what we ought to do. I think it is a far better-balanced proposal than any other alternative around.

I would urge support for the Gejdenson bill.

Mr. THOMAS of California. Mr. Chairman, I yield 1 minute to the gentleman from Nebraska [Mr. BARRETT], who is a long-suffering member of the Task Force on Campaign Finance Reform and a member of the Committee on House Administration.

Mr. BARRETT of Nebraska. Mr. Chairman, my constituents and most Americans have echoed several campaign themes with regard to campaign finance reform.

First, they do not want their tax dollars used to support political campaigns.

Second, they want the influence of special interests to be reduced.

And, third, they want the power returned to the people.

The Republican campaign finance alternative achieves all three of these objectives.

As a fiscal conservative, I continue to believe that it is imperative that we rein in Federal spending, not expand it with new entitlements. The Democratic bill is a weak bill. It contains entitlements for candidates.

The substitute is a much stronger, much less complicated piece of legislation that requires absolutely no Federal funds.

The alternative enables individuals to make contributions to candidates that they support, and I think this is really truly representative government.

Mr. Chairman, I ask my friends on the other side of the aisle to have an open mind, to listen to common sense, and to give the American people the true reform that they have asked of us. Support the Michel substitute.

Mr. GEJDENSON. Mr. Chairman, I yield 2½ minutes to the distinguished gentleman from Ohio [Mr. FINGERHUT].

Mr. FINGERHUT. Mr. Chairman, I thank the gentleman for yielding me this time, and I thank him for the first time this year calling me "distinguished."

Mr. Chairman, the rhetoric on this bill is hot and heavy. I would like to simply make a couple of points in rebuttal to some of the issues that have been raised.

The first is the question of spending limits. There is no dispute that there is a spending limit in the Democratic bill, and there is not in the Republican substitute. Why is that important? It is important because even if it is not the lowest limit anyone could imagine, the fact is that this limit was set at what the average cost of a campaign has been around the country. It is not picked out of the air. It is a reasonable number.

Putting some limit on it ends the arms race for contributions. If you do not do that, if you have unlimited amounts of money that can be spent on campaigns and if you do not lower the amount that can come from any individual, as the Republican package does, then you have an unlimited chase for $1,000 contributions from people who can afford to give that amount of money in a campaign, and you spend unlimited amounts of money.

Do not tell me that a spending limit locks in an incumbent advantage, because you know and I know that incumbents can raise as much money as they want. What this does is simply put a cap on the amount of money that can be raised and allows challengers at least to know that the incumbent who can have access to these $1,000 contributions places some limit on the amount.

The second point, on the question of the resources that will go into funding these communication vouchers, I also, like everybody else, recognize that they are not in this bill. But I will tell you that I personally have been involved in this issue not only this year but throughout my career in public service, and I have never seen a better-faith effort to try and find a compromise on how to fund these programs than has been going on this year. I invite anyone who has concerns about it to participate in that good-faith effort.

Because we can find a solution that does not burden taxpayers' dollars, but that will, in fact, provide the resources to people to get a voice on television and radio so they can present competing views.

Finally, the Republicans, and the gentleman from California [Mr. THOMAS] in particular, make much of the point that the money is being raised at home. Well, let me just say something about campaign contributions being raised at home. It is easy in all of our districts to find where the country club is and to find where those who can afford $1,000 contributions are located. It is much more difficult for working people and average people to be able to make their contributions known, and here is how it happens, here is what these awful political action committees do: First, with the subject of labor contributions, the local union goes to every single member and asks them to sign a card to say whether or not they would like a small amount of their dues to go into a political action committee, and then we go to them and talk about the issues and ask for their endorsement. If we get their endorsement, they then ask some of the money that went from their small contributions gets contributed to our campaigns.

That is democracy, and that is what this is all about.

Mr. THOMAS of California. Mr. Chairman, I yield myself 20 seconds.

Despite what was just said, in the article that I alluded to it says, "The higher limits mean relatively few campaigns would be seriously pinched. In 1992, a third of current House Members spent more than $600,000 to win their seats, but only 35 topped a million;" it is not the average amount.

The gentleman from Ohio spent more than $600,000, with about a quarter of a million from PAC's. He may think that is the average expense in a race. It is not.

Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. GREENWOOD].

Mr. GREENWOOD. Mr. Chairman, I rise in strong support of the Michel substitute.

The campaign last year in my congressional district cost $2 million. My committee raised and spent $750,000. The incumbent we defeated outspent us by nearly a half million dollars. The difference reflected his ability to collect hundreds of thousands of PAC dollars.

The time has come to enact real campaign finance reform—reform that does away with PAC's—period. I do not accept PAC money. It is a tough thing to do, but I am convinced it is the right thing to do. And I can tell you it is liberating.

What is wrong with the PAC system? First, it undermines the public's confidence in the independence and integrity of its elected representatives.

When a Member of Congress casts votes critical to the interests of a particular labor union, industry or trade association on one day, and then solicits these same interests for financial contributions the next, he or she creates at least the appearance of basing his or her vote on what is good for the contributor and not on what is good for the people he or she represents. We can have the public's trust, or we can have PAC's. But we cannot have both.

Second, PAC's protect incumbents and allow outside interests to dominate local concerns.

Consider the case of an incumbent Member of Congress who has been here too long and who has become out of touch with the voters. He or she is challenged by a bright, dynamic opponent who is willing to work harder, and better represent the district's voters. But the incumbent is the chairman of an important committee or subcommittee. The PAC dollars flow to the incumbent from all over the country. The incumbent dominates the airways with slick, misleading television ads attacking the challenger. The challenger's message is overwhelmed. The

incumbent is re-elected largely on the strength of special interest money from out-of-state. Power and position win. Principle loses again.

Third, PAC's keep individual voters from getting personally involved in choosing which candidate to support.

Under the PAC system a union member, a corporate employee or a member of a profession may give money to a political action committee—and completely dismiss his or her responsibility as a voter to evaluate the candidate on the wide agenda of issues. Neither voters nor candidates are one-dimensional. Steamfitters should not judge candidates based only on their views on steamfitting. Neither should doctors, lawyers, teachers or anyone else limit their evaluation of a candidate to one narrow band of issues. When a contribution goes directly from the voter to the candidate of choice, the contributor will be more inclined to consider the candidate's views on a greater spectrum of issues.

Mr. Chairman, Americans voted for change last year. They voted for reform. They do not want symbolic gestures or press releases, and they sure do not want the status quo masquerading as reform. They want results. Real reform means campaign finance reform. And real campaign finance reform means doing away with the PAC system and returning political power to the voters of each congressional district.

The vote on the Michel amendment separates true reformers from those determined to protect business as usual. I urge all reform-minded members to support the Michel substitute.

□ 1120

Mr. GEJDENSON. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from California [Ms. ESHOO].

Ms. ESHOO. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in strong support of H.R. 3.

This is a consensus bill that is similar to legislation passed last year by this body but was vetoed by President Bush.

We finally have the opportunity to level the playing field and reduce the influence of special interest groups in campaigns, without the threat of a veto.

The bill is supported by Citizen Action, Public Citizen, the League of Women Voters, and Common Cause, whose campaign finance reform pledge I was proud to sign in my 1992 election.

It is also supported by people all over the country who have been waiting for a change in the status quo.

Elements of the bill include spending limits, caps on PAC spending, advertising vouchers, restrictions on soft money, and public financing—all representing a significant and welcome departure from business as usual.

And having been a strong supporter of public financing, I look forward to working on legislation that will make this goal a reality.

Mr. Chairman, it is time to show our constituents that their voices have been heard and that we are unafraid to compete with opponents on the merits of our service to them rather than the comfort of incumbency.

By taking this step we will strengthen this institution and rebuild the confidence of the citizens we are privileged to serve.

Mr. Chairman, I urge my colleagues to support this long-awaited legislation.

Mr. Chairman, I would like to thank the gentleman from Connecticut [Mr. GEJDENSON] for all the work he has done to bring it to this point.

Mr. GEJDENSON. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY], the chief deputy whip.

Mrs. KENNELLY. I thank the gentleman for yielding this time to me.

Mr. Chairman, as we all know, congressional campaigns have become extremely expensive, with calls for reform mounting from both within Congress and the public.

As a former Secretary of the State of Connecticut, I believe this year we have an important opportunity to solve some of the major problems in the current campaign finance system. This bill sets up a system for voluntary spending limits to control ever escalating campaign costs, reduces the role of political action committees and steers the system toward smaller individual contributions, and curbs so-called soft money which is the biggest loophole in the system today.

Mr. Chairman, no bill is perfect. Over the last 100 years, Congress has periodically risen to the challenge presented by emerging problems in the current system of the time and the public's disenchantment with those problems, and renewed itself and the public's faith by implementing reform. Now is a time for reform. It is not the time to vote against these important strides forward.

I wish to compliment my colleague from Connecticut [Mr. GEJDENSON], for all of the hard work he and his staff did on this issue. I urge all of my colleagues to support this effort.

Mr. THOMAS of California. Mr. Chairman, I yield 1 minute to the gentleman from Maryland [Mr. BARTLETT], a freshman Member.

Mr. BARTLETT of Maryland. Mr. Chairman, I rise in strong opposition to the Democratic bill and in support of the alternative. Let me cite just one major difference in these bills. Imagine that you are a worker in Garrett County, part of our district in Appalachia, and you come home on Friday evening with your paycheck, which puts you just barely above the poverty line, and you look there at the Federal income tax and recognize that part of that is going to pay for the campaign of the candidate who stands for all the things that are wrong for you, wrong for your district, wrong for your State, and wrong for the country. I tell you, Mr. Chairman, Americans believe this is outrageous, it is un-American, it is unthinkable. The rage of Americans at this rape of the treasury is going to defeat candidates who vote for this outrageous bill.

Vote against the bill, please.

Mr. GEJDENSON. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Chairman, I oppose the amendment; in fact, I oppose the bill. This is either hypocrisy or the height of stupidity. And if you really believe, America, that Congress is going to give their opponents a chance to defeat them at the polls, you yourself are a candidate for one of two things: No. 1, Prozac therapy; or, No. 2, Dr. Kevorkian. But today's debate answers a question for many Americans and a question is being answered for me.

America is asking how could Congress pass all these laws that are killing us, and today I understand it: A Congress that is dumb enough to pass a law that will hurt themselves is more than capable of ripping you off on a regular basis.

Now, I heard all this talk about honor, level playing field, integrity; the American people cannot be fooled. They know there is none of that in congressional politics.

Let me close by saying one thing: I think Congress puts much too much emphasis and importance on money. If money got congressmen and congresswomen here, I would not be here. But let me close by saying this: Give all your money to my opponent all you want to; I want your votes. Give me your vote. That is still what really counts in politics.

□ 1130

Mr. THOMAS of California. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. UPTON], a member of the task force who has not only labored in the field of campaign finance reform but actually practiced it.

Mr. UPTON. Mr. Chairman, I stand for reform. As a member of the Republican Task Force on Reform, we met for many months dissecting all parts of campaign finance reform.

In fact, I beat the only incumbent in the country in a primary when I was first elected. I know how hard it is to beat an incumbent, and the deck is stacked against challengers.

I want to see more people involved in congressional raises. That is one of the reasons why I ran for Congress in the first place and that is one of the reasons I supported the motor-voter bill, a

system that works well in Michigan for all.

Our bill, the Michel substitute, does what the people at home want. It eliminates or reduces PAC's. There is no more bundling, no more soft money, and we have a requirement that makes a lot of sense. If you are from the Sixth District of Michigan, you are going to raise most of your money from individuals in Kalamzaoo, Portage, St. Joe, Benton Harbor, Watervliet, Niles, Pokagon, Dowagiac, Sturgis, Three Rivers, South Haven, Paw Paw, Colon, Climax, Summerville, and Keeler Keg in Keeler, and about 50 other communities as well; not Burbank, not Hollywood, not Miami, not Houston and not New York.

Mr. Chairman, what is wrong with that? The Michel substitute is exactly what our constituents want. It is real reform that every one of us here can be proud of.

We do not have taxpayer financing. We do not want the Treasury financing congressional elections. There are enough problems with the Presidential financing scheme.

People like Lyndon LaRouche, sitting in jail collecting a million bucks every 4 years from the Treasury, makes me sick.

Some want to expand that same mechanism to congressional races.

Well, that is wrong. Can you imagine the taxpayers financing thousands more races under the guise of reform? That is sick, too.

The Michel substitute is the only reform on the table. I would urge all my colleagues to strongly support that substitute and defeat the bill of the gentleman from Connecticut [Mr. GEJDENSON].

Mr. GEJDENSON. Mr. Chairman, I yield myself 20 seconds.

I know the gentleman is earnest and I am sure the gentleman from Louisiana [Mr. LIVINGSTON] yesterday was earnest, but the bill specifically has language that would preclude a gentleman like Lyndon LaRouche from getting matching funds. It is just simply inaccurate to say that.

If the gentleman would read lines 18 through 23 on page 14, he would see that.

Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

Members will record their presence by electronic device.

The call was taken by electronic device.

[Roll No. 602]

Abercrombie	Bachus (AL)	Barrett (WI)
Allard	Baesler	Bartlett
Andrews (ME)	Baker (CA)	Barton
Andrews (NJ)	Baker (LA)	Bateman
Andrews (TX)	Ballenger	Becerra
Applegate	Barca	Beilenson
Archer	Barcia	Bentley
Armey	Barlow	Bereuter
Bacchus (FL)	Barrett (NE)	Berman
Bevill	Fowler	Linder
Bilbray	Franks (CT)	Lipinski
Bilirakis	Franks (NJ)	Livingston
Bishop	Gallegly	Lloyd
Blackwell	Gallo	Long
Bliley	Gejdenson	Lowey
Blute	Gekas	Machtley
Boehlert	Gephardt	Maloney
Boehner	Geren	Mann
Bonilla	Gibbons	Manton
Bonior	Gilchrest	Manzullo
Borski	Gillmor	Margolies-Mezvinsky
Boucher	Gilman	Markey
Brewster	Gingrich	Martinez
Brooks	Glickman	Matsui
Browder	Gonzalez	Mazzoli
Brown (FL)	Goodlatte	McCandless
Brown (OH)	Goodling	McCloskey
Bryant	Gordon	McCollum
Burton	Goss	McCrery
Buyer	Grams	McCurdy
Byrne	Grandy	McDade
Callahan	Green	McDermott
Calvert	Greenwood	McHale
Camp	Gunderson	McHugh
Canady	Gutierrez	McInnis
Cantwell	Hall (TX)	McKeon
Cardin	Hamburg	McMillan
Carr	Hamilton	McNulty
Castle	Hancock	Meehan
Clay	Hansen	Meek
Clayton	Harman	Menendez
Clement	Hastert	Meyers
Clyburn	Hastings	Mfume
Coble	Hayes	Mica
Coleman	Hefley	Michel
Collins (GA)	Hefner	Miller (FL)
Collins (IL)	Herger	Mineta
Collins (MI)	Hilliard	Minge
Combest	Hinchey	Mink
Condit	Hoagland	Moakley
Cooper	Hobson	Molinari
Coppersmith	Hochbrueckner	Mollohan
Costello	Hoekstra	Montgomery
Cox	Hoke	Moorhead
Coyne	Holden	Morella
Cramer	Horn	Murphy
Crane	Houghton	Murtha
Crapo	Hoyer	Myers
Cunningham	Huffington	Nadler
Danner	Hughes	Natcher
Darden	Hunter	Neal (NC)
de la Garza	Hutchinson	Norton (DC)
de Lugo (VI)	Hutto	Nussle
Deal	Hyde	Oberstar
DeLauro	Inglis	Obey
DeLay	Inhofe	Olver
Dellums	Inslee	Ortiz
Derrick	Istook	Orton
Deutsch	Jacobs	Owens
Diaz-Balart	Johnson (CT)	Oxley
Dickey	Johnson (GA)	Packard
Dicks	Johnson (SD)	Pallone
Dingell	Johnson, E. B.	Parker
Dixon	Johnson, Sam	Pastor
Dooley	Johnston	Paxon
Doolittle	Kanjorski	Payne (NJ)
Dornan	Kaptur	Payne (VA)
Dreier	Kasich	Pelosi
Duncan	Kennelly	Penny
Dunn	Kildee	Peterson (FL)
Durbin	Kim	Peterson (MN)
Edwards (CA)	King	Petri
Edwards (TX)	Kingston	Pickett
Emerson	Klein	Pickle
Engel	Klink	Pombo
English (AZ)	Klug	Pomeroy
English (OK)	Knollenberg	Porter
Eshoo	Kolbe	Portman
Evans	Kopetski	Poshard
Everett	Kreidler	Price (NC)
Ewing	Kyl	Pryce (OH)
Faleomavaega (AS)	LaFalce	Quillen
Farr	Lancaster	Quinn
Fawell	Lantos	Ramstad
Fazio	LaRocco	Rangel
Fields (LA)	Laughlin	Ravenel
Fields (TX)	Lazio	Reed
Filner	Leach	Regula
Fingerhut	Lehman	Richardson
Fish	Levin	Ridge
Flake	Levy	Roberts
Foglietta	Lewis (CA)	Roemer
Ford (MI)	Lewis (FL)	Rogers
Ford (TN)	Lewis (GA)	Rohrabacher
	Lightfoot	
Romero-Barcelo (PR)	Skeen	Thornton
Ros-Lehtinen	Skelton	Thurman
Rose	Slattery	Torkildsen
Rostenkowski	Slaughter	Torres
Roth	Smith (IA)	Torricelli
Roukema	Smith (MI)	Towns
Rowland	Smith (NJ)	Traficant
Roybal-Allard	Smith (OR)	Tucker
Royce	Smith (TX)	Unsoeld
Rush	Snowe	Upton
Sabo	Solomon	Velazquez
Sanders	Spence	Vento
Sangmeister	Spratt	Visclosky
Santorum	Stearns	Volkmer
Sarpalius	Stenholm	Vucanovich
Sawyer	Stokes	Walker
Saxton	Strickland	Walsh
Schaefer	Stump	Waters
Schenk	Stupak	Watt
Schiff	Sundquist	Weldon
Schroeder	Swett	Wheat
Schumer	Swift	Wilson
Scott	Synar	Wise
Sensenbrenner	Talent	Wolf
Serrano	Tanner	Woolsey
Sharp	Tauzin	Wyden
Shaw	Taylor (MS)	Wynn
Shays	Taylor (NC)	Yates
Shepherd	Tejeda	Young (AK)
Sisisky	Thomas (CA)	Young (FL)
Skaggs	Thomas (WY)	Zeliff
	Thompson	Zimmer

□ 1154

The CHAIRMAN. Four hundred and eight Members have answered to their names, a quorum is present, and the Committee will resume its business.

The Chair recognizes the gentleman from Connecticut [Mr. GEJDENSON].

Mr. GEJDENSON. Mr. Chairman, I yield such time as he may consume to the gentleman from Arizona [Mr. COPPERSMITH].

Mr. COPPERSMITH. Mr. Chairman, I support this campaign reform bill because I know, and every one of my colleagues in this House knows, that this bill presents the only possibility we have to move toward reform. This bill is, quite literally, the only game in town. That is why Common Cause and Public Citizen support this bill, and that is why those who really want to see reform, and who are not driven by partisan or individual concerns, also should support his bill.

This bill is neither perfect nor complete. We still need to approve a method for funding the system. I hope I can support the coming funding proposal. Right now, I don't know. But I do know that if this bill dies, we will not have the opportunity to deliver reform of the current campaign finance system.

I want to address one specific criticism of this bill, the notion that any supporter of term limits cannot vote for this bill. The bill as currently drafted requires groups that support certain types of ballot initiatives, including term limit initiatives, to make the same public disclosures that candidates for Congress must make. The opponents have alleged that this attempt to shine the light of public disclosure on initiatives constitutes "harassment."

But the real problem with that disclosure provision is not that it goes too far, but that it does not go far enough. We need more disclosure, not less. As Justice Brandeis noted in his book, "Other People's Money," "Sunlight is the best disinfectant." Those words remain true today. The people are served better by fuller disclosure, by knowing who really supports a candidate or a cause.

In my State, as in many Western States and States whose constitutions were written during

the Progressive era, the initiative and referendum are a proud and significant part of our political life. Unfortunately, too many moneyed interests, styling themselves as grassroots movements, push their own agendas, avoiding disclosure of their actual identities and the true sources of their support. It is not grassroots; it is astroturf.

Any group seeking to move public policy should want to make these disclosures. I support term limits, and I support shining the light of public scrutiny as fully and brightly as possible on the political process. At the root of both ideas is opening up the system and making it more accountable. These proposals are not mutually exclusive; instead, they go together.

I support H.R. 3, the Campaign Spending Limit and Reform Act, and I urge my colleagues to do the same.

Mr. THOMAS of California. Mr. Chairman, it is my pleasure to yield 3 minutes to the gentleman from Massachusetts [Mr. TORKILDSEN], the chairman of the Freshman Republican Campaign Task Force.

Mr. TORKILDSEN. Mr. Chairman, I rise in support of the Republican substitute for campaign finance reform, which would ban political action committee contributions to candidates for Congress.

While there are many issues to be debated for meaningful campaign finance reform, I want to focus on the issue of PAC contributions. Perhaps nowhere is an incumbent's advantage over challengers more pronounced than in PAC contributions.

The simple fact is that it is incumbents, not challengers, who shake the PAC-funded money tree. It is incumbents who receive the vast majority of all PAC contributions. In 1992, challengers received only 9.5 percent of PAC contributions!

So is it any surprise that the bill the Democrat leadership is advocating—under a gag rule—continues the status quo of allowing, and even encouraging, $5,000 contributions per PAC per election?

Even pretending that $200,000 in PAC money is somehow a limit is absurd. That would be the same as telling a mass murderer that he would be limited to 200 murders per year, in the interest of reducing crime.

Some of us who ran for office refused all PAC money, even though our opponents took enormous amounts. While I accepted no PAC money last year, my general election opponent, a 14-year incumbent, took over $240,000 in PAC contributions.

For the Democrat leadership to advance a bill that would now put an incentive in place for those who refuse PAC money to now turn around and accept it, is pure hypocrisy. And it is inane to even try to call it reform.

For those who do not like the Republican substitute, there would have been other alternatives, such as the one proposed by the gentleman from Oklahoma, which would have reduced PAC contributions from $5,000 to $1,000. Unfortunately, both Democrats and Republicans will not have the opportunity to vote on any other amendments, because the rule adopted forbids him or anyone from offering alternatives.

If you are serious about reforming campaign finance, and leveling the playing field for challengers, then a vote to ban PAC contributions is essential. Because of the dictatorial rule adopted by this House, which will not even allow instructions to ban PAC contributions on the motion to recommit, our only opportunity to ban PAC contributions is by the Republican substitute. I ask every Member to vote for the substitute as our only vehicle to eliminate PAC contributions once and for all.

□ 1200

Mr. GEJDENSON. Mr. Chairman, I yield such time as he may consume to the gentleman from Kentucky [Mr. MAZZOLI].

Mr. MAZZOLI. Mr. Chairman, I rise in strong support of the gentleman's bill, and against the Republican alternative, and commend him on a job well done.

Mr. GEJDENSON. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. MEEHAN].

Mr. MEEHAN. Mr. Chairman, The Democratic bill is right on the principles. Some will oppose this bill today because they genuinely believe it is worse than nothing at all, but rejecting it will only give opponents of reform an excuse to kill campaign finance reform yet again. That would be a terrible disservice to our country.

My friends on the other side of the aisle will say there is no money for matching funds in this bill and that the caps are so full of holes that candidates will be able to spend more than a million dollars and still meet them.

But instead of fixing these problems, the Republican leadership doesn't even pretend to provide resources for challengers or limit overall spending. Congressional candidates spent $66 million in the 1972 election cycle.

In 1992, it was $504 million. By refusing to cap spending, the Republican alternative reinforces the escalating spiral of spending that had made elections a contest between fundraising committees rather than ideas.

Any system that requires candidates to raise several hundred thousand dollars to run a competitive race unfairly favors incumbents, gives special interests undue influence, and makes meaningful participation in the political process impossible for all but a handful of citizens.

Let us pass the Democratic bill and get on with reforming the way we finance congressional campaigns.

The conference should agree to compromise with the Senate and limit the size of PAC contributions or ban them outright, because failing to drastically reduce the power of PAC's would allow special interests to wield disproportionate influence over a wide range of issues, from health care to trade.

Mr. THOMAS of California. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Mr. Chairman, 8 years ago, in the Michigan State Senate, I introduced our first PAC limitation bill. One of my first bills in Congress, H.R. 1914, is a bill to limit PAC contributions and require that 51 percent of the contributions come from the Member's home district.

Lobbyists get paid $100,000, $200,000 and even higher salaries. They give millions of dollars to campaign war chests, because they are effective in influencing what ends up in our laws and the appropriation bills. Most every law is a transfer of wealth and special interest lobbyists are very successful in having the wealth transferred their way.

Sometimes the lobbyists PAC money ends up being a bribe for a vote. More often, it simply buys time in a busy Congressional schedule to give their side of the story and lobby for their interests.

On the question of the Republican substitute, we can vote in the interest of our campaign war chests, or we can vote in the best interest of America's future. To stop the PAC money and undue interests of lobbyists, to vote for 51 percent of the money coming from within a candidate's district, vote for the Michel substitute and the Republican proposal for campaign finance reform.

Mr. GEJDENSON. Mr. Chairman, I yield 2 minutes to the gentleman from New Mexico [Mr. RICHARDSON], the distinguished chief deputy whip.

Mr. RICHARDSON. Mr. Chairman, Let us get this issue behind us. This is not a perfect bill, but neither is our political system.

Let me just state that if this bill had been signed and not vetoed in 1991, $40 million less would have been spent on the last election cycle.

Mr. Chairman, this bill is a compromise to women and minorities, to reflect the diversity that is our country and this Congress. That is a noble goal. The Congress should reflect this diversity.

This bill will end the constant questioning every one of us has about how special interest moneys influence our vote. The bill does not accomplish all the goals we want, but it does the following four positive things:

One, it stops the escalating cost of campaigns; two, it protects the ability of all candidates, regardless of their wealth, to participate in competitive Federal campaigns; it equalizes the role for challengers who face incumbents with more resources; it places

less reliance on special interests, this is a good objective; last, it reduces the time and energy all of us spend on campaigns soliciting funds.

Mr. Chairman, great tribute should go to the gentleman from Washington [Mr. SWIFT], the gentleman from Connecticut [Mr. GEJDENSON], the Speaker, the majority leader, and minority Members that have worked on reforming our process.

This is not the best possible bill that could ever be drafted, but it is a good compromise, one that we should all support and just simply get this issue behind us.

Mr. Chairman, it cannot be denied, the campaign finance system is broken and needs to be fixed. Today we can fix it.

I rise in support of H.R. 3, the House Campaign Spending limit and Election Reform Act and I commend the ongoing efforts of Representative SAM GEJDENSON and Majority Leader GEPHARDT in their attempt to bring reform to the floor.

This bill accomplishes a great deal but faces the challenge that it does not do enough. We cannot let the hollow hope that something better will come along destroy our only chance at fixing a system that has run out of control.

Last year I told the people of New Mexico that I was committed to several basic principles in the reform of the political process. This bill stands on the foundation of those principles.

H.R. 3 limits overall spending. It limits the amount of PAC money a candidate can raise. It tightens the bundling and independent expenditure laws and, most important, it opens up the political process and will encourage more competition.

I have long been an advocate of campaign reform and increased competition in the political process. I believe that this bill accomplishes both goals.

Mr. Chairman, this bill calls for real change and reform. Therefore, it is far easier to vote no than to vote yes. Nonetheless, a yes vote is a vote for reform. A yes vote is the right vote.

Mr. THOMAS of California. Mr. Chairman, I yield 2 minutes and 30 seconds to the gentleman from Ohio [Mr. HOKE], an outspoken opponent of the Democratic plan and a strong proponent of the GOP reform plan.

Mr. HOKE. Mr. Chairman, I thank the gentleman for yielding time to me.

Let us tell the truth about spending limits in these two different bills. I think it is important that we get down to this.

I just had a nice conversation with the gentleman from Connecticut [Mr. GEJDENSON], and he stipulates that for a general election, with a primary and a runoff, the limit would be a million sixty. For a general election, with just a primary, the limit would be $860,000, and for a general election with no runoff, the limit would be $660,000.

That is the law, the limit that would be in the Democrats bill.

Let me tell Members right now what the average candidate's expenditure is. It was about $400,000 in 1992. That was what was spent. The average winning candidate spent $550,000.

□ 1210

The average PAC contribution is $250,000. If we eliminate PAC's and reduce each of these amounts, the average winning candidate would then be reduced to about an average of $300,000 in the 1992 cycle.

If we put on top of that the requirement that 51 percent of contributions have to come from in-district, it is clearly going to be even less. It is clearly going to be even less. So this phony, as the New York Times put it, it is a fake bill, this phony spending limit is a spending limit in name only. In practical application, those spending limits will never be reached.

Not only that, but they are also COLAed, they are adjusted for inflation starting in 1994. Mr. Chairman, what our bill would do is, it would eliminate the PAC money and it would require that 51 percent of this money come from in-district.

Let us talk about the theory that was behind PAC's in the first place. It was well intended. As my friend, the gentleman from Ohio, says, it allows people to put in $5 or $10 and all of these moneys come together. The fact is that when an individual gives a contribution to a political campaign, they do it for a broad spectrum of reasons that are all in the public interest, or how they perceive the public interest to be.

However, when a special interest takes that money, it is using it to influence a specific piece of legislation, to buy a specific piece of legislation, and to get a specific agenda of their own across. This is the difference.

That is the problem with special interest money, as opposed to public interest money. That is the problem that everybody in this Chamber grapples with, because so many of us are actually beholden to that as an easy way to raise funds.

Mr. Chairman, I urge support of the so-called Michel substitute. I urge Members to vote down this fake bill.

Mr. GEJDENSON. Mr. Chairman, it is my privilege now to yield 5 minutes to the gentleman from Washington [Mr. SWIFT], who has really been a remarkable leader in this area, and has been a great help to me personally in putting forward this bill.

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

Mr. SWIFT. Mr. Chairman, today I want to disagree with conventional wisdom. The specific piece of conventional wisdom that I wish to disagree with is this: that political action committees are the root of all campaign finance evil. Mr. Chairman, I disagree with that conventional wisdom. In fact, I believe it is conventional malarkey.

Members might ask how on Earth could I stand here in the well of the House and say that. Please, follow me. What is the problem here that concerns people? Is it not the fundamental concern of the mixing of private money with public policy? If that is the problem, the mixing of private money with public policy, is not the solution to eliminate the private money? Public financing.

However, we cannot achieve public financing. The public does not support public financing. I would suggest that had Common Cause over the years spent have as much time explaining the benefits to the public of public financing as they have thinking up drive-by shootings and other kinds of political terrorism for Members in the House, we might be closer to their goal today than we are otherwise. The fact is, we are a very far piece from adopting public financing.

Therefore, question: If we cannot get public financing so we can drive the private money out of the system, does not the next question become, "What is the best kind of private money to have mixing with public policy?" And does not the answer follow, the most accountable kind of private money, the one we can see and trace and know about most readily?

Question: What kind of private money is that? The answer is the political action committee.

There is a reason that Americans know about PAC's. The reason is they are easy to track. They are regularly reported on. They are editorialized about. They are used by opponents in campaigns. Information about PAC's is readily available. It tells us who gave how much money to whom and what interest they represent.

Large individual contributions, on the other hand, are infinitely harder to track. They are much harder to correlate. It is much harder to determine with specificity what special interest they may represent. They are much harder for the media or for an opponent or the people to know about. It is much harder to know with a private, large individual contribution who gave how much money to whom and what interest do they represent.

If we cannot drive private money out of the system, if we cannot get to public financing, or if we philosophically do not want to get to public financing, do not, please do not, as the Republican substitute would do, drive that private money back under the table, which is what will happen if we rely more greatly on large individual private contributions.

We are stuck, at least for now, with private money in the system. Do not

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close down the most accountable kind, the one we know about, because we get so much information about it. Do not exchange it for a greater reliance on individual special interest money. That money is there today, and if the Republican substitute passes, that money will continue there big time, greater. Do not go back to the days of bag men and money under the table, vote with the gentleman from Connecticut [Mr. GEJDENSON] on the so-called Gejdenson bill.

Mr. THOMAS of California. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. CALVERT], a member of the Republican Campaign Task Force.

Mr. CALVERT. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I, like many of my freshman class colleagues, was elected with reform a major reason for our election to Congress. I have personally worked hard to see that major elements of reform are undertaken in the area of campaign reform.

I am proud to have been a member of the Republican Leader's Task Force on Campaign Finance Reform, as well as being an original cosponsor of the Republican campaign reform bill.

The Republican bill would accomplish what many deemed impossible, a virtual elimination of the influence of the PAC's and most importantly a renewed accountability to our constituents.

It is the accountability to our constituents which I deem to be most important. The Republican bill requires that a majority of a candidate or incumbent's funds come from individual contributors who reside in their district.

No more would the majority of a candidate's or incumbent's funds come from PAC's here in Washington.

No more would rich residents outside a Member's district be able to provide a majority of a candidate's or incumbent's funding.

No more would the residents of a district be held hostage to anyone else.

Some say that this discriminates against poorer districts, but this is not true. Both the incumbent and challenger would have to abide by the same restrictions.

What about a wealthy challenger spending his own money? The Republican bill removes any restrictions on a candidate or incumbent if his opponent spends more than $250,000 of his own money.

What about an incumbent who already has money in a "war chest?" The Republican bill permits the party to make a one time match of the "war chest" amount to ensure that the challenger and incumbent start off at the same level.

My office has recently been getting letters and calls from so called watchdog groups which are pushing for support of public financing of campaigns. These groups say that public financing will help make Congress more accountable to its constituents rather than special interest contributors.

But, if there is no requirement to have the majority of a candidate's funds provided by individual in-district contributions, how does this make us more accountable?

If this bill is not going to go into effect until there is some tax legislation at a later time, how are we responding to the needs of our constituents for some speed in campaign reforms?

Let us stop living in a dream, like many seem to want us to do, and pass a bill which provides better and more sincere reforms to our campaign finance system. That bill is the Republican one.

Mr. GEJDENSON. Mr. Chairman, it is now my privilege to yield such time as he may consume to the gentleman from Washington [Mr. FOLEY], the Speaker of the House, without whose efforts we would not be here today, and without his efforts, we would not be passing this bill, nor would we have passed the rule.

□ 1220

Mr. FOLEY. Mr. Chairman, I rise in support of the committee bill, in opposition to the Michel substitute. But I especially urge that all Members of Congress vote for campaign finance reform.

This is a difficult issue. We all know very well that this is an issue on which each Member has very strong, particular, and informed opinions. Each of us is a candidate. Each of us must decide, in his or her own elections, how to finance that campaign, and how to conduct that campaign.

But we are faced with an increasing cynicism on the part of the American people that there is not a fair contest between incumbents and challengers, and that there is not a willingness on the part of the House of Representatives and the Senate to deal with reform in this very personal area of political interest.

I think we can, to some extent, restore public confidence by moving today to bring this bill not only to a positive conclusion in the House, but move it forward into conference with the Senate. For those Members who want to do more or do differently, I would suggest they will have an opportunity to make a final judgment when the conference committee reports, and the bill comes back for final passage. But to vote "no" today is to kill campaign reform for this Congress. That would be a terrible message to send to the Nation, a bad message for both parties. It would increase public cynicism and doubt about the institution, and it simply is the wrong choice.

This bill has been carefully constructed to ensure fairness and balance. We limit campaign contributions by PAC's to a third of the total amount raised. We also limit the size of individual contributions. We limit the number of contributions from minors that can be secretly attributed to candidates by guardians. All of these reforms are aimed at fairness and balance in the campaign financing system.

Like my colleague, the gentleman from Washington [Mr. SWIFT], I frankly believe the best course would have been public financing. We do not have tax-supported public financing in this bill. I believe public financing is the way to offer the best opportunity for fairness and balance and an even playing field, but the public, for many years, has made clear its resistance and its reluctance to adopt that program. This is the best we can do at this moment to move serious and important campaign financing forward.

I urge my colleagues to vote "aye" on this bill and to send the message to the public that awaits our action today, that we are willing to reform, indeed anxious to reform.

Mr. GEJDENSON. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. FARR].

Mr. FARR of California. Mr. Chairman, I rise in support of H.R. 3 and opposed to the Republican substitute.

I speak as the most recently elected Member of this body, having campaigned last June against 26 other candidates. There were no other issues on the ballot other than this election to this office.

But certainly the whole debate was about campaign style and campaign reform. And I rise to support H.R. 3 because it embodies what everyone was talking about, a fairness and an equal playing field to allow all candidates to have an opportunity to express their viewpoints, not just those that have a lot of money in their back pocket, or a lot of money in their family history.

This is an equal playing field. They wanted fairness. They wanted disclosure, and that is what this campaign reform has.

I urge support of it, as does the AARP who wants H.R. 3. Common Cause wants us to support H.R. 3. The League of Women Voters wants us to support H.R. 3. I rise in support of this bill.

The CHAIRMAN. The gentleman from California [Mr. THOMAS] has 8 minutes remaining, and the gentleman from Connecticut [Mr. GEJDENSON] has 4 minutes remaining and has the right to close debate.

Mr. THOMAS of California. Mr. Chairman, I have the right to close debate.

Mr. Chairman, I yield 3 minutes to the gentleman from Louisiana [Mr. TAUZIN].

Mr. TAUZIN. Mr. Chairman, when President Abe Lincoln spoke softly on the battlefield at Gettysburg in a

speech he thought none would note and few would remember, he ended it with almost a prayer, that a government of, by, and for the people should not perish from the Earth.

Today when we debate campaign finance reform, and in the context of that debate introduce the concept of public funding, taxpayer dollars to fund vouchers for campaign communications, in my sincere opinion we threaten, we threaten the success of that prayer by Abe Lincoln.

Government should come from the people. Candidates for public office ought to get their support and their sustenance from the people who support them.

When Government funds, taxpayer funds are used to create candidates, to create communication in a campaign, and ultimately to help select the people who will eventually govern this Nation, we end up with Government by Government.

Taxpayer funding of campaigns is the most pernicious response to this Nation's call for campaign reform. I wish we had the chance today to vote on the bipartisan substitute that the gentleman from Oklahoma [Mr. SYNAR] would have offered in this House. Unfortunately, we are faced with a choice now to either choose to support a plan that contains this public taxpayer funding of campaigns, a proposition which I suggest that most Americans vehemently oppose, or to choose the Michel substitute.

I do not like a feature in the Michel substitute. I would rather we did not ban PAC contributions. I think that is probably unconstitutional, and if it is, the limits on PAC's in the Michel substitute would become the law of the land. Given this choice, the Michel substitute limiting the amount PAC's can contribute, the Michel substitute urging and in fact requiring that we raise more of our funds at home where we seek reelection, where we ask for support, or this choice to support taxpayer-funded campaigns in America, to support a choice where we are to vote for Government sponsoring itself, funding the very essence of free speech in America, a free speech in campaigns for the selection of candidates for public office, given that choice, I think the choice is clear. We ought to vote for the substitute. We ought to vote down this pernicious plan to put taxpayer dollars in our campaigns.

If Members think the American public is cynical about campaigns today, I want them to picture the day when campaigns are funded with taxpayer dollars, when Government taxpayer funds fund campaigns, and I want Members to picture that day when people in America see politicians at the trough for their own benefit, to fund their own campaigns, not satisfied with wastefully spending taxpayer dollars on all sorts of purposes, but spending it instead on themselves and on their own campaigns for reelection, put that before the voters and see how fast that is rejected by the American public.

The CHAIRMAN. The gentleman from Connecticut [Mr. GEJDENSON] has ceded to the gentleman from California [Mr. THOMAS] the right to close debate.

Mr. GEJDENSON. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin [Mr. BARCA].

Mr. BARCA of Wisconsin. Mr. Chairman, I am pleased to support this significant and meaningful campaign finance reform measure that Mr. GEJDENSON and the other members of his committee have worked so hard to bring forward.

During my recent campaign I took Common Cause's pledge to support legislation which reduces the undue influence of special-interest political money and provides challengers with a fairer chance to compete.

I am proud tonight to honor that pledge and to support the many people in my district who told me they believe that we need to improve our campaign finance laws.

In Wisconsin, our State election laws are similar to the provisions that I am supporting tonight. We have a long tradition of clean and open government in Wisconsin, and I think that our experience proves that campaign finance reform can work.

The public is frustrated and tired of seeing skyrocketing amounts of money being spent on campaigns. H.R. 3 provides for reasonable spending limits which will actually help challengers by putting them on a level playing field with incumbents.

The bill addresses the issue of Political Action Committees by placing aggregate limits on funds from both PAC's and wealthy individuals.

The measure closes the loopholes that allow soft money and bungling to be used to evade the current limits on contributions.

It has the support of Common Cause, Public Citizen, and the League of Women Voters, groups known for their support of open government.

This measure is necessary, timely and will strengthen our country by making our election process more competitive.

Mr. THOMAS of California. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida [Mr. STEARNS].

Mr. STEARNS. Mr. Chairman, I rise in strong support of real campaign finance reform, but in strong opposition to the phony reform contained in H.R. 3.

What is wrong with this bill? For starters, this bill has been created for one specific purpose—to make it easier for incumbents to get reelected. Supporters of this bill have incumbents in mind when they talk about reducing the time and energy candidates spend soliciting contributions. They feel that, in spite of the over 95-percent reelection rate for Members, we have to work too hard to get reelected.

So, here is what they have done.

First, this bill creates a system of taxpayer financing for elections, a new entitlement—welfare for politicians.

The way this will work is that entrenched incumbents will get the first $260,000 or so from the PAC community. Then, they will use this money and money from their big money contributors to do nationwide fundraising in Washington and New York and Hollywood. And the first $200 of their favorite Hollywood star or Wall Street lawyer's $1,000 contribution will be counted as a small contribution and matched by the tax dollars of your local dry cleaner or restaurant line cook.

Incumbents will find it much easier under the Democratic reform system to raise enough money to swamp their opponents while doing half the work.

The second critical factor that is wrong with the Democratic approach is the notion that hard spending limits will make it easier for challengers to get elected. The evidence shows the exact opposite. An analysis of challenger spending in the 1988 election by the Capitol Hill newspaper Roll Call showed that every challenger who spent less than $300,000 lost, while those who raised $500,000 or more had a 1 in 6 chance of winning. In other words, history shows us that, under the proposed system, a challenger would have little chance of winning, and if he or she chose to forgo or limit PAC contributions, their chances would be virtually nil.

Challengers generally need to raise large sums of money to overcome the advantages of incumbency—high name identification and easy access to PAC's. It is not often that the American Civil Liberties Union [ACLU] and the Heritage Foundation agree on an important matter, but both organizations have raised their voices loudly in opposition to this reform.

Third, the Democrat's bill is littered with loopholes that reward the campaign that can most clearly hide its spending under the guise of overhead, fundraising, or legal expenses. An incumbent with a healthy war chest can hide all types of expenditures by hiring the most sophisticated lawyers, accountants, and fundraisers around to figure our ways to exploit these loopholes.

At the same time, that incumbent's challenger will be raising $10 per person at house parties so that he or she can buy bumper stickers to establish some name identification. The $10 per person house party contribution will be counted against these spending limits, the $5,000 PAC check toward legal fees will not be.

Fourth, you will not be entitled to any of the Federal matching funds until you have raised a threshold level of $60,000 from contributions of $200 or less. With the professionally prepared national mailing list prepared by your off-spending limit fundraising operation, that may not be that hard to do. Going from house to house, door to door, only a small percentage of challengers will ever reach this threshold.

Every significant provision of this bill tilts the playing field to the incumbent's advantage. It's Reform Lite—you expend half as many calories campaigning as you used to, but you still get the great taste of reelection.

Now my colleagues on the other side of the aisle may argue that this is the only campaign

reform bill we are voting on today with any chance of passing. Well, thanks to their closed rules and refusal to accept any reform that would make elections more competitive that may be true.

I have voted last Congress for the real campaign reform proposed by the Republican leadership on November 25, 1991, H.R. 3750, Republican substitute, rollcall 425. It contained an 80-percent reduction in the allowable PAC contribution, requirements for a minimum of 50 percent of funds to come from individuals in a candidate's district, elimination of soft money with no loopholes and no taxpayer financing. This is the policy and reform I support.

I challenge any of my colleagues on the other side of the aisle to lay out the facts on these two issues before your constituents and ask them which proposal sounds like real reform to them.

Now, many of us on the Republican side question whether the total elimination of PAC's is good policy or constitutional, we all agree that the two key provisions in any campaign finance reform proposal are first, a substantial 80-percent cut in the allowable PAC contribution and second, a minimum requirement for either in-district or in-State financing percentages. Amendments have been offered on both sides of the aisle, and rejected by the Rules Committee, that would have contained these key provisions without a constitutionally questionable ban on PAC's.

The Republican plans are all based on one key premise—that our congressional elections should be more competitive. The Democratic bill is based on a different premise—that taxpayers should help incumbents get elected more easily.

I urge my colleagues to vote against phony reform and for more competitive elections.

□ 1230

Mr. GEJDENSON. Mr. Chairman, I yield the remainder of my time to the leader of the House, the gentleman from Missouri [Mr. GEPHARDT], a gentleman whose continuing efforts have improved the bill and brought us to this point where we will shortly hopefully pass the committee bill.

Mr. GEPHARDT. Mr. Chairman, I rise today in strong support of this legislation.

I want to thank the gentleman from Connecticut [Mr. GEJDENSON], the gentleman from Oklahoma [Mr. SYNAR], and many, many others who participated in putting this very important bill together.

In my view, the bill provides the most effective and strongest reform in a generation. The heart of reform has been, is now, always will be trying to put a limit on how much can be spent in a campaign.

People in the country know and believe that there is too much money being raised and too much money being spent in political campaigns, and they believe, rightly or wrongly, I think usually their perception is wrong, but they believe that money in campaigns has too much of an influence on the behavior of legislators.

And so from a practical viewpoint and from a theoretical viewpoint, the heart of reform is getting a limit. This bill achieves a limit on what can be spent.

In fact, a bill largely like this bill that we passed in 1992, if it had been signed by former President Bush, there would have been $40 million less, if it had been applicable to the 1992 election, spent in 1992 of special interests' so-called PAC money and large-contributor money.

So if we can pass the bill and apply it to 1996, a lot less money will be spent.

Secondly, we limit large-contributor money and political action money which is the second major definition of what is good reform.

Third, we induce small contributors, not through the use of public money. We have heard the word here on the floor that there is tax money, public money. That is not true. We do have to come back, and we will come back, and we will pass legislation that gets money out of the system through voluntary contributions to the system. But everyone believes that we need to induce smaller contributors.

Finally, I want to reiterate the importance of this legislation. Every public opinion poll, everytime that I meet with constituents, I receive the perception from people that they think money has too much of a place in this political system.

I think everybody here believes that too much time is spent in raising dollars for campaigns. I think everybody here believes that we need to reduce the amount of money involved in campaigns, and I think everybody here believes that it is time finally to bring real reform to the way money is raised and the way money is spent.

This is the opportunity to do it.

I urge Members to vote down the Michel amendment and to vote for this bill. It is real reform. It is not public financing. It is a limit on what can be spent. It is a limit on political action funds. It is a limit on large individual contributors. It is a description of what everybody who has talked about reform for 20 years has said is reform.

Vote for this bill. Improve our democracy and put faith back into our political system.

Mr. GEJDENSON. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. FAZIO].

Mr. FAZIO. Mr. Chairman, I rise in favor of this bill.

Mr. THOMAS of California. Mr. Chairman, I yield such time as he may consume to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Chairman, I rise in strong support of this legislation.

Mr. THOMAS of California. Mr. Chairman, I yield myself the remainder of my time.

Mr. Chairman, the speaker just a short time ago used the term "cynicism." The American people are very cynical about what is going on.

I would ask my colleagues and, as a matter of fact, members of the press and everybody at home to take out your campaign reform checklist. Let us look at what is actually in these two bills.

First of all, you just heard it once again from the majority leader. This bill before us today does nothing, and it will do nothing until Democrats vote a revenue package to make it work, if they vote a revenue package.

All of the good stuff they have talked about is on the shelf until they put money in this bill.

Now, ask yourself: Why would a Member of Congress who is an incumbent with hundreds of thousands of dollars in his or her campaign war chest give a political contribution to another incumbent who has a war chest of hundreds of thousands of dollars? Would you not think it is because the incumbent is trying to influence the other incumbent. Why would a Member of Congress want to influence another Member of Congress? Because we play games inside this body, such as who sits on which subcommittee, who gets to be a member, and who gets to be the chairman of a particular subcommittee.

Those insidious devices to pay off people inside this system are called leadership PAC's. The Republican substitute bans leadership PAC's. The Democrat's proposal does not.

The gentleman from Washington talked about bagmen with money, about money under the table. That is why it was in the 1960's and the early 1970's. All of this reform, such as the political action committee movement was designed to get corporate money out of the system, so-called soft money, because under Federal contribution laws, you cannot give corporate money. But we still have corporate money in the system today.

The Michel substitute bans soft money. Theirs does not. It allows soft money to stay in the system.

We ban the bundling of contributions. We think it is wrong. They ban the bundling of contributions except for those groups that are politically correct.

We say that if an incumbent has hundreds of thousands of dollars that he or she carries over in a massive campaign war chest, why not let a political party match that incumbent's amount and give the challenger the same amount that the incumbent carries over? If the incumbent does not want the challenger to have a lot of money, do not carry it over. It is an automatic fix on the problem of an incumbent's war chest. We propose that solution in our substitute. They do not.

We looked at the idea of the Senate Democrats and the Senate Republicans, that they put in their campaign

package: the banning of political action committees, and if that ban is unconstitutional, limiting them to $1,000. We decided that was a good idea: We have it in our package. The House Democrats do not.

The Democrats on the floor of the House are standing in the way of fundamental political action committee reform. I personally believe that the Supreme Court would uphold the constitutional right of political action committees to freely and voluntarily organize, but I see no constitutional guarantee that political action committees get to put more money in the system than anybody else. There is nothing wrong with a $1,000 limit on political action committees.

Finally, Democrats say they limit campaigns and they have a mechanism for limiting the dollars. Yes, but only if they spend, only if they go ahead and vote the revenue, do they then have a $1 million limit.

You know, I heard the majority leader say that that is the heart of campaign reform. Let me tell you what the heart of campaign reform is going to be. We have read about political consultants in the news recently. What we have seen is that they take these megabuck campaigns and play games with each other.

Let me ask you, what is the system that has a better chance of games being played? A system which allows you to raise a million dollars of which you do not have to raise a penny from people in your district, or a system where every time you want an outside dollar, you have got to go to people who are actually in the district and ask them for a contribution? Do you think the political shenanigans that go on in campaigns now, negative campaigning, the mudslinging and all the rest would go on if you had to go to your constituents and say, "I need your contribution before I can take another contribution?"

The reason so much negative campaigning goes on is because candidate's import the money. They get it from other places. Three-quarters of the American people agree with us. They want to require candidates to get money from their district.

Money is the means, not the end. It is votes: The votes of individuals are the end in this process.

□ 1240

Why do we not reunite the voting precinct with the financial precinct? Why do we not tell candidates in this country today, "You should go to the people who can vote in the election to determine how much money is spent in the campaign?", not some arbitrary number dictated by incumbents to guarantee that they still have got those war chests to carry on the negative campaigns. Bring financing back home. You will limit the spending, but, more importantly, you will clean up the sewer kind of campaigns that now go on.

The Michel substitute is real, fundamental reform across the board, and I urge its support.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from California [Mr. THOMAS].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. THOMAS of California. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 173, noes 263, not voting 2, as follows:

[Roll No. 603]

AYES—173

Allard	Greenwood	Oxley
Archer	Gunderson	Packard
Armey	Hall (TX)	Paxon
Bachus (AL)	Hancock	Petri
Baker (CA)	Hansen	Pombo
Ballenger	Hastert	Porter
Barrett (NE)	Hayes	Portman
Bartlett	Herger	Poshard
Barton	Hobson	Pryce (OH)
Bereuter	Hoekstra	Quillen
Bilirakis	Hoke	Quinn
Bliley	Horn	Ramstad
Blute	Houghton	Ravenel
Boehner	Huffington	Regula
Bunning	Hunter	Ridge
Burton	Hutchinson	Roberts
Callahan	Hyde	Rogers
Calvert	Inglis	Rohrabacher
Camp	Inhofe	Ros-Lehtinen
Canady	Istook	Roth
Castle	Johnson (CT)	Roukema
Coble	Johnson, Sam	Royce
Collins (GA)	Kasich	Santorum
Combest	Kim	Saxton
Cooper	King	Schaefer
Costello	Kingston	Schiff
Cox	Knollenberg	Sensenbrenner
Crane	Kolbe	Shaw
Crapo	Kyl	Shays
Cunningham	Lazio	Shuster
Deal	Leach	Skeen
DeLay	Levy	Smith (MI)
Diaz-Balart	Lewis (CA)	Smith (NJ)
Dickey	Lewis (FL)	Smith (OR)
Doolittle	Lightfoot	Smith (TX)
Dornan	Linder	Solomon
Dreier	Livingston	Spence
Duncan	Machtley	Stearns
Dunn	Margolies-Mezvinsky	Stenholm
Everett	McCandless	Stump
Ewing	McCollum	Sundquist
Fawell	McCrery	Talent
Fields (TX)	McDade	Tauzin
Fish	McHugh	Taylor (MS)
Franks (CT)	McInnis	Taylor (NC)
Franks (NJ)	McKeon	Thomas (CA)
Gallegly	McMillan	Thomas (WY)
Gallo	Meyers	Torkildsen
Gekas	Mica	Upton
Gilchrest	Michel	Vucanovich
Gillmor	Miller (FL)	Walker
Gilman	Minge	Walsh
Gingrich	Molinari	Weldon
Goodlatte	Moorhead	Wolf
Goodling	Morella	Young (AK)
Goss	Myers	Young (FL)
Grams	Nussle	Zeliff
Grandy		Zimmer

NOES—263

Abercrombie	Bacchus (FL)	Barrett (WI)
Ackerman	Baesler	Bateman
Andrews (ME)	Baker (LA)	Becerra
Andrews (NJ)	Barca	Beilenson
Andrews (TX)	Barcia	Bentley
Applegate	Barlow	Berman
Bevill	Hastings	Payne (NJ)
Bilbray	Hefley	Payne (VA)
Bishop	Hefner	Pelosi
Blackwell	Hilliard	Penny
Boehlert	Hinchey	Peterson (FL)
Bonilla	Hoagland	Peterson (MN)
Bonior	Hochbrueckner	Pickett
Borski	Holden	Pickle
Boucher	Hoyer	Pomeroy
Brewster	Hughes	Price (NC)
Brooks	Hutto	Rahall
Browder	Inslee	Rangel
Brown (CA)	Jacobs	Reed
Brown (FL)	Jefferson	Reynolds
Brown (OH)	Johnson (GA)	Richardson
Bryant	Johnson (SD)	Roemer
Buyer	Johnson, E. B.	Romero-Barcelo (PR)
Byrne	Johnston	Rose
Cantwell	Kanjorski	Rostenkowski
Cardin	Kaptur	Rowland
Carr	Kennedy	Roybal-Allard
Chapman	Kennelly	Rush
Clay	Kildee	Sabo
Clayton	Kleczka	Sanders
Clement	Klein	Sangmeister
Clyburn	Klink	Sarpalius
Coleman	Klug	Sawyer
Collins (IL)	Kopetski	Schenk
Collins (MI)	Kreidler	Schroeder
Condit	LaFalce	Schumer
Conyers	Lambert	Scott
Coppersmith	Lancaster	Serrano
Coyne	Lantos	Sharp
Cramer	LaRocco	Shepherd
Danner	Laughlin	Sisisky
Darden	Lehman	Skaggs
de la Garza	Levin	Skelton
de Lugo (VI)	Lewis (GA)	Slattery
DeFazio	Lipinski	Slaughter
DeLauro	Lloyd	Smith (IA)
Dellums	Long	Snowe
Derrick	Lowey	Spratt
Deutsch	Maloney	Stark
Dicks	Mann	Stokes
Dingell	Manton	Strickland
Dixon	Manzullo	Studds
Dooley	Markey	Stupak
Durbin	Martinez	Swett
Edwards (CA)	Matsui	Swift
Edwards (TX)	Mazzoli	Synar
Emerson	McCloskey	Tanner
Engel	McCurdy	Tejeda
English (AZ)	McDermott	Thompson
English (OK)	McHale	Thornton
Eshoo	McKinney	Thurman
Evans	McNulty	Torres
Faleomavaega (AS)	Meehan	Torricelli
Farr	Meek	Towns
Fazio	Menendez	Traficant
Fields (LA)	Mfume	Tucker
Filner	Miller (CA)	Underwood (GU)
Fingerhut	Mineta	Unsoeld
Flake	Mink	Valentine
Foglietta	Moakley	Velazquez
Ford (MI)	Mollohan	Vento
Ford (TN)	Montgomery	Visclosky
Fowler	Moran	Volkmer
Frank (MA)	Murphy	Washington
Frost	Murtha	Waters
Furse	Nadler	Watt
Gejdenson	Natcher	Waxman
Gephardt	Neal (MA)	Wheat
Geren	Neal (NC)	Whitten
Gibbons	Norton (DC)	Williams
Glickman	Oberstar	Wilson
Gonzalez	Obey	Wise
Gordon	Olver	Woolsey
Green	Ortiz	Wyden
Gutierrez	Orton	Wynn
Hamburg	Owens	Yates
Hamilton	Pallone	
Harman	Parker	
	Pastor	

NOT VOTING—2

Clinger	Hall (OH)

□ 1250

Ms. EDDIE BERNICE JOHNSON of Texas and Mr. WATT changed their vote from "aye" to "no."

Messrs. GILMAN, PETRI, and HALL of Texas changed their vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

□ 1300

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as modified.

The committee amendment in the nature of a substitute, as modified, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. BEILENSON] having assumed the chair, Mr. OBEY, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H.R. 3) to amend the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending limits and benefits for congressional election campaigns, and for other purposes, pursuant to House Resolution 319, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MRS. FOWLER

Mrs. FOWLER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentlewoman opposed to the bill?

Mrs. FOWLER. I am, Mr. Speaker.

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

The Clerk read as follows:

Mrs. FOWLER moves to recommit the bill H.R. 3, to the Committee on House Administration.

The SPEAKER pro tempore. The question is on the motion to recommit.

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

RECORDED VOTE

Mrs. FOWLER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 190, noes 240, not voting 3, as follows:

[Roll No. 604]

AYES—190

Andrews (TX)	Ballenger	Bereuter
Archer	Barrett (NE)	Bilirakis
Armey	Bartlett	Bliley
Bachus (AL)	Barton	Blute
Baker (CA)	Bateman	Boehner
Baker (LA)	Bentley	Bonilla
Bunning	Hoke	Pryce (OH)
Burton	Horn	Quillen
Buyer	Houghton	Quinn
Callahan	Huffington	Ramstad
Calvert	Hunter	Ravenel
Camp	Hutchinson	Regula
Canady	Hutto	Ridge
Castle	Hyde	Roberts
Coble	Inglis	Rogers
Collins (GA)	Inhofe	Rohrabacher
Combest	Istook	Ros-Lehtinen
Costello	Jacobs	Rostenkowski
Cox	Johnson (CT)	Roth
Crane	Johnson, Sam	Roukema
Crapo	Kasich	Rowland
Cunningham	Kim	Royce
DeLay	King	Santorum
Diaz-Balart	Kingston	Sarpalius
Dickey	Knollenberg	Saxton
Doolittle	Kolbe	Schaefer
Dornan	Kyl	Schiff
Dreier	Lambert	Sensenbrenner
Duncan	Lazio	Shaw
Dunn	Leach	Shuster
Emerson	Levy	Sisisky
English (OK)	Lewis (CA)	Skeen
Everett	Lewis (FL)	Skelton
Ewing	Lightfoot	Smith (MI)
Fawell	Linder	Smith (NJ)
Fields (TX)	Livingston	Smith (OR)
Fish	Lloyd	Smith (TX)
Fowler	Manzullo	Snowe
Franks (CT)	McCandless	Solomon
Franks (NJ)	McCollum	Spence
Frost	McCrery	Stearns
Gallegly	McCurdy	Stenholm
Gallo	McDade	Stump
Gekas	McHugh	Sundquist
Geren	McInnis	Synar
Gilchrest	McKeon	Talent
Gillmor	McMillan	Tanner
Gingrich	Meyers	Tauzin
Goodlatte	Mica	Taylor (MS)
Goodling	Michel	Taylor (NC)
Goss	Miller (FL)	Thomas (CA)
Grams	Molinari	Thomas (WY)
Grandy	Moorhead	Torkildsen
Greenwood	Myers	Upton
Gunderson	Nussle	Vucanovich
Hall (TX)	Orton	Walker
Hancock	Oxley	Walsh
Hansen	Packard	Weldon
Hastert	Paxon	Wolf
Hayes	Pickett	Young (AK)
Hefley	Pombo	Young (FL)
Herger	Porter	Zeliff
Hobson	Portman	
Hoekstra	Poshard	

NOES—240

Abercrombie	Clayton	Filner
Ackerman	Clement	Fingerhut
Andrews (ME)	Clyburn	Flake
Andrews (NJ)	Coleman	Foglietta
Applegate	Collins (IL)	Ford (MI)
Bacchus (FL)	Collins (MI)	Ford (TN)
Baesler	Condit	Frank (MA)
Barca	Conyers	Furse
Barcia	Cooper	Gejdenson
Barlow	Coppersmith	Gephardt
Barrett (WI)	Coyne	Gibbons
Becerra	Cramer	Gilman
Beilenson	Danner	Glickman
Berman	Darden	Gonzalez
Bevill	de la Garza	Gordon
Bilbray	Deal	Green
Bishop	DeFazio	Gutierrez
Blackwell	DeLauro	Hamburg
Boehlert	Dellums	Hamilton
Bonior	Derrick	Harman
Borski	Deutsch	Hastings
Boucher	Dicks	Hefner
Brewster	Dingell	Hilliard
Brooks	Dixon	Hinchey
Browder	Dooley	Hoagland
Brown (CA)	Durbin	Hochbrueckner
Brown (FL)	Edwards (CA)	Holden
Brown (OH)	Edwards (TX)	Hoyer
Bryant	Engel	Hughes
Byrne	English (AZ)	Inslee
Cantwell	Eshoo	Jefferson
Cardin	Evans	Johnson (GA)
Carr	Farr	Johnson (SD)
Chapman	Fazio	Johnson, E.B.
Clay	Fields (LA)	Johnston
Kanjorski	Mollohan	Sharp
Kaptur	Montgomery	Shays
Kennedy	Moran	Shepherd
Kennelly	Morella	Skaggs
Kildee	Murphy	Slattery
Kleczka	Murtha	Slaughter
Klein	Nadler	Smith (IA)
Klink	Natcher	Spratt
Klug	Neal (MA)	Stark
Kopetski	Neal (NC)	Stokes
Kreidler	Oberstar	Strickland
LaFalce	Obey	Studds
Lancaster	Olver	Stupak
Lantos	Ortiz	Swett
LaRocco	Owens	Swift
Laughlin	Pallone	Tejeda
Lehman	Parker	Thompson
Levin	Pastor	Thornton
Lewis (GA)	Payne (NJ)	Thurman
Lipinski	Payne (VA)	Torres
Long	Pelosi	Torricelli
Lowey	Penny	Towns
Machtley	Peterson (FL)	Traficant
Maloney	Peterson (MN)	Tucker
Mann	Petri	Unsoeld
Manton	Pickle	Valentine
Margolies-Mezvinsky	Pomeroy	Velázquez
Markey	Price (NC)	Vento
Martinez	Rahall	Visclosky
Matsui	Rangel	Volkmer
Mazzoli	Reed	Washington
McCloskey	Reynolds	Waters
McDermott	Richardson	Watt
McHale	Roemer	Waxman
McKinney	Rose	Wheat
McNulty	Roybal-Allard	Whitten
Meehan	Rush	Williams
Meek	Sabo	Wilson
Menendez	Sanders	Wise
Mfume	Sangmeister	Woolsey
Miller (CA)	Sawyer	Wyden
Mineta	Schenk	Wynn
Minge	Schroeder	Yates
Mink	Schumer	Zimmer
Moakley	Scott	
	Serrano	

NOT VOTING—3

Allard	Clinger	Hall (OH)

□ 1318

Mrs. MINK and Mr. DINGELL changed their vote from "aye" to "no."

Messrs. SARPALIUS, MICHEL, and STUMP changed their vote from "no" to "aye."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

□ 1320

The SPEAKER pro tempore (Mr. GEPHARDT). The question is on the passage of the bill.

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

Mr. THOMAS of California. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 255, nays 175, not voting 3, as follows:

[Roll No. 605]

YEAS—255

Abercrombie	Barrett (WI)	Boehlert
Ackerman	Becerra	Bonior
Andrews (ME)	Beilenson	Borski
Andrews (NJ)	Berman	Boucher
Andrews (TX)	Bevill	Brooks
Bacchus (FL)	Bilbray	Browder
Baesler	Bilirakis	Brown (CA)
Barca	Bishop	Brown (FL)
Barcia	Blackwell	Brown (OH)
Barlow	Blute	Bryant

Byrne
Cantwell
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Duncan
Durbin
Edwards (CA)
Edwards (TX)
Engel
English (AZ)
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Furse
Gejdenson
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Green
Gutierrez
Hall (TX)
Hamburg
Hamilton
Harman
Hastings
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Hoyer
Hughes
Inslee
Jacobs
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Klug
Kopetski
Kreidler
LaFalce
Lambert
Lantos
LaRocco
Laughlin
Leach
Lehman
Levin
Lewis (GA)
Lipinski
Long
Lowey
Machtley
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Morella
Murphy
Murtha
Nadler
Natcher
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickle
Pomeroy
Poshard
Price (NC)
Quinn
Rahall
Rangel
Reed
Reynolds
Richardson
Ridge
Roemer
Rose
Rostenkowski
Roth
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sawyer
Schenk
Schroeder
Schumer
Scott
Serrano
Sharp
Shays
Shepherd
Skaggs
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Snowe
Spratt
Stark
Stokes
Strickland
Studds
Stupak
Swett
Swift
Tejeda
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Tucker
Unsoeld
Valentine
Velázquez
Vento
Visclosky
Volkmer
Walsh
Washington
Waters
Watt
Waxman
Weldon
Wheat
Whitten
Williams
Wise
Woolsey
Wyden
Wynn
Yates
Zimmer

NAYS—175

Allard
Applegate
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bliley
Boehner
Bonilla
Brewster
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Carr
Castle
Coble
Collins (GA)
Combest
Cox
Crane
Crapo
Cunningham
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Dunn
Emerson
English (OK)
Everett
Ewing
Fawell
Fields (TX)
Fowler
Franks (CT)
Franks (NJ)
Frost
Gallegly
Gallo
Gekas
Geren
Gilchrest
Gillmor
Gingrich
Goodlatte
Goss
Grams
Grandy
Greenwood
Gunderson
Hancock
Hansen
Hastert
Hayes
Hefley
Herger
Hobson
Hoekstra
Hoke
Horn
Houghton
Huffington
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Istook
Johnson (CT)
Johnson, Sam
Kaptur
Kasich
Kim
King
Kingston
Knollenberg
Kolbe
Kyl
Lancaster
Lazio
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Livingston
Lloyd
Manzullo
McCandless
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
McMillan
Meyers
Mica
Michel
Miller (FL)
Molinari
Moorhead
Myers
Nussle
Oxley
Packard
Paxon
Pickett
Pombo
Porter
Portman
Pryce (OH)
Quillen
Ramstad
Ravenel
Regula
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Rowland
Royce
Santorum
Sarpalius
Saxton
Schaefer
Schiff
Sensenbrenner
Shaw
Shuster
Sisisky
Skeen
Skelton
Smith (OR)
Smith (TX)
Solomon
Spence
Stearns
Stenholm
Stump
Sundquist
Synar
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Towns
Traficant
Upton
Vucanovich
Walker
Wilson
Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—3

Clinger
Goodling
Hall (OH)

□ 1336

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. GEJDENSON. Mr. Speaker, pursuant to the provisions of House Resolution 319, I call up from the Speaker's table the Senate bill (S. 3) entitled the "Congressional Spending Limit and Election Reform Act of 1993," and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The text of S. 3 is as follows:

S. 3

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

SECTION 1. SHORT TITLE; AMENDMENT OF CAMPAIGN ACT; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Congressional Campaign Spending Limit and Election Reform Act of 1993".

(b) AMENDMENT OF FECA.—When used in this Act, the term "FECA" means the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.).

(c) TABLE OF CONTENTS.—

Sec. 1. Short title; amendment of Campaign Act; table of contents.
TITLE I—CONTROL OF CONGRESSIONAL CAMPAIGN SPENDING
Subtitle A—Senate Election Campaign Spending Limits and Benefits
Sec. 101. Senate spending limits and benefits.
Sec. 102. Ban on activities of political action committees in Federal elections.
Sec. 103. Reporting requirements.
Sec. 104. Disclosure by noneligible candidates.
Sec. 105. Excess campaign funds of Senate candidates.
Sec. 106. Restrictions on use of campaign funds.
Subtitle B— General Provisions
Sec. 131. Broadcast rates and preemption.
Sec. 132. Extension of reduced third-class mailing rates to eligible Senate candidates.
Sec. 133. Reporting requirements for certain independent expenditures.
Sec. 134. Campaign advertising amendments.
Sec. 135. Definitions.
Sec. 136. Provisions relating to franked mass mailings.
TITLE II—INDEPENDENT EXPENDITURES
Sec. 201. Clarification of definitions relating to independent expenditures.
Sec. 202. Equal broadcast time.
TITLE III—EXPENDITURES
Subtitle A—Personal Loans; Credit
Sec. 301. Personal contributions and loans.
Sec. 302. Extensions of credit.
Subtitle B—Provisions Relating to Soft Money of Political Parties
Sec. 311. Definitions.
Sec. 312. Contributions to political party committees.
Sec. 313. Provisions relating to national, State, and local party committees.
Sec. 314. Restrictions on fundraising by candidates and officeholders.
Sec. 315. Reporting requirements.
Subtitle C—Soft Money of Persons Other Than Political Parties
Sec. 321. Soft money of persons other than political parties.
TITLE IV—CONTRIBUTIONS
Sec. 401. Contributions through intermediaries and conduits; prohibition on certain contributions by lobbyists.
Sec. 402. Contributions by dependents not of voting age.
Sec. 403. Contributions to candidates from State and local committees of political parties to be aggregated.
Sec. 404. Contributions and expenditures using money secured by physical force or other intimidation.
Sec. 405. Prohibition of acceptance by a candidate of cash contributions from any one person aggregating more than $100.
Sec. 406. Out-of-State fundraising.
TITLE V—REPORTING REQUIREMENTS
Sec. 501. Change in certain reporting from a calendar year basis to an election cycle basis.
Sec. 502. Personal and consulting services.
Sec. 503. Computerized indices of contributions.
Sec. 504. Filing of reports using computers and facsimile machines.
Sec. 505. Political committees.
TITLE VI—FEDERAL ELECTION COMMISSION
Sec. 601. Use of candidates' names.
Sec. 602. Reporting requirements.
Sec. 603. Provisions relating to the general counsel of the Commission.
Sec. 604. Penalties.
Sec. 605. Audits.
Sec. 606. Prohibition of false representation to solicit contributions.

Sec. 607. Regulations relating to use of non-Federal money.
Sec. 608. Simultaneous registration of candidate and candidate's principal campaign committee.
Sec. 609. Reimbursement fund.
Sec. 610. Insolvent political committees.
TITLE VII—MISCELLANEOUS
Sec. 701. Prohibition of leadership committees.
Sec. 702. Polling data contributed to candidates.
Sec. 703. Debates by general election candidates who receive amounts from the Presidential Election Campaign Fund.
Sec. 704. Telephone voting by persons with disabilities.
Sec. 705. Provisions relating to Presidential primary elections.
Sec. 706. Certain tax-exempt organizations not subject to corporate limits.
Sec. 707. Aiding and abetting violations of FECA.
Sec. 708. Deposit of repayments of excess payments from the Presidential Election Campaign Fund.
Sec. 709. Disqualification from receiving public funding for Presidential election campaigns.
Sec. 710. Prohibition of contributions to Presidential candidates who receive public funding in the general election campaign.
Sec. 711. Application of increased revenues to reduce the deficit.
Sec. 712. Sense of the Senate that Congress should adopt a joint resolution proposing an amendment to the Constitution that would empower Congress and the States to set reasonable limits on campaign expenditures.
Sec. 713. Sense of the Senate.
Sec. 714. Campaign advertising that refers to an opponent.
Sec. 715. Limit on congressional use of the franking privilege.
TITLE VIII—EFFECTIVE DATES; AUTHORIZATIONS
Sec. 801. Effective date.
Sec. 802. Budget neutrality.
Sec. 803. Severability.
Sec. 804. Expedited review of constitutional issues.
Sec. 805. Regulations.

TITLE I—CONTROL OF CONGRESSIONAL CAMPAIGN SPENDING

Subtitle A—Senate Election Campaign Spending Limits and Benefits

SEC. 101. SENATE SPENDING LIMITS AND BENEFITS.

(a) IN GENERAL.—FECA is amended by adding at the end thereof the following new title:

"TITLE V—SPENDING LIMITS AND BENEFITS FOR SENATE ELECTION CAMPAIGNS

"SEC. 501. CANDIDATES ELIGIBLE TO RECEIVE BENEFITS.

"(a) IN GENERAL.—For purposes of this title, a candidate is an eligible Senate candidate if the candidate—

"(1) meets the primary and general election filing requirements of subsections (b) and (c);

"(2) meets the primary and runoff election expenditure limits of subsection (d); and

"(3) meets the threshold contribution requirements of subsection (e).

"(b) PRIMARY FILING REQUIREMENTS.—(1) The requirements of this subsection are met if the candidate files with the Secretary of the Senate a declaration that—

"(A) the candidate and the candidate's authorized committees—

"(i) will meet the primary and runoff election expenditure limits of subsection (d); and

"(ii) will only accept contributions for the primary and runoff elections which do not exceed such limits;

"(B) the candidate and the candidate's authorized committees will meet the general election expenditure limit under section 502(b);

"(C) the candidate and the candidate's authorized committees will meet the limitation on expenditures from personal funds under section 502(a); and

"(D) the candidate and the candidate's authorized committees will meet the closed captioning requirements of section 509.

"(2) The declaration under paragraph (1) shall be filed not later than the date the candidate files as a candidate for the primary election.

"(c) GENERAL ELECTION FILING REQUIREMENTS.—(1) The requirements of this subsection are met if the candidate certifies to the Secretary of the Senate, under penalty of perjury, that—

"(A) the candidate and the candidate's authorized committees—

"(i) met the primary and runoff election expenditure limits under subsection (d); and

"(ii) did not accept contributions for the primary or runoff election in excess of the primary or runoff expenditure limit under subsection (d), whichever is applicable, reduced by any amounts transferred to this election cycle from a preceding election cycle;

"(B) the candidate met the threshold contribution requirement under subsection (e), and that only allowable contributions were taken into account in meeting such requirement;

"(C) at least one other candidate has qualified for the same general election ballot under the law of the State involved;

"(D) such candidate and the authorized committees of such candidate—

"(i) except as otherwise provided by this title, will not make expenditures which exceed the general election expenditure limit under section 502(b);

"(ii) will not accept any contributions in violation of section 315;

"(iii) except as otherwise provided by this title, will not accept any contribution for the general election involved to the extent that such contribution would cause the aggregate amount of such contributions to exceed the sum of the amount of the general election expenditure limit under section 502(b) and the amounts described in subsections (c), (d), and (e) of section 502, reduced by any amounts transferred to this election cycle from a previous election cycle and not taken into account under subparagraph (A)(ii);

"(iv) will deposit all payments received under this title in an account insured by the Federal Deposit Insurance Corporation from which funds may be withdrawn by check or similar means of payment to third parties;

"(v) will furnish campaign records, evidence of contributions, and other appropriate information to the Commission;

"(vi) will cooperate in the case of any audit and examination by the Commission under section 505 and will pay any amounts required to be paid under that section; and

"(vii) will meet the closed captioning requirements of section 509; and

"(E) the candidate intends to make use of the benefits provided under section 503.

"(2) The certification under paragraph (1) shall be filed not later than 7 days after the earlier of—

"(A) the date the candidate qualifies for the general election ballot under State law; or

"(B) if, under State law, a primary or runoff election to qualify for the general election ballot occurs after September 1, the date the candidate wins the primary or runoff election.

"(d) PRIMARY AND RUNOFF EXPENDITURE LIMITS.—(1) The requirements of this subsection are met if:

"(A) The candidate or the candidate's authorized committees did not make expenditures for the primary election in excess of the lesser of—

"(i) 67 percent of the general election expenditure limit under section 502(b); or

"(ii) $2,750,000.

"(B) The candidate and the candidate's authorized committees did not make expenditures for any runoff election in excess of 20 percent of the general election expenditure limit under section 502(b).

"(2) The limitations under subparagraphs (A) and (B) of paragraph (1) with respect to any candidate shall be increased by the aggregate amount of independent expenditures in opposition to, or on behalf of any opponent of, such candidate during the primary or runoff election period, whichever is applicable, which are required to be reported to the Secretary of the Senate or to the Commission with respect to such period under section 304.

"(3)(A) If the contributions received by the candidate or the candidate's authorized committees for the primary election or runoff election exceed the expenditures for either such election, such excess contributions shall be treated as contributions for the general election and expenditures for the general election may be made from such excess contributions.

"(B) Subparagraph (A) shall not apply to the extent that such treatment of excess contributions—

"(i) would result in the violation of any limitation under section 315; or

"(ii) would cause the aggregate contributions received for the general election to exceed the limits under subsection (c)(1)(D)(iii).

"(e) THRESHOLD CONTRIBUTION REQUIREMENTS.—(1) The requirements of this subsection are met if the candidate and the candidate's authorized committees have received allowable contributions during the applicable period in an amount at least equal to 5 percent of the general election expenditure limit under section 502(b).

"(2) For purposes of this section and subsections (b) and (c) of section 503—

"(A) The term 'allowable contributions' means contributions which are made as gifts of money by an individual pursuant to a written instrument identifying such individual as the contributor.

"(B) The term 'allowable contributions' shall not include—

"(i) contributions made directly or indirectly through an intermediary or conduit which are treated as made by such intermediary or conduit under section 315(a)(8)(B);

"(ii) contributions from any individual during the applicable period to the extent such contributions exceed $250; or

"(iii) contributions from individuals residing outside the candidate's State.

Clauses (ii) and (iii) shall not apply for purposes of section 503(b).

"(3) For purposes of this subsection and subsections (b) and (c) of section 503, the term 'applicable period' means—

"(A) the period beginning on January 1 of the calendar year preceding the calendar year of the general election involved and ending on—

"(i) the date on which the certification under subsection (c) is filed by the candidate; or

"(ii) for purposes of subsections (b) and (c) of section 503, the date of such general election; or

"(B) in the case of a special election for the office of United States Senator, the period beginning on the date the vacancy in such office occurs and ending on the date of the general election involved.

"(f) INDEXING.—The $2,750,000 amount under subsection (d)(1) shall be increased as of the beginning of each calendar year based on the increase in the price index determined under section 315(c), except that, for purposes of subsection (d)(1) and section 502(b)(3), the base period shall be calendar year 1996.

"SEC. 502. LIMITATIONS ON EXPENDITURES.

"(a) LIMITATION ON USE OF PERSONAL FUNDS.—(1) The aggregate amount of expenditures which may be made during an election cycle by an eligible Senate candidate or such candidate's authorized committees from the sources described in paragraph (2) shall not exceed $25,000.

"(2) A source is described in this paragraph if it is—

"(A) personal funds of the candidate and members of the candidate's immediate family; or

"(B) personal debt incurred by the candidate and members of the candidate's immediate family.

"(b) GENERAL ELECTION EXPENDITURE LIMIT.—(1) Except as otherwise provided in this title, the aggregate amount of expenditures for a general election by an eligible Senate candidate and the candidate's authorized committees shall not exceed the lesser of—

"(A) $5,500,000; or

"(B) the greater of—

"(i) $1,200,000; or

"(ii) $400,000; plus

"(I) 30 cents multiplied by the voting age population not in excess of 4,000,000; and

"(II) 25 cents multiplied by the voting age population in excess of 4,000,000.

"(2) In the case of an eligible Senate candidate in a State which has no more than 1 transmitter for a commercial Very High Frequency (VHF) television station licensed to operate in that State, paragraph (1)(B)(ii) shall be applied by substituting—

"(A) '80 cents' for '30 cents' in subclause (I); and

"(B) '70 cents' for '25 cents' in subclause (II).

"(3) The amount otherwise determined under paragraph (1) for any calendar year shall be increased by the same percentage as the percentage increase for such calendar year under section 501(f) (relating to indexing).

"(c) LEGAL AND ACCOUNTING COMPLIANCE FUND.—(1) The limitation under subsection (b) shall not apply to qualified legal and accounting expenditures made by a candidate or the candidate's authorized committees or a Federal officeholder from a legal and accounting compliance fund meeting the requirements of paragraph (2).

"(2) A legal and accounting compliance fund meets the requirements of this paragraph if—

"(A) the fund is established with respect to qualified legal and accounting expenditures incurred with respect to a particular general election;

"(B) the only amounts transferred to the fund are amounts received in accordance with the limitations, prohibitions, and reporting requirements of this Act;

"(C) the aggregate amounts transferred to, and expenditures made from, the fund with respect to the election cycle do not exceed the sum of—

"(i) the lesser of—

"(I) 15 percent of the general election expenditure limit under subsection (b) for the general election for which the fund was established; or

"(II) $300,000; plus

"(ii) the amount determined under paragraph (4); and

"(D) no funds received by the candidate pursuant to section 503(a)(3) may be transferred to the fund.

"(3) For purposes of this subsection, the term 'qualified legal and accounting expenditures' means the following:

"(A) Any expenditures for costs of legal and accounting services provided in connection with—

"(i) any administrative or court proceeding initiated pursuant to this Act for the general election for which the legal and accounting fund was established; or

"(ii) the preparation of any documents or reports required by this Act or the Commission.

"(B) Any expenditures for legal and accounting services provided in connection with the general election for which the legal and accounting compliance fund was established to ensure compliance with this Act with respect to the election cycle for such general election.

"(4)(A) If, after a general election, a candidate determines that the qualified legal and accounting expenditures will exceed the limitation under paragraph (2)(C)(i), the candidate may petition the Commission by filing with the Secretary of the Senate a request for an increase in such limitation. The Commission shall authorize an increase in such limitation in the amount (if any) by which the Commission determines the qualified legal and accounting expenditures exceed such limitation. Such determination shall be subject to judicial review under section 506.

"(B) Except as provided in section 315, any contribution received or expenditure made pursuant to this paragraph shall not be taken into account for any contribution or expenditure limit applicable to the candidate under this title.

"(5) Any funds in a legal and accounting compliance fund shall be treated for purposes of this Act as a separate segregated fund, except that any portion of the fund not used to pay qualified legal and accounting expenditures, and not transferred to a legal and accounting compliance fund for the election cycle for the next general election, shall be treated in the same manner as other campaign funds for purposes of section 313(b).

"(d) PAYMENT OF TAXES ON EARNINGS.—The limitation under subsection (b) shall not apply to any expenditure for Federal, State, or local income taxes on the earnings of a candidate's authorized committees.

"(e) CERTAIN EXPENSES.—In the case of an eligible Senate candidate who holds a Federal office, the limitation under subsection (b) shall not apply to ordinary and necessary expenses of travel of such individual and the individual's spouse and children between Washington, D.C. and the individual's State in connection with the individual's activities as a holder of Federal office.

"(f) EXPENDITURES.—For purposes of this title, the term 'expenditure' has the meaning given such term by section 301(9), except that in determining any expenditures made by, or on behalf of, a candidate or a candidate's authorized committees, section 301(9)(B) shall be applied without regard to clause (ii) thereof.

"SEC. 503. BENEFITS ELIGIBLE CANDIDATE ENTITLED TO RECEIVE.

"(a) IN GENERAL.—An eligible Senate candidate shall be entitled to—

"(1) the broadcast media rates provided under section 315(b) of the Communications Act of 1934;

"(2) the mailing rates provided in section 3626(e) of title 39, United States Code; and

"(3) payments from the Senate Election Campaign fund in an amount equal to—

"(A) the excess expenditure amount determined under subsection (b); and

"(B) the independent expenditure amount determined under subsection (c).

"(b) EXCESS EXPENDITURE AMOUNT.—(1) For purposes of subsection (a)(3)(A), except as provided in section 510(d), the amount determined under this subsection is, in the case of an eligible Senate candidate who has an opponent in the general election who receives contributions, or makes (or obligates to make) expenditures, for such election in excess of the general election expenditure limit under section 502(b), the excess expenditure amount.

"(2) For purposes of paragraph (1), the excess expenditure amount is the amount determined as follows:

"(A) In the case of a major party candidate, an amount equal to the sum of—

"(i) if the excess described in paragraph (1) is less than 133⅓ percent of the general election expenditure limit under section 502(b), an amount equal to one-third of such limit applicable to the eligible Senate candidate for the election; plus

"(ii) if such excess equals or exceeds 133⅓ percent but is less than 166⅔ percent of such limit, an amount equal to one-third of such limit; plus

"(iii) if such excess equals or exceeds 166⅔ percent of such limit, an amount equal to one-third of such limit.

"(B) In the case of an eligible Senate candidate who is not a major party candidate, an amount equal to the least of the following:

"(i) The allowable contributions of the eligible Senate candidate during the applicable period in excess of the threshold contribution requirement under section 501(e).

"(ii) 50 percent of the general election expenditure limit applicable to the eligible Senate candidate under section 502(b).

"(iii) The excess described in paragraph (1).

"(c) INDEPENDENT EXPENDITURE AMOUNT.—For purposes of subsection (a)(3)(B), the amount determined under this subsection is the total amount of independent expenditures made, or obligated to be made, during the general election period by 1 or more persons in opposition to, or on behalf of an opponent of, an eligible Senate candidate which are required to be reported by such persons under section 304(c) with respect to the general election period and are certified by the Commission under section 304(c).

"(d) WAIVER OF EXPENDITURE AND CONTRIBUTION LIMITS.—(1)(A) An eligible Senate candidate who receives payments under subsection (a)(3) may make expenditures from such payments to defray expenditures for the

general election without regard to the general election expenditure limit under section 502(b).

"(B) In the case of an eligible Senate candidate who is not a major party candidate, the general election expenditure limit under section 502(b) with respect to such candidate shall be increased by the amount (if any) by which the excess described in subsection (b)(1) exceeds the amount determined under subsection (b)(2)(B) with respect to such candidate.

"(2)(A) An eligible Senate candidate who receives benefits under this section may make expenditures for the general election without regard to clause (i) of section 501(c)(1)(D) or subsection (a) or (b) of section 502 if any one of the eligible Senate candidate's opponents who is not an eligible Senate candidate either raises aggregate contributions, or makes or becomes obligated to make aggregate expenditures, for the general election that exceed 200 percent of the general election expenditure limit applicable to the eligible Senate candidate under section 502(b).

"(B) The amount of the expenditures which may be made by reason of subparagraph (A) shall not exceed 100 percent of the general election expenditure limit under section 502(b).

"(3)(A) A candidate who receives benefits under this section may receive contributions for the general election without regard to clause (iii) of section 501(c)(1)(D) if—

"(i) a major party candidate in the same general election is not an eligible Senate candidate; or

"(ii) any other candidate in the same general election who is not an eligible Senate candidate raises aggregate contributions, or makes or becomes obligated to make aggregate expenditures, for the general election that exceed 75 percent of the general election expenditure limit applicable to such other candidate under section 502(b).

"(B) The amount of contributions which may be received by reason of subparagraph (A) shall not exceed 100 percent of the general election expenditure limit under section 502(b).

"(e) USE OF PAYMENTS.—Payments received by a candidate under subsection (a)(3) shall be used to defray expenditures incurred with respect to the general election period for the candidate. Such payments shall not be used—

"(1) except as provided in paragraph (4), to make any payments, directly or indirectly, to such candidate or to any member of the immediate family of such candidate;

"(2) to make any expenditure other than expenditures to further the general election of such candidate;

"(3) to make any expenditures which constitute a violation of any law of the United States or of the State in which the expenditure is made; or

"(4) subject to the provisions of section 315(j), to repay any loan to any person except to the extent the proceeds of such loan were used to further the general election of such candidate.

"SEC. 504. CERTIFICATION BY COMMISSION.

"(a) IN GENERAL.—(1) The Commission shall certify to any candidate meeting the requirements of section 501 that such candidate is an eligible Senate candidate entitled to benefits under this title. The Commission shall revoke such certification if it determines a candidate fails to continue to meet such requirements.

"(2) No later than 48 hours after an eligible Senate candidate files a request with the Secretary of the Senate to receive benefits under section 503, the Commission shall issue a certification stating whether such candidate is eligible for payments under this title from the Senate Election Campaign Fund and the amount of such payments to which such candidate is entitled. The request referred to in the preceding sentence shall contain—

"(A) such information and be made in accordance with such procedures as the Commission may provide by regulation; and

"(B) a verification signed by the candidate and the treasurer of the principal campaign committee of such candidate stating that the information furnished in support of the request, to the best of their knowledge, is correct and fully satisfies the requirements of this title.

"(b) DETERMINATIONS BY COMMISSION.—All determinations (including certifications under subsection (a)) made by the Commission under this title shall be final and conclusive, except to the extent that they are subject to examination and audit by the Commission under section 505 and judicial review under section 506.

"SEC. 505. EXAMINATION AND AUDITS; REPAYMENTS; CIVIL PENALTIES.

"(a) EXAMINATION AND AUDITS.—(1) The Commission shall conduct an examination and audit of the campaign account of each eligible Senate candidate who accepted benefits under this title to determine, among other things, whether the candidate has complied with the expenditure limits and conditions of eligibility of this title, and other requirements of this Act.

"(2) The Commission may conduct an examination and audit of the campaign accounts of any candidate in a general election for the office of United States Senator if the Commission determines that there exists reason to believe that such candidate may have violated any provision of this title.

"(b) EXCESS PAYMENTS; REVOCATION OF STATUS.—(1) If the Commission determines that payments were made to an eligible Senate candidate under this title in excess of the aggregate amounts to which such candidate was entitled, the Commission shall so notify such candidate, and such candidate shall pay an amount equal to the excess.

"(2) If the Commission revokes the certification of a candidate as an eligible Senate candidate under section 504(a)(1), the Commission shall notify the candidate, and the candidate shall pay an amount equal to the payments received under this title.

"(c) MISUSE OF BENEFITS.—If the Commission determines that any amount of any benefit made available to an eligible Senate candidate under this title was not used as provided for in this title, the Commission shall so notify such candidate and such candidate shall pay the amount of such benefit.

"(d) EXCESS EXPENDITURES.—If the Commission determines that any eligible Senate candidate who has received benefits under this title has made expenditures which in the aggregate exceed—

"(1) the primary or runoff expenditure limit under section 501(d); or

"(2) the general election expenditure limit under section 502(b),

the Commission shall so notify such candidate and such candidate shall pay an amount equal to the amount of the excess expenditures.

"(e) CIVIL PENALTIES.—(1) If the Commission determines that a candidate has committed a violation described in subsection (c), the Commission may assess a civil penalty against such candidate in an amount not greater than 200 percent of the amount involved.

"(2)(A) LOW AMOUNT OF EXCESS EXPENDITURES.—Any eligible Senate candidate who makes expenditures that exceed any limitation described in paragraph (1) or (2) of subsection (d) by 2.5 percent or less shall pay an amount equal to the amount of the excess expenditures.

"(B) MEDIUM AMOUNT OF EXCESS EXPENDITURES.—Any eligible Senate candidate who makes expenditures that exceed any limitation described in paragraph (1) or (2) of subsection (d) by more than 2.5 percent and less than 5 percent shall pay an amount equal to three times the amount of the excess expenditures.

"(C) LARGE AMOUNT OF EXCESS EXPENDITURES.—Any eligible Senate candidate who makes expenditures that exceed any limitation described in paragraph (1) or (2) of subsection (d) by 5 percent or more shall pay an amount equal to the sum of—

"(i) three times the amount of the excess expenditures plus an additional amount determined by the Commission, plus

"(ii) if the Commission determines such excess expenditures were willful, an amount equal to the benefits the candidate received under this title.

"(f) UNEXPENDED FUNDS.—Any amount received by an eligible Senate candidate under this title and not expended on or before the date of the general election shall be repaid within 30 days of the election, except that a reasonable amount may be retained for a period not exceeding 120 days after the date of the general election for the liquidation of all obligations to pay expenditures for the general election incurred during the general election period. At the end of such 120-day period, any unexpended funds received under this title shall be promptly repaid.

"(g) PAYMENTS RETURNED TO SOURCE.—Any payment, repayment, or civil penalty required by this section shall be paid to the entity from which benefits under this title were paid to the eligible Senate candidate.

"(h) LIMIT ON PERIOD FOR NOTIFICATION.—No notification shall be made by the Commission under this section with respect to an election more than three years after the date of such election.

"SEC. 506. JUDICIAL REVIEW.

"(a) JUDICIAL REVIEW.—Any agency action by the Commission made under the provisions of this title shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition filed in such court within thirty days after the agency action by the Commission for which review is sought. It shall be the duty of the Court of Appeals, ahead of all matters not filed under this title, to advance on the docket and expeditiously take action on all petitions filed pursuant to this title.

"(b) APPLICATION OF TITLE 5.—The provisions of chapter 7 of title 5, United States Code, shall apply to judicial review of any agency action by the Commission.

"(c) AGENCY ACTION.—For purposes of this section, the term 'agency action' has the meaning given such term by section 551(13) of title 5, United States Code.

"SEC. 507. PARTICIPATION BY COMMISSION IN JUDICIAL PROCEEDINGS.

"(a) APPEARANCES.—The Commission is authorized to appear in and defend against any action instituted under this section and under section 506 either by attorneys employed in its office or by counsel whom it may appoint without regard to the provisions of title 5, United States Code, governing appointments in the competitive service,

and whose compensation it may fix without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title.

"(b) INSTITUTION OF ACTIONS.—The Commission is authorized, through attorneys and counsel described in subsection (a), to institute actions in the district courts of the United States to seek recovery of any amounts determined under this title to be payable to any entity from which benefits under this title were paid.

"(c) INJUNCTIVE RELIEF.—The Commission is authorized, through attorneys and counsel described in subsection (a), to petition the courts of the United States for such injunctive relief as is appropriate in order to implement any provision of this title.

"(d) APPEALS.—The Commission is authorized on behalf of the United States to appeal from, and to petition the Supreme Court for certiorari to review, judgments or decrees entered with respect to actions in which it appears pursuant to the authority provided in this section.

"SEC. 508. REPORTS TO CONGRESS; REGULATIONS.

"(a) REPORTS.—The Commission shall, as soon as practicable after each election, submit a full report to the Senate setting forth—

"(1) the expenditures (shown in such detail as the Commission determines appropriate) made by each eligible Senate candidate and the authorized committees of such candidate;

"(2) the amounts certified by the Commission under section 504 as benefits available to each eligible Senate candidate;

"(3) the amount of repayments, if any, required under section 505 and the reasons for each repayment required; and

"(4) the balance in the Senate Election Campaign Fund (and any account thereof).

Each report submitted pursuant to this section shall be printed as a Senate document.

"(b) RULES AND REGULATIONS.—The Commission is authorized to prescribe (in accordance with the provisions of subsection (c)) such rules and regulations, to conduct such examinations and investigations, and to require the keeping and submission of such books, records, and information, as it deems necessary to carry out the functions and duties imposed on it by this title.

"(c) STATEMENT TO SENATE.—Thirty days before prescribing any rule or regulation under subsection (b), the Commission shall transmit to the Senate a statement setting forth the proposed rule or regulation and containing a detailed explanation and justification of such rule or regulation.

"SEC. 509. CLOSED CAPTIONING REQUIREMENT FOR TELEVISION COMMERCIALS OF ELIGIBLE SENATE CANDIDATES.

"No eligible Senate candidate may receive amounts under section 503(a)(3) under section 503(a)(4) unless such candidate has certified that any television commercial prepared or distributed by the candidate will be prepared in a manner that contains, is accompanied by, or otherwise readily permits closed captioning of the oral content of the commercial to be broadcast by way of line 21 of the vertical blanking interval, or by way of comparable successor technologies.

"SEC. 510. SENATE ELECTION CAMPAIGN FUND.

"(a) ESTABLISHMENT OF CAMPAIGN FUND.—(1) There is hereby established on the books of the Treasury of the United States a special fund to be known as the Senate Election Campaign Fund (hereafter in this section referred to as 'the Fund').

"(2) There are hereby appropriated to the Fund the following amounts:

"(A) Amounts received in the Treasury which are equivalent to the increase in Federal revenues by reason of the repeal of the exempt function income exclusion under section 527 of the Internal Revenue Code of 1986 for authorized committees, and the graduated rates under such section for the principal campaign committee, of any candidate who does not abide by the campaign expenditure limits under this title, but only to the extent such amounts do not exceed the amount certified by the Commission as necessary to carry out the purposes of this title.

"(B) Amounts received in the Treasury which are equivalent to the increase in Federal revenues by reason of the disallowance of deductions for lobbying expenditures, but only to the extent such amounts do not exceed the amount certified by the Commission under subparagraph (A) reduced by amounts appropriated to the Fund under subparagraph (A).

"(C) Amounts transferred to the Fund under any provision of this Act.

"(D) Amounts credited to the Fund under paragraph (3).

"(3) The Secretary of the Treasury shall transfer amounts to, and manage, the Fund in the manner provided under subchapter B of chapter 98 of the Internal Revenue Code of 1986.

"(4) Amounts in the Fund shall, subject to the availability of appropriations, be available only for the purposes of—

"(A) providing benefits under this title; and

"(B) making expenditures in connection with the administration of the Fund.

"(5) The Secretary shall maintain such accounts in the Fund as may be required by this title or which the Secretary determines to be necessary to carry out the provisions of this title.

"(b) PAYMENTS UPON CERTIFICATION.—Upon receipt of a certification from the Commission under section 504, except as provided in subsection (c), the Secretary shall, subject to the availability of appropriations, promptly pay the amount certified by the Commission to the candidate out of the Fund.

"(c) REDUCTIONS IN PAYMENTS IF FUNDS INSUFFICIENT.—(1) If, at the time of a certification by the Commission under section 504 for payment to an eligible candidate, the Secretary determines that the monies in the Fund are not, or may not be, sufficient to satisfy the full entitlement of all eligible candidates, the Secretary shall withhold from the amount of such payment or voucher such amount as the Secretary determines to be necessary to assure that each eligible candidate will receive the same pro rata share of such candidate's full entitlement.

"(2) Amounts withheld under paragraph (1) shall be paid when the Secretary determines that there are sufficient monies in the Fund to pay all, or a portion thereof, to all eligible candidates from whom amounts have been withheld, except that if only a portion is to be paid, it shall be paid in such manner that each eligible candidate receives an equal pro rata share of such portion.

"(3)(A) Not later than December 31 of any calendar year preceding a calendar year in which there is a regularly scheduled general election, the Secretary, after consultation with the Commission, shall make an estimate of—

"(i) the amount of monies in the Fund which will be available to make payments required by this title in the succeeding calendar year; and

"(ii) the amount of expenditures which will be required under this title in such calendar year.

"(B) If the Secretary determines that there will be insufficient monies in the Fund to make the expenditures required by this title for any calendar year, the Secretary shall notify each candidate on January 1 of such calendar year (or, if later, the date on which an individual becomes a candidate) of the amount which the Secretary estimates will be the pro rata reduction in each eligible candidate's payments under this subsection. Such notice shall be by registered mail.

"(C) The amount of the eligible candidate's contribution limit under section 501(c)(1)(D)(iii) shall be increased by the amount of the estimated pro rata reduction.

"(4) The Secretary shall notify the Commission and each eligible candidate by registered mail of any actual reduction in the amount of any payment by reason of this subsection. If the amount of the reduction exceeds the amount estimated under paragraph (3), the candidate's contribution limit under section 501(c)(1)(D)(iii) shall be increased by the amount of such excess.".

(b) EFFECTIVE DATES.—(1) Except as provided in this subsection, the amendment made by subsection (a) shall apply to elections occurring after December 31, 1994.

(2) For purposes of any expenditure or contribution limit imposed by the amendment made by subsection (a)—

(A) no expenditure made before January 1, 1994, shall be taken into account, except that there shall be taken into account any such expenditure for goods or services to be provided after such date; and

(B) all cash, cash items, and Government securities on hand as of January 1, 1994, shall be taken into account in determining whether the contribution limit is met, except that there shall not be taken into account amounts used during the 60-day period beginning on January 1, 1994, to pay for expenditures which were incurred (but unpaid) before such date.

(c) EFFECT OF INVALIDITY ON OTHER PROVISIONS OF ACT.—If section 501, 502, or 503 of title V of FECA (as added by this section), or any part thereof, is held to be invalid, all provisions of, and amendments made by, this Act shall be treated as invalid.

SEC. 102. BAN ON ACTIVITIES OF POLITICAL ACTION COMMITTEES IN FEDERAL ELECTIONS.

(a) IN GENERAL.—Title III of FECA (2 U.S.C. 431 et seq.), as amended by section 404, is amended by adding at the end thereof the following new section:

"BAN ON FEDERAL ELECTION ACTIVITIES BY POLITICAL ACTION COMMITTEES

"SEC. 327. (a) Notwithstanding any other provision of this Act, no person other than an individual or a political committee may make contributions, solicit or receive contributions, or make expenditures for the purpose of influencing an election for Federal office.

"(b) In the case of individuals who are executive or administrative personnel of an employer—

"(1) no contributions may be made by such individuals—

"(A) to any political committees established and maintained by any political party; or

"(B) to any candidate for nomination for election, or election, to Federal office or the candidate's authorized committees,

unless such contributions are not being made at the direction of, or otherwise controlled or influenced by, the employer; and

"(2) the aggregate amount of such contributions by all such individuals in any calendar year shall not exceed—

"(A) $20,000 in the case of such political committees; and

"(B) $5,000 in the case of any such candidate and the candidate's authorized committees.".

(b) DEFINITION OF POLITICAL COMMITTEE.—(1) Paragraph (4) of section 301 of FECA (2 U.S.C. 431(4)) is amended to read as follows:

"(4) The term 'political committee' means—

"(A) the principal campaign committee of a candidate;

"(B) any national, State, or district committee of a political party, including any subordinate committee thereof; and

"(C) any local committee of a political party which—

"(i) receives contributions aggregating in excess of $5,000 during a calendar year;

"(ii) makes payments exempted from the definition of contribution or expenditure under paragraph (8) or (9) aggregating in excess of $5,000 during a calendar year;

"(iii) makes contributions or expenditures aggregating in excess of $1,000 during a calendar year; or

"(D) any committee described in section 315(a)(8)(D)(i)(III).".

(2) Section 316(b)(2) of FECA (2 U.S.C. 441b(b)(2)) is amended by striking subparagraph (C).

(c) CANDIDATE'S COMMITTEES.—(1) Section 315(a) of FECA (2 U.S.C. 441a(a)) is amended by adding at the end thereof the following new paragraph:

"(9) For the purposes of the limitations provided by paragraphs (1) and (2), any political committee which is established or financed or maintained or controlled by any candidate or Federal officeholder shall be deemed to be an authorized committee of such candidate or officeholder. Nothing in this paragraph shall be construed to permit the establishment, financing, maintenance, or control of any committee which is prohibited by paragraph (3) or (6) of section 302(e).".

(2) Section 302(e)(3) of FECA (2 U.S.C. 432) is amended to read as follows:

"(3) No political committee that supports or has supported more than one candidate may be designated as an authorized committee, except that—

"(A) a candidate for the office of President nominated by a political party may designate the national committee of such political party as the candidate's principal campaign committee, but only if that national committee maintains separate books of account with respect to its functions as a principal campaign committee; and

"(B) a candidate may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee.".

(d) RULES APPLICABLE WHEN BAN NOT IN EFFECT.—For purposes of the Federal Election Campaign Act of 1971, during any period beginning after the effective date in which the limitation under section 327 of such Act (as added by subsection (a)) is not in effect—

(1) the amendments made by subsections (a), (b), and (c) shall not be in effect;

(2) in the case of a candidate for election, or nomination for election, to Federal office (and such candidate's authorized committees), section 315(a)(2)(A) of FECA (2 U.S.C. 441a(a)(2)(A)) shall be applied by substituting "$1,000" for "$5,000";

(3) it shall be unlawful for a multi- candidate political committee to make a contribution to a candidate for election, or nomination for election, to Federal office (or an authorized committee) to the extent that the making or accepting of the contribution will cause the amount of contributions received by the candidate and the candidate's authorized committees from multicandidate political committees to exceed the lesser of—

(A) $825,000; or

(B) 20 percent of the aggregate Federal election spending limits applicable to the candidate for the election cycle.

The $825,000 amount in paragraph (3) shall be increased as of the beginning of each calendar year based on the increase in the price index determined under section 315(c) of FECA, except that for purposes of paragraph (3), the base period shall be the calendar year 1996. A candidate or authorized committee that receives a contribution from a multicandidate political committee in excess of the amount allowed under paragraph (3) shall return the amount of such excess contribution to the contributor.

(e) RULE ENSURING PROHIBITION ON DIRECT CORPORATE AND LABOR SPENDING.—If section 316(a) of the Federal Election Campaign Act of 1971 is held to be invalid by reason of the amendments made by this section, then the amendments made by subsections (a), (b), and (c) of this section shall not apply to contributions by any political committee that is directly or indirectly established, administered, or supported by a connected organization which is a bank, corporation, or other organization described in such section 316(a).

(f) RESTRICTIONS ON CONTRIBUTIONS TO POLITICAL COMMITTEES.—Paragraphs (1)(D) and (2)(D) of section 315(a) of FECA (2 U.S.C. 441a(a) (1)(D) and (2)(D)), as redesignated by section 312, are each amended by striking "$5,000" and inserting "$1,000".

(g) EFFECTIVE DATES.—(1) Except as provided in paragraph (2), the amendments made by this section shall apply to elections (and the election cycles relating thereto) occurring after December 31, 1994.

(2) In applying the amendments made by this section, there shall not be taken into account—

(A) contributions made or received before January 1, 1994; or

(B) contributions made to, or received by, a candidate on or after January 1, 1994, to the extent such contributions are not greater than the excess (if any) of—

(i) such contributions received by any opponent of the candidate before January 1, 1994, over

(ii) such contributions received by the candidate before January 1, 1994.

SEC. 103. REPORTING REQUIREMENTS.

Title III of FECA is amended by adding after section 304 the following new section:

"REPORTING REQUIREMENTS FOR SENATE CANDIDATES

"SEC. 304A. (a) CANDIDATE OTHER THAN ELIGIBLE SENATE CANDIDATE.—(1) Each candidate for the office of United States Senator who does not file a certification with the Secretary of the Senate under section 501(c) shall file with the Secretary of the Senate a declaration as to whether such candidate intends to make expenditures for the general election in excess of the general election expenditure limit applicable to an eligible Senate candidate under section 502(b). Such declaration shall be filed at the time provided in section 501(c)(2).

"(2) Any candidate for the United States Senate who qualifies for the ballot for a general election—

"(A) who is not an eligible Senate candidate under section 501; and

"(B) who either raises aggregate contributions, or makes or obligates to make aggregate expenditures, for the general election which exceed 75 percent of the general election expenditure limit applicable to an eligible Senate candidate under section 502(b),

shall file a report with the Secretary of the Senate within 2 business days after such contributions have been raised or such expenditures have been made or obligated to be made (or, if later, within 2 business days after the date of qualification for the general election ballot), setting forth the candidate's total contributions and total expenditures for such election as of such date. Thereafter, such candidate shall file additional reports (until such contributions or expenditures exceed 200 percent of such limit) with the Secretary of the Senate within 2 business days after each time additional contributions are raised, or expenditures are made or are obligated to be made, which in the aggregate exceed an amount equal to 10 percent of such limit and after the total contributions or expenditures exceed 100, 133⅓, 166⅔, and 200 percent of such limit.

"(3) The Commission—

"(A) shall, within 2 business days of receipt of a declaration or report under paragraph (1) or (2), notify each eligible Senate candidate in the election involved about such declaration or report; and

"(B) if an opposing candidate has raised aggregate contributions, or made or has obligated to make aggregate expenditures, in excess of the applicable general election expenditure limit under section 502(b), shall certify, pursuant to the provisions of subsection (d), such eligibility for payment of any amount to which such eligible Senate candidate is entitled under section 503(a).

"(4) Notwithstanding the reporting requirements under this subsection, the Commission may make its own determination that a candidate in a general election who is not an eligible Senate candidate has raised aggregate contributions, or made or has obligated to make aggregate expenditures, in the amounts which would require a report under paragraph (2). The Commission shall, within 2 business days after making each such determination, notify each eligible Senate candidate in the general election involved about such determination, and shall, when such contributions or expenditures exceed the general election expenditure limit under section 502(b), certify (pursuant to the provisions of subsection (d)) such candidate's eligibility for payment of any amount under section 503(a).

"(b) REPORTS ON PERSONAL FUNDS.—(1) Any candidate for the United States Senate who during the election cycle expends more than the limitation under section 502(a) during the election cycle from his personal funds, the funds of his immediate family, and personal loans incurred by the candidate and the candidate's immediate family shall file a report with the Secretary of the Senate within 2 business days after such expenditures have been made or loans incurred.

"(2) The Commission within 2 business days after a report has been filed under paragraph (1) shall notify each eligible Senate candidate in the election involved about each such report.

"(3) Notwithstanding the reporting requirements under this subsection, the Commission may make its own determination that a candidate for the United States Senate has made expenditures in excess of the amount under paragraph (1). The Commission within 2 business days after making such determination shall notify each eligible Senate candidate in the general election involved about each such determination.

"(c) CANDIDATES FOR OTHER OFFICES.—(1) Each individual—

"(A) who becomes a candidate for the office of United States Senator;

"(B) who, during the election cycle for such office, held any other Federal, State, or local office or was a candidate for such other office; and

"(C) who expended any amount during such election cycle before becoming a candidate for the office of United States Senator which would have been treated as an expenditure if such individual had been such a candidate, including amounts for activities to promote the image or name recognition of such individual,

shall, within 7 days of becoming a candidate for the office of United States Senator, report to the Secretary of the Senate the amount and nature of such expenditures.

"(2) Paragraph (1) shall not apply to any expenditures in connection with a Federal, State, or local election which has been held before the individual becomes a candidate for the office of United States Senator.

"(3) The Commission shall, as soon as practicable, make a determination as to whether the amounts included in the report under paragraph (1) were made for purposes of influencing the election of the individual to the office of United States Senator.

"(4) The Commission shall certify to the individual and such individual's opponents the amounts the Commission determines to be described in paragraph (3) and such amounts shall be treated as expenditures for purposes of this Act.

"(d) CERTIFICATIONS.—Notwithstanding section 504(a), the certification required by this section shall be made by the Commission on the basis of reports filed in accordance with the provisions of this Act, or on the basis of the Commission's own investigation or determination.

"(e) SHORTER PERIODS FOR REPORTS AND NOTICES DURING ELECTION WEEK.—Any report, determination, or notice required by reason of an event occurring during the 7-day period ending with the general election shall be made within 24 hours (rather than 2 business days) of the event.

"(f) COPIES OF REPORTS AND PUBLIC INSPECTION.—The Secretary of the Senate shall transmit a copy of any report or filing received under this section or under title V as soon as possible (but no later than 4 working hours of the Commission) after receipt of such report or filing, and shall make such report or filing available for public inspection and copying in the same manner as the Commission under section 311(a)(4), and shall preserve such reports and filings in the same manner as the Commission under section 311(a)(5).

"(g) DEFINITIONS.—For purposes of this section, any term used in this section which is used in title V shall have the same meaning as when used in title V.".

SEC. 104. DISCLOSURE BY NONELIGIBLE CANDIDATES.

Section 318 of FECA (2 U.S.C. 441d), as amended by section 134, is amended by adding at the end thereof the following:

"(f) If a broadcast, cablecast, or other communication is paid for or authorized by a candidate in the general election for the office of United States Senator who is not an eligible Senate candidate, or the authorized committee of such candidate, such communication shall contain the following sentence: 'This candidate has not agreed to voluntary campaign spending limits.'.".

SEC. 105. EXCESS CAMPAIGN FUNDS OF SENATE CANDIDATES.

Section 313 of FECA (2 U.S.C. 439a) is amended—

(1) by inserting "(a) IN GENERAL.—" before "Amounts"; and

(2) by adding at the end the following new subsection:

"(b) RETURN OF EXCESS CAMPAIGN FUNDS.—(1) Except as provided in paragraph (2), and notwithstanding subsection (a), if a candidate for the Senate has amounts in excess of amounts necessary to defray campaign expenditures for any election cycle, including any fines or penalties relating thereto, such candidate shall, not later than 1 year after the date of the general election for such cycle, expend such excess in the manner described in subsection (a) or transfer it to the Senate Election Campaign Fund established under section 510.

"(2) Paragraph (1) shall not apply to any amounts—

"(A) transferred to a legal and accounting compliance fund established under section 502(c); or

"(B) transferred for use in the next election cycle to the extent such amounts do not exceed 20 percent of the sum of the primary election expenditure limit under section 501(d)(1)(A) and the general election expenditure limit under section 502(b) for the election cycle from which the amounts are being transferred.".

SEC. 106. RESTRICTIONS ON USE OF CAMPAIGN FUNDS.

(a) RESTRICTIONS ON USE OF CAMPAIGN FUNDS.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following new section:

"SEC. 327. (a) An individual who receives contributions as a candidate for Federal office—

"(1) may use such contributions only for legitimate and verifiable campaign expenses; and

"(2) may not use such contributions for any inherently personal purpose.

"(b) As used in this subsection—

"(1) the term 'campaign expenses' means expenses attributable solely to bona fide campaign purposes; and

"(2) the term 'inherently personal purpose' means a purpose that, by its nature, confers a personal benefit, and such term includes, but is not limited to, a home mortgage payment, clothing purchase, noncampaign automobile expense, country club membership, vacations or trips of a non-campaign nature, and any other inherently personal living expense as determined under the regulations mandated by section 106(b) of the Congressional Campaign Spending Limit and Election Reform Act of 1993.".

(b) REGULATIONS.—For the purposes of subsection (a), the Federal Election Commission shall, not later than 90 days after the date of enactment of subsection (a), prescribe regulations to implement the subsection. Such regulations shall apply to all contributions possessed by an individual at the time of implementation of this section.

Subtitle B—General Provisions

SEC. 131. BROADCAST RATES AND PREEMPTION.

(a) BROADCAST RATES.—Section 315(b) of the Communications Act of 1934 (47 U.S.C. 315(b)) is amended—

(1) in paragraph (1)—

(A) by striking "forty-five" and inserting "30"; and

(B) by striking "lowest unit charge of the station for the same class and amount of time for the same period" and inserting "lowest charge of the station for the same amount of time for the same period on the same date"; and

(2) by adding at the end the following new sentence:

"In the case of an eligible Senate candidate (as defined in section 301(19) of the Federal Election Campaign Act of 1971), the charges for the use of a television broadcasting station during the 60-day period referred to in paragraph (1) shall not exceed 50 percent of the lowest charge described in paragraph (1), except that this sentence shall not apply to broadcasts which are to be paid by vouchers which are received under section 503(c)(4) by reason of the independent expenditure amount.".

(b) PREEMPTION; ACCESS.—Section 315 of such Act (47 U.S.C. 315) is amended by redesignating subsections (c) and (d) as subsections (d) and (e), respectively, and by inserting immediately after subsection (b) the following new subsection:

"(c)(1) Except as provided in paragraph (2), a licensee shall not preempt the use, during any period specified in subsection (b)(1), of a broadcasting station by a legally qualified candidate for public office who has purchased and paid for such use pursuant to the provisions of subsection (b)(1).

"(2) If a program to be broadcast by a broadcasting station is preempted because of circumstances beyond the control of the broadcasting station, any candidate advertising spot scheduled to be broadcast during that program may also be preempted.".

(c) REVOCATION OF LICENSE FOR FAILURE TO PERMIT ACCESS.—Section 312(a)(7) of such Act (47 U.S.C. 312(a)(7)) is amended—

(1) by striking "or repeated";

(2) by inserting "or cable system" after "broadcasting station"; and

(3) by striking "his candidacy" and inserting "his or her candidacy, under the same terms, conditions, and business practices as apply to its most favored advertiser".

SEC. 132. EXTENSION OF REDUCED THIRD-CLASS MAILING RATES TO ELIGIBLE SENATE CANDIDATES.

Section 3626(e) of title 39, United States Code, is amended—

(1) in paragraph (2)(A)—

(A) by striking "and the National" and inserting "the National"; and

(B) by striking "Committee;" and inserting "Committee, and, subject to paragraph (3), the principal campaign committee of an eligible Senate candidate;";

(2) in paragraph (2)(B), by striking "and" after the semicolon;

(3) in paragraph (2)(C), by striking the period and inserting "; and";

(4) by adding after paragraph (2)(C) the following new subparagraph:

"(D) the terms 'eligible Senate candidate' and 'principal campaign committee' have the meanings given those terms in section 301 of the Federal Election Campaign Act of 1971."; and

(5) by adding after paragraph (2) the following new paragraph:

"(3) The rate made available under this subsection with respect to an eligible Senate candidate shall apply only to—

"(A) the general election period (as defined in section 301 of the Federal Election Campaign Act of 1971); and

"(B) that number of pieces of mail equal to 2 times the number of individuals in the voting age population (as certified under section 315(e) of such Act) of the State.".

SEC. 133. REPORTING REQUIREMENTS FOR CERTAIN INDEPENDENT EXPENDITURES.

(a) IN GENERAL.—Section 304 of FECA (2 U.S.C. 434) is amended by adding at the end the following new subsection:

"(d) TIME FOR REPORTING CERTAIN EXPENDITURES.—(1) Any person making independent expenditures aggregating $1,000 or more after

the 20th day, but more than 24 hours, before any election shall file a report of such expenditures within 24 hours after such expenditures are made.

"(2) Any person making independent expenditures aggregating $10,000 or more at any time up to and including the 20th day before any election shall file a report within 48 hours after such expenditures are made. An additional statement shall be filed each time independent expenditures aggregating $10,000 are made with respect to the same election as the initial statement filed under this section.

"(3) Any statement under this subsection shall be filed with the Secretary of the Senate or the Commission, and the Secretary of State of the State involved, as appropriate, and shall contain the information required by subsection (b)(6)(B)(iii) of this section, including whether the independent expenditure is in support of, or in opposition to, the candidate involved. The Secretary of the Senate shall as soon as possible (but not later than 4 working hours of the Commission) after receipt of a statement transmit it to the Commission. Not later than 48 hours after the Commission receives a report, the Commission shall transmit a copy of the report to each candidate seeking nomination or election to that office.

"(4) For purposes of this subsection, an expenditure shall be treated as made when it is made or obligated to be made.

"(5)(A) If any person intends to make independent expenditures totaling $5,000 or more during the 20 days before an election, such person shall file a statement no later than the 20th day before the election.

"(B) Any statement under subparagraph (A) shall be filed with the Secretary of the Senate or the Commission, and the Secretary of State of the State involved, as appropriate, and shall identify each candidate whom the expenditure will support or oppose. The Secretary of the Senate shall as soon as possible (but not later than 4 working hours of the Commission) after receipt of a statement transmit it to the Commission. Not later than 48 hours after the Commission receives a statement under this paragraph, the Commission shall transmit a copy of the statement to each candidate identified.

"(6) The Commission may make its own determination that a person has made, or has incurred obligations to make, independent expenditures with respect to any Federal election which in the aggregate exceed the applicable amounts under paragraph (1) or (2). The Commission shall notify each candidate in such election of such determination within 24 hours of making it.

"(7) At the same time as a candidate is notified under paragraph (3), (5), or (6) with respect to expenditures during a general election period, the Commission shall certify eligibility to receive benefits under section 503(a).

"(8) The Secretary of the Senate shall make any statement received under this subsection available for public inspection and copying in the same manner as the Commission under section 311(a)(4), and shall preserve such statements in the same manner as the Commission under section 311(a)(5).".

(b) CONFORMING AMENDMENT.—Section 304(c)(2) of FECA (2 U.S.C. 434(c)(2)) is amended by striking the undesignated matter after subparagraph (C).

SEC. 134. CAMPAIGN ADVERTISING AMENDMENTS.

Section 318 of FECA (2 U.S.C. 441d) is amended—

(1) in the matter before paragraph (1) of subsection (a), by striking "Whenever" and inserting "Whenever a political committee makes a disbursement for the purpose of financing any communication through any broadcasting station, newspaper, magazine, outdoor advertising facility, mailing, or any other type of general public political advertising, or whenever";

(2) in the matter before paragraph (1) of subsection (a), by striking "an expenditure" and inserting "a disbursement' ;

(3) in the matter before paragraph (1) of subsection (a), by striking "direct";

(4) in paragraph (3) of subsection (a), by inserting after "name" the following "and permanent street address"; and

(5) by adding at the end the following new subsections:

"(c) Any printed communication described in subsection (a) shall be—

"(1) of sufficient type size to be clearly readable by the recipient of the communication;

"(2) contained in a printed box set apart from the other contents of the communication; and

"(3) consist of a reasonable degree of color contrast between the background and the printed statement.

"(d)(1) Any broadcast or cablecast communication described in subsection (a)(1) or subsection (a)(2) shall include, in addition to the requirements of those subsections, an audio statement by the candidate that identifies the candidate and states that the candidate has approved the communication.

"(2) If a broadcast or cablecast communication described in paragraph (1) is broadcast or cablecast by means of television, the communication shall include, in addition to the audio statement under paragraph (1), a written statement which—

"(A) states: 'I, (name of the candidate), am a candidate for (the office the candidate is seeking) and I have approved this message';

"(B) appears at the end of the communication in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds; and

"(C) is accompanied by a clearly identifiable photographic or similar image of the candidate.

"(e) Any broadcast or cablecast communication described in subsection (a)(3) shall include, in addition to the requirements of those subsections, in a clearly spoken manner, the following statement—

' is responsible for the content of this advertisement.'

with the blank to be filled in with the name of the political committee or other person paying for the communication and the name of any connected organization of the payor; and, if broadcast or cablecast by means of television, shall also appear in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds.".

SEC. 135. DEFINITIONS.

(a) IN GENERAL.—Section 301 of FECA (2 U.S.C. 431) is amended by striking paragraph (19) and inserting the following new paragraphs:

"(19) The term 'eligible Senate candidate' means a candidate who is certified under section 504 as eligible to receive benefits under title V.

"(20) The term 'general election' means any election which will directly result in the election of a person to a Federal office. Such term includes a primary election which may result in the election of a person to a Federal office.

"(21) The term 'general election period' means, with respect to any candidate, the period beginning on the day after the date of the primary or runoff election for the specific office the candidate is seeking, whichever is later, and ending on the earlier of—

"(A) the date of such general election; or

"(B) the date on which the candidate withdraws from the campaign or otherwise ceases actively to seek election.

"(22) The term 'immediate family' means—

"(A) a candidate's spouse;

"(B) a child, stepchild, parent, grandparent, brother, half-brother, sister or half-sister of the candidate or the candidate's spouse; and

"(C) the spouse of any person described in subparagraph (B).

"(23) The term 'major party' has the meaning given such term in section 9002(6) of the Internal Revenue Code of 1986, except that if a candidate qualified for the ballot in a general election in an open primary in which all the candidates for the office participated and which resulted in the candidate and at least one other candidate qualifying for the ballot in the general election, such candidate shall be treated as a candidate of a major party for purposes of title V.

"(24) The term 'primary election' means an election which may result in the selection of a candidate for the ballot in a general election for a Federal office.

"(25) The term 'primary election period' means, with respect to any candidate, the period beginning on the day following the date of the last election for the specific office the candidate is seeking and ending on the earlier of—

"(A) the date of the first primary election for that office following the last general election for that office; or

"(B) the date on which the candidate withdraws from the election or otherwise ceases actively to seek election.

"(26) The term 'runoff election' means an election held after a primary election which is prescribed by applicable State law as the means for deciding which candidate will be on the ballot in the general election for a Federal office.

"(27) The term 'runoff election period' means, with respect to any candidate, the period beginning on the day following the date of the last primary election for the specific office such candidate is seeking and ending on the date of the runoff election for such office.

"(28) The term 'voting age population' means the resident population, 18 years of age or older, as certified pursuant to section 315(e).

"(29) The term 'election cycle' means—

"(A) in the case of a candidate or the authorized committees of a candidate, the term beginning on the day after the date of the most recent general election for the specific office or seat which such candidate seeks and ending on the date of the next general election for such office or seat; or

"(B) for all other persons, the term beginning on the first day following the date of the last general election and ending on the date of the next general election.".

(b) IDENTIFICATION.—Section 301(13) of FECA (2 U.S.C. 431(13)) is amended by striking "mailing address" and inserting "permanent residence address".

SEC. 136. PROVISIONS RELATING TO FRANKED MASS MAILINGS.

Section 3210(a)(6)(C) of title 39, United States Code, is amended—

(1) by striking "if such mass mailing is postmarked fewer than 60 days immediately

before the date" and inserting "if such mass mailing is postmarked during the calendar year"; and

(2) by inserting "or reelection" immediately before the period.

TITLE II—INDEPENDENT EXPENDITURES

SEC. 201. CLARIFICATION OF DEFINITIONS RELATING TO INDEPENDENT EXPENDITURES.

(a) INDEPENDENT EXPENDITURE DEFINITION AMENDMENT.—Section 301 of FECA (2 U.S.C. 431) is amended by striking paragraphs (17) and (18) and inserting the following:

"(17)(A) The term 'independent expenditure' means an expenditure for an advertisement or other communication that—

"(i) contains express advocacy; and

"(ii) is made without the participation or cooperation of a candidate or a candidate's representative.

"(B) The following shall not be considered an independent expenditure:

"(i) An expenditure made by a political committee of a political party.

"(ii) An expenditure made by a person who, during the election cycle, has communicated with or received information from a candidate or a representative of that candidate regarding activities that have the purpose of influencing that candidate's election to Federal office, where the expenditure is in support of that candidate or in opposition to another candidate for that office.

"(iii) An expenditure if there is any arrangement, coordination, or direction with respect to the expenditure between the candidate or the candidate's agent and the person making the expenditure.

"(iv) An expenditure if, in the same election cycle, the person making the expenditure is or has been—

"(I) authorized to raise or expend funds on behalf of the candidate or the candidate's authorized committees; or

"(II) serving as a member, employee, or agent of the candidate's authorized committees in an executive or policymaking position.

"(v) An expenditure if the person making the expenditure has advised or counseled the candidate or the candidate's agents at any time on the candidate's plans, projects, or needs relating to the candidate's pursuit of nomination for election, or election, to Federal office, in the same election cycle, including any advice relating to the candidate's decision to seek Federal office.

"(vi) An expenditure if the person making the expenditure retains the professional services of any individual or other person also providing services in the same election cycle to the candidate in connection with the candidate's pursuit of nomination for election, or election, to Federal office, including any services relating to the candidate's decision to seek Federal office.

"(vii) An expenditure if the person making the expenditure has consulted at any time during the calendar year in which the election is to be held about the candidate's plans, projects, or needs relating to the candidate's pursuit of nomination for election, or election, to Federal office, with—

"(I) any officer, director, employee or agent of a party committee that has made or intends to make expenditures or contributions, pursuant to subsections (a), (d), or (h) of section 315 in connection with the candidate's campaign; or

"(II) any person whose professional services have been retained by a political party committee that has made or intends to make expenditures or contributions pursuant to subsections (a), (d), or (h) of section 315 in connection with the candidate's campaign.

For purposes of this subparagraph, the person making the expenditure shall include any officer, director, employee, or agent of such person, and the term 'professional services shall include any services (other than legal and accounting services for purposes of ensuring compliance with this Act) in support of any candidate's or candidates' pursuit of nomination for election, or election, to Federal office.

"(18) The term 'express advocacy' means, when a communication is taken as a whole and with limited reference to external events, an expression of support for or opposition to a specific candidate, to a specific group of candidates, or to candidates of a particular political party, or a suggestion to take action with respect to an election, such as to vote for or against, make contributions to, or participate in campaign activity.".

(b) CONTRIBUTION DEFINITION AMENDMENT.—Section 301(8)(A) of FECA (2 U.S.C. 431(8)(A)) is amended—

(1) in clause (i), by striking "or" after the semicolon at the end;

(2) in clause (ii), by striking the period at the end and inserting "; or"; and

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

"(iii) any payment or other transaction referred to in paragraph (17)(A)(i) that does not qualify as an independent expenditure under paragraph (17)(A)(ii).".

SEC. 202. EQUAL BROADCAST TIME.

Section 315(a) of the Communications Act of 1934 (47 U.S.C. 315(a)) is amended to read as follows:

"(a)(1) If a licensee permits any person who is a legally qualified candidate for public office to use a broadcasting station other than any use required to be provided under paragraph (2), the licensee shall afford equal opportunities to all other such candidates for that office in the use of the broadcasting station.

"(2)(A) A person who reserves broadcast time the payment for which would constitute an independent expenditure within the meaning of section 301(17) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(17)) shall—

"(i) inform the licensee that payment for the broadcast time will constitute an independent expenditure;

"(ii) inform the licensee of the names of all candidates for the office to which the proposed broadcast relates and state whether the message to be broadcast is intended to be made in support of or in opposition to each such candidate; and

"(iii) provide the licensee a copy of the statement described in section 304(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(d)).

"(B) A licensee who is informed as described in subparagraph (A) shall—

"(i) if any of the candidates described in subparagraph (A)(ii) has provided the licensee the name and address of a person to whom notification under this subparagraph is to be given—

"(I) notify such person of the proposed making of the independent expenditure; and

"(II) allow any such candidate (other than a candidate for whose benefit the independent expenditure is made) to purchase the same amount of broadcast time immediately after the broadcast time paid for by the independent expenditure; and

"(ii) in the case of an opponent of a candidate for whose benefit the independent expenditure is made who certifies to the licensee that the opponent is eligible to have the cost of response broadcast time paid using funds derived from a payment made under section 503(a)(3)(B) of the Federal Election Campaign Act of 1971, afford the opponent such broadcast time without requiring payment in advance and at the cost specified in subsection (b).

"(3) A licensee shall have no power of censorship over the material broadcast under this section.

"(4) Except as provided in paragraph (2), no obligation is imposed under this subsection upon any licensee to allow the use of its station by any candidate.

"(5)(A) Appearance by a legally qualified candidate on a—

"(i) bona fide newscast;

"(ii) bona fide news interview;

"(iii) bona fide news documentary (if the appearance of the candidate is incidental to the presentation of the subject or subjects covered by the news documentary); or

"(iv) on-the-spot coverage of bona fide news events (including political conventions and activities incidental thereto),

shall not be deemed to be use of a broadcasting station within the meaning of this subsection.

"(B) Nothing in subparagraph (A) shall be construed as relieving broadcasters, in connection with the presentation of newscasts, news interviews, news documentaries, and on-the-spot coverage of news events, from their obligation under this Act to operate in the public interest and to afford reasonable opportunity for the discussion of conflicting views on issues of public importance.

"(6)(A) A licensee that endorses a candidate for Federal office in an editorial shall, within the time stated in subparagraph (B), provide to all other candidates for election to the same office—

"(i) notice of the date and time of broadcast of the editorial;

"(ii) a taped or printed copy of the editorial; and

"(iii) a reasonable opportunity to broadcast a response using the licensee's facilities.

"(B) In the case of an editorial described in subparagraph (A) that—

"(i) is first broadcast 72 hours or more prior to the date of a primary, runoff, or general election, the notice and copy described in subparagraph (A) (i) and (ii) shall be provided not later than 24 hours after the time of the first broadcast of the editorial, and

"(ii) is first broadcast less than 72 hours before the date of an election, the notice and copy shall be provided at a time prior to the first broadcast that will be sufficient to enable candidates a reasonable opportunity to prepare and broadcast a response.".

TITLE III—EXPENDITURES

Subtitle A—Personal Loans; Credit

SEC. 301. PERSONAL CONTRIBUTIONS AND LOANS.

Section 315 of FECA (2 U.S.C. 441a) is amended by adding at the end the following new subsection:

"(j) LIMITATIONS ON PAYMENTS TO CANDIDATES.—(1) If a candidate or a member of the candidate's immediate family made any loans to the candidate or to the candidate's authorized committees during any election cycle, no contributions received after the date of the general election for such election cycle may be used to repay such loans.

"(2) No contribution by a candidate or member of the candidate's immediate family may be returned to the candidate or member other than as part of a pro rata distribution of excess contributions to all contributors.".

SEC. 302. EXTENSIONS OF CREDIT.

Section 301(8)(A) of FECA (2 U.S.C. 431(8)(A)), as amended by section 201(b), is amended—

(1) by striking "or" at the end of clause (ii);

(2) by striking the period at the end of clause (iii) and inserting "; or"; and

(3) by inserting at the end the following new clause:

"(iv) with respect to a candidate and the candidate's authorized committees, any extension of credit for goods or services relating to advertising on broadcasting stations, in newspapers or magazines, or by mailings, or relating to other similar types of general public political advertising, if such extension of credit is—

"(I) in an amount of more than $1,000; and

"(II) for a period greater than the period, not in excess of 60 days, for which credit is generally extended in the normal course of business after the date on which such goods or services are furnished or the date of a mailing.".

Subtitle B—Provisions Relating To Soft Money of Political Parties

SEC. 311. DEFINITIONS.

(a) CONTRIBUTION AND EXPENDITURE EXCEPTIONS.—(1) Clause (xii) of section 301(8)(B) of FECA (2 U.S.C. 431(8)(B)(xii)) is amended—

(A) by inserting "in connection with volunteer activities" after "such committee"; and

(B) by striking "and" at the end of subclause (2), by inserting "and" at the end of subclause (3), and by adding at the end the following new subclause:

"(4) such activities are conducted solely by, or any materials are distributed solely by, volunteers;".

(2) Clause (ix) of section 301(9)(B) of FECA (2 U.S.C. 431(9)(B)(ix)) is amended—

(A) by inserting "in connection with volunteer activities" after "such committee", and

(B) by striking "and" at the end of subclause (2), by inserting "and" at the end of subclause (3), and by adding at the end the following new subclause:

"(4) any materials in connection with such activities are prepared for distribution (and are distributed) solely by volunteers;".

(b) GENERIC ACTIVITIES; STATE PARTY GRASSROOTS FUND.—Section 301 of FECA (2 U.S.C. 431), as amended by section 135, is amended by adding at the end thereof the following new paragraphs:

"(30) The term 'generic campaign activity' means a campaign activity that promotes a political party rather than any particular Federal or non-Federal candidate.

"(31) The term 'State Party Grassroots Fund' means a separate segregated fund established and maintained by a State committee of a political party solely for purposes of making expenditures and other disbursements described in section 324(d).".

SEC. 312. CONTRIBUTIONS TO POLITICAL PARTY COMMITTEES.

(a) INDIVIDUAL CONTRIBUTIONS TO STATE PARTY.—Paragraph (1) of section 315(a) of FECA (2 U.S.C. 441a(a)(1)) is amended by striking "or" at the end of subparagraph (B), by redesignating subparagraph (C) as subparagraph (D), and by inserting after subparagraph (B) the following new subparagraph:

"(C) to—

"(i) a State Party Grassroots Fund established and maintained by a State committee of a political party in any calendar year which, in the aggregate, exceed $20,000;

"(ii) any other political committee established and maintained by a State committee of a political party in any calendar year which, in the aggregate, exceed $5,000,

except that the aggregate contributions described in this subparagraph which may be made by a person to the State Party Grassroots Fund and all committees of a State Committee of a political party in any State in any calendar year shall not exceed $20,000; or".

(b) MULTICANDIDATE COMMITTEE CONTRIBUTIONS TO STATE PARTY.—Paragraph (2) of section 315(a) of FECA (2 U.S.C. 441a(a)(2)) is amended by striking "or" at the end of subparagraph (B), by redesignating subparagraph (C) as subparagraph (D), and by inserting after subparagraph (B) the following new subparagraph:

"(C) to—

"(i) a State Party Grassroots Fund established and maintained by a State committee of a political party in any calendar year which, in the aggregate, exceed $15,000;

"(ii) to any other political committee established and maintained by a State committee of a political party which, in the aggregate, exceed $5,000,

except that the aggregate contributions described in this subparagraph which may be made by a multicandidate political committee to the State Party Grassroots Fund and all committees of a State Committee of a political party in any State in any calendar year shall not exceed $15,000; or".

(c) OVERALL LIMIT.—Paragraph (3) of section 315(a) of FECA (2 U.S.C. 441a(a)(3)) is amended to read as follows:

"(3)(A) No individual shall make contributions during any election cycle (as defined in section 301(29)(B)) which, in the aggregate, exceed $60,000.

"(B) No individual shall make contributions during any calendar year—

"(i) to all candidates and their authorized political committees which, in the aggregate, exceed $25,000; or

"(ii) to all political committees established and maintained by State committees of a political party which, in the aggregate, exceed $20,000.

"(C) For purposes of subparagraph (B)(i), any contribution made to a candidate or the candidate's authorized political committees in a year other than the calendar year in which the election is held with respect to which such contribution is made shall be treated as made during the calendar year in which the election is held.".

(d) PRESIDENTIAL CANDIDATE COMMITTEE TRANSFERS.—(1) Subparagraph (B) of section 315(b)(1) of FECA (2 U.S.C. 441a(b)(1)) is amended to read as follows:

"(B) in the case of a campaign for election to such office, an amount equal to the sum of—

"(i) $20,000,000, plus

"(ii) the lesser of—

"(I) 2 cents multiplied by the voting age population of the United States (as certified under subsection (e) of this section), or

"(II) the amounts transferred by the candidate and the authorized committees of the candidate to the national committee of the candidate's political party for distribution to State Party Grassroots Funds.".

(2) Subparagraph (A) of section 9002(11) of the Internal Revenue Code of 1986 (defining qualified campaign expense) is amended by striking "or" at the end of clause (ii), by inserting "or" at the end of clause (iii), and by inserting at the end the following new clause "(iv) any transfers to the national committee of the candidate's political party for distribution to State Party Grassroots Funds (as defined in section 301(31) of the Federal Election Campaign Act of 1971) to the extent such transfers do not exceed the amount determined under section 315(b)(1)(B)(ii) of such Act,".

SEC. 313. PROVISIONS RELATING TO NATIONAL, STATE, AND LOCAL PARTY COMMITTEES.

(a) SOFT MONEY OF COMMITTEES OF POLITICAL PARTIES.—Title III of FECA is amended by inserting after section 323 the following new section:

"POLITICAL PARTY COMMITTEES

"SEC. 324. (a) LIMITATIONS ON NATIONAL COMMITTEE.—(1) A national committee of a political party and the congressional campaign committees of a political party may not solicit or accept contributions or transfers not subject to the limitations, prohibitions, and reporting requirements of this Act.

"(2) Paragraph (1) shall not apply to contributions—

"(A) that—

"(i) are to be transferred to a State committee of a political party and are used solely for activities described in clauses (xi) through (xvii) of paragraph (9)(B) of section 301; or

"(ii) are described in section 301(8)(B)(viii); and

"(B) with respect to which contributors have been notified that the funds will be used solely for the purposes described in subparagraph (A).

"(b) ACTIVITIES SUBJECT TO THIS ACT.—Any amount solicited, received, expended, or disbursed directly or indirectly by a national, State, district, or local committee of a political party (including any subordinate committee) with respect to any of the following activities shall be subject to the limitations, prohibitions, and reporting requirements of this Act:

"(1)(A) Any get-out-the-vote activity conducted during a calendar year in which an election for the office of President is held.

"(B) Any other get-out-the-vote activity unless subsection (c)(2) applies to the activity.

"(2) Any generic campaign activity.

"(3) Any activity that identifies or promotes a Federal candidate, regardless of whether—

"(A) a State or local candidate is also identified or promoted; or

"(B) any portion of the funds disbursed constitutes a contribution or expenditure under this Act.

"(4) Voter registration.

"(5) Development and maintenance of voter files during an even-numbered calendar year.

"(6) Any other activity that—

"(A) significantly affects a Federal election, or

"(B) is not otherwise described in section 301(8)(B)(xvii).

Any amount spent to raise funds that are used, in whole or in part, in connection with activities described in the preceding paragraphs shall be subject to the limitations, prohibitions, and reporting requirements of this Act.

"(c) GET-OUT-THE-VOTE ACTIVITIES BY STATE, DISTRICT, AND LOCAL COMMITTEES OF POLITICAL PARTIES.—(1) Except as provided in paragraph (2), any get-out-the-vote activity for a State or local candidate, or for a ballot measure, which is conducted by a State, district, or local committee of a political party (including any subordinate committee) shall be subject to the limitations, prohibitions, and reporting requirements of this Act.

"(2) Paragraph (1) shall not apply to any activity which the State committee of a political party certifies to the Commission is an activity which—

"(A) is conducted during a calendar year other than a calendar year in which an election for the office of President is held,

"(B) is exclusively on behalf of (and specifically identifies only) one or more State or local candidates or ballot measures, and

"(C) does not include any effort or means used to identify or turn out those identified to be supporters of any Federal candidate (including any activity that is undertaken in coordination with, or on behalf of, a candidate for Federal office).

"(d) STATE PARTY GRASSROOTS FUNDS.—(1) A State committee of a political party may make disbursements and expenditures from its State Party Grassroots Fund only for—

"(A) any generic campaign activity;

"(B) payments described in clauses (v), (x), and (xii) of paragraph (8)(B) and clauses (iv), (viii), and (ix) of paragraph (9)(B) of section 301;

"(C) subject to the limitations of section 315(d), payments described in clause (xii) of paragraph (8)(B), and clause (ix) of paragraph (9)(B), of section 301 on behalf of candidates other than for President and Vice President;

"(D) voter registration; and

"(E) development and maintenance of voter files during an even-numbered calendar year.

"(2) Notwithstanding section 315(a)(4), no funds may be transferred by a State committee of a political party from its State Party Grassroots Fund to any other State Party Grassroots Fund or to any other political committee, except a transfer may be made to a district or local committee of the same political party in the same State if such district or local committee—

"(A) has established a separate segregated fund for the purposes described in paragraph (1); and

"(B) uses the transferred funds solely for those purposes.

"(e) AMOUNTS RECEIVED BY GRASSROOTS FUND FROM STATE AND LOCAL CANDIDATE COMMITTEES.—(1) Any amount received by a State Party Grassroots Fund from a State or local candidate committee for expenditures described in subsection (b) that are for the benefit of that candidate shall be treated as meeting the requirements of subsection (b) and section 304(e) if—

"(A) such amount is derived from funds which meet the requirements of this Act with respect to any limitation or prohibition as to source or dollar amount specified in section 315(a) (1)(A) and (2)(A); and

"(B) the State or local candidate committee—

"(i) maintains, in the account from which payment is made, records of the sources and amounts of funds for purposes of determining whether such requirements are met; and

"(ii) certifies that such requirements were met.

"(2) For purposes of paragraph (1)(A), in determining whether the funds transferred meet the requirements of this Act described in such paragraph—

"(A) a State or local candidate committee's cash on hand shall be treated as consisting of the funds most recently received by the committee, and

"(B) the committee must be able to demonstrate that its cash on hand contains sufficient funds meeting such requirements as are necessary to cover the transferred funds.

"(3) Notwithstanding paragraph (1), any State Party Grassroots Fund receiving any transfer described in paragraph (1) from a State or local candidate committee shall be required to meet the reporting requirements of this Act, and shall submit to the Commission all certifications received, with respect to receipt of the transfer from such candidate committee.

"(4) For purposes of this subsection, a State or local candidate committee is a committee established, financed, maintained, or controlled by a candidate for other than Federal office.

"(f) SOFT MONEY RESPONSE FUNDS.—(1) The national committee of any political party may establish a separate fund for purposes of this subsection. Such fund shall consist of contributions described in section 315(p).

"(2)(A) If a candidate or political party is notified under section 304(h) that a person is making disbursements in excess of $10,000—

"(i) solely in opposition to such candidate or solely in support of an opponent of such candidate, or

"(ii) in opposition to such political party or in support of another political party,

the national committee may make the transfers described in subparagraph (B).

"(B) In the case of—

"(i) a notification described in subparagraph (A)(i), the national committee may transfer funds to authorized committees of the candidate described in such paragraph, or

"(ii) a notification described in subparagraph (A)(ii), the national committee may transfer funds to the State Party Grassroots Fund in the State where the disbursements are being made.

The aggregate amounts which may be transferred under this subparagraph in response to any notification shall not exceed the amount of disbursements specified in such notice.

"(3) Any amount transferred under paragraph (2) (and any amount expended by the State Party Grassroots Fund or the candidate's authorized committees from such amount)—

"(A) shall not be treated as an expenditure for purposes of applying any expenditure limit applicable to the candidate under title V, and

"(B) shall not be taken into account in applying the limit under section 315(d)(3) for expenditures by a political party or committees thereof on behalf of a candidate.".

(b) CONTRIBUTIONS AND EXPENDITURES.—(1) Section 301(8)(B) of FECA (2 U.S.C. 431(8)(B)) is amended by striking "and" at the end of clause (xiii), by striking the period at the end of clause (xiv) and inserting a semicolon, and by adding at the end the following new clauses:

"(xv) any amount contributed to a candidate for other than Federal office;

"(xvi) any amount received or expended to pay the costs of a State or local political convention;

"(xvii) any payment for campaign activities that are exclusively on behalf of (and specifically identify only) State or local candidates and do not identify any Federal candidate, and that are not activities described in section 324(b) (without regard to paragraph (6)(B)) or section 324(c)(1);

"(xviii) any payment for administrative expenses of a State or local committee of a political party, including expenses for—

"(I) overhead, including party meetings;

"(II) staff (other than individuals devoting a significant amount of their time to elections for Federal office and individuals engaged in conducting get-out-the-vote activities for a Federal election); and

"(III) conducting party elections or caucuses;

"(xix) any payment for research pertaining solely to State and local candidates and issues;

"(xx) any payment for development and maintenance of voter files other than during the 1-year period ending on the date during an even-numbered calendar year on which regularly scheduled general elections for Federal office occur; and

"(xxi) any payment for any other activity which is solely for the purpose of influencing, and which solely affects, an election for non-Federal office and which is not an activity described in section 324(b) (without regard to paragraph (6)(B)) or section 324(c)(1).".

(2) Section 301(9)(B) of FECA (2 U.S.C. 431(9)(B)) is amended by striking "and" at the end of clause (ix), by striking the period at the end of clause (x) and inserting a semicolon, and by adding at the end the following new clauses:

"(xi) any amount contributed to a candidate for other than Federal office;

"(xii) any amount received or expended to pay the costs of a State or local political convention;

"(xiii) any payment for campaign activities that are exclusively on behalf of (and specifically identify only) State or local candidates and do not identify any Federal candidate, and that are not activities described in section 324(b) (without regard to paragraph (6)(B)) or section 324(c)(1);

"(xiv) any payment for administrative expenses of a State or local committee of a political party, including expenses for—

"(I) overhead, including party meetings;

"(II) staff (other than individuals devoting a significant amount of their time to elections for Federal office and individuals engaged in conducting get-out-the-vote activities for a Federal election); and

"(III) conducting party elections or caucuses;

"(xv) any payment for research pertaining solely to State and local candidates and issues;

"(xvi) any payment for development and maintenance of voter files other than during the 1-year period ending on the date during an even-numbered calendar year on which regularly scheduled general elections for Federal office occur; and

"(xvii) any payment for any other activity which is solely for the purpose of influencing, and which solely affects, an election for non-Federal office and which is not an activity described in section 324(b) (without regard to paragraph (6)(B)) or section 324(c)(1).".

(c) LIMITATION APPLIED AT NATIONAL LEVEL.—Paragraph (3) of section 315(d) of FECA (2 U.S.C. 441a(d)(3)) is amended by adding at the end the following new sentence:

"Notwithstanding the preceding sentence, the applicable congressional campaign committee of a political party shall make the expenditures described in this paragraph which are authorized to be made by a national or State committee with respect to a candidate in any State unless it allocates all or a portion of such expenditures to either or both of such committees.".

(d) LIMITATIONS APPLY FOR ENTIRE ELECTION CYCLE.—Section 315(d)(1) of FECA (2 U.S.C. 441a(d)(1)) is amended by adding at the end the following new sentence: "Each limitation under the following paragraphs shall apply to the entire election cycle for an office.".

(e) CONTRIBUTIONS TO RESPONSE FUNDS.—Section 315 of FECA (2 U.S.C. 441a), as amended by section 710, is amended by adding at the end the following new subsection:

"(p) CONTRIBUTIONS TO RESPONSE FUNDS.—(1) An individual may make contributions to

a response fund established by a political party under section 324(f) which, in the aggregate, do not exceed $7,500 for any calendar year. For purposes of the preceding sentence, contributions during the calendar year preceding the calendar year in which an election occurs shall be treated as made in the year in which the election occurs.

"(2) Any contribution under paragraph (1) shall not be taken into account for purposes of subsection (a) (1)(B) or (3)."

SEC. 314. RESTRICTIONS ON FUNDRAISING BY CANDIDATES AND OFFICEHOLDERS.

(a) STATE FUNDRAISING ACTIVITIES.—Section 315 of FECA (2 U.S.C. 441a), as amended by section 301, is amended by adding at the end thereof the following new subsection:

"(k) LIMITATIONS ON FUNDRAISING ACTIVITIES OF FEDERAL CANDIDATES AND OFFICEHOLDERS AND CERTAIN POLITICAL COMMITTEES.—(1) For purposes of this Act, a candidate for Federal office, an individual holding Federal office, or any agent of the candidate or individual may not solicit funds to, or receive funds on behalf of, any Federal or non-Federal candidate or political committee—

"(A) which are to be expended in connection with any election for Federal office unless such funds are subject to the limitations, prohibitions, and requirements of this Act; or

"(B) which are to be expended in connection with any election for other than Federal office unless such funds are not in excess of amounts permitted with respect to Federal candidates and political committees under subsections (a) (1) and (2), and are not from sources prohibited by such subsections with respect to elections to Federal office.

"(2)(A) The aggregate amount which a person described in subparagraph (B) may solicit from a multicandidate political committee for State committees described in subsection (a)(1)(C) (including subordinate committees) for any calendar year shall not exceed the dollar amount in effect under subsection (a)(2)(B) for the calendar year.

"(B) A person is described in this subparagraph if such person is a candidate for Federal office, an individual holding Federal office, an agent of such a candidate or individual, or any national, State, district, or local committee of a political party (including a subordinate committee) and any agent of such a committee.

"(3) The appearance or participation by a candidate for Federal office or individual holding Federal office in any fundraising event conducted by a committee of a political party or a candidate for other than Federal office shall not be treated as a solicitation for purposes of paragraph (1) if such candidate or individual does not solicit or receive, or make disbursements from, any funds resulting from such activity.

"(4) Paragraph (1) shall not apply to the solicitation or receipt of funds, or disbursements, by an individual who is a candidate for other than Federal office if such activity is permitted under State law.

"(5) For purposes of this subsection, an individual shall be treated as holding Federal office if such individual—

"(A) holds a Federal office; or

"(B) holds a position described in level I of the Executive Schedule under section 5312 of title 5, United States Code.".

(b) TAX-EXEMPT ORGANIZATIONS.—Section 315 of FECA (2 U.S.C. 441a), as amended by subsection (a), is amended by adding at the end thereof the following new subsection:

"(l) TAX-EXEMPT ORGANIZATIONS.—(1) If an individual is a candidate for, or holds, Federal office during any period, such individual may not during such period solicit contributions to, or on behalf of, any organization which is described in section 501(c) of the Internal Revenue Code of 1986 if a significant portion of the activities of such organization include voter registration or get-out-the-vote campaigns.

"(2) For purposes of this subsection, an individual shall be treated as holding Federal office if such individual—

"(A) holds a Federal office; or

"(B) holds a position described in level I of the Executive Schedule under section 5312 of title 5, United States Code.".

SEC. 315. REPORTING REQUIREMENTS.

(a) REPORTING REQUIREMENTS.—Section 304 of FECA (2 U.S.C. 434), as amended by section 133(a), is amended by adding at the end thereof the following new subsection:

"(e) POLITICAL COMMITTEES.—(1) The national committee of a political party and any congressional campaign committee of a political party, and any subordinate committee of either, shall report all receipts and disbursements during the reporting period, whether or not in connection with an election for Federal office.

"(2) A political committee (not described in paragraph (1)) to which section 324 applies shall report all receipts and disbursements including separate schedules for receipts and disbursements for State Grassroots Funds described in section 301(31).

"(3) Any political committee to which section 324 applies shall include in its report under paragraph (1) or (2) the amount of any transfer described in section 324(d)(2) and shall itemize such amounts to the extent required by section 304(b)(3)(A).

"(4) Any political committee to which paragraph (1) or (2) does not apply shall report any receipts or disbursements which are used in connection with a Federal election.

"(5) If a political committee has receipts or disbursements to which this subsection applies from any person aggregating in excess of $200 for any calendar year, the political committee shall separately itemize its reporting for such person in the same manner as subsection (b) (3)(A), (5), or (6).

"(6) Reports required to be filed by this subsection shall be filed for the same time periods required for political committees under subsection (a).".

(b) REPORT OF EXEMPT CONTRIBUTIONS.—Section 301(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)) is amended by inserting at the end thereof the following:

"(C) The exclusion provided in clause (viii) of subparagraph (B) shall not apply for purposes of any requirement to report contributions under this Act, and all such contributions aggregating in excess of $200 shall be reported.".

(c) REPORTS BY STATE COMMITTEES.—Section 304 of FECA (2 U.S.C. 434), as amended by subsection (a), is amended by adding at the end thereof the following new subsection:

"(f) FILING OF STATE REPORTS.—In lieu of any report required to be filed by this Act, the Commission may allow a State committee of a political party to file with the Commission a report required to be filed under State law if the Commission determines such reports contain substantially the same information.".

(d) OTHER REPORTING REQUIREMENTS.—

(1) AUTHORIZED COMMITTEES.—Paragraph (4) of section 304(b) of FECA (2 U.S.C. 434(b)(4)) is amended by striking "and" at the end of subparagraph (H), by inserting "and" at the end of subparagraph (I), and by adding at the end the following new subparagraph:

"(J) in the case of an authorized committee, disbursements for the primary election, the general election, and any other election in which the candidate participates;".

(2) NAMES AND ADDRESSES.—Subparagraph (A) of section 304(b)(5) of FECA (2 U.S.C. 434(b)(5)(A)) is amended—

(A) by striking "within the calendar year", and

(B) by inserting ", and the election to which the operating expenditure relates" after "operating expenditure".

Subtitle C—Soft Money of Persons Other Than Political Parties

SEC. 321. SOFT MONEY OF PERSONS OTHER THAN POLITICAL PARTIES.

Section 304 of FECA (2 U.S.C. 434), as amended by section 602(d), is amended by adding at the end thereof the following new subsection:

"(h) ELECTION ACTIVITY OF PERSONS OTHER THAN POLITICAL PARTIES.—(1)(A) If any person to which section 324 does not apply makes (or obligates to make) disbursements for activities described in section 324(b) in excess of $2,000, such person shall file a statement—

"(i) on or before the day which is 48 hours before the disbursements (or obligations) are made, or

"(ii) in the case of disbursements (or obligations) which are to be made within 14 days of the election, on or before such 14th day.

An additional statement shall be filed each time additional disbursements aggregating $2,000 are made (or obligated to be made) by such person.

"(B) This paragraph shall not apply to—

"(i) a candidate or a candidate's authorized committees, or

"(ii) an independent expenditure (as defined in section 301(17)).

"(2) Any statement under this section shall be filed with the Secretary of the Senate or the Clerk of the House of Representatives, and the Secretary of State of the State involved, as appropriate, and shall contain such information as the Commission shall prescribe, including whether the disbursement is in support of, or in opposition to, 1 or more candidates or any political party. The Secretary of the Senate or Clerk of the House of Representatives shall, as soon as possible (but not later than 24 hours after receipt), transmit a statement to the Commission and the Commission shall, not later than 48 hours after receipt, transmit it—

"(A) to the candidates or political parties involved, or

"(B) if the disbursement is not in support of, or in opposition to, a candidate or political party, to the State committees of each political party in the State involved.

"(3) The Commission may make its own determination that disbursements described in paragraph (1) have been made or obligated to be made. The Commission shall notify the candidates or political parties described in paragraph (2) within 24 hours of its determination."

TITLE IV—CONTRIBUTIONS

SEC. 401. CONTRIBUTIONS THROUGH INTERMEDIARIES AND CONDUITS; PROHIBITION ON CERTAIN CONTRIBUTIONS BY LOBBYISTS.

(a) CONTRIBUTIONS THROUGH INTERMEDIARIES AND CONDUITS.—Section 315(a)(8) of FECA (2 U.S.C. 441a(a)(8)) is amended to read as follows:

"(8) For the purposes of this subsection:

"(A) Contributions made by a person, either directly or indirectly, to or on behalf of a particular candidate, including contributions that are in any way earmarked or otherwise directed through an intermediary or

conduit to a candidate, shall be treated as contributions from the person to the candidate.

"(B) Contributions made directly or indirectly by a person to or on behalf of a particular candidate through an intermediary or conduit, including contributions made or arranged to be made by an intermediary or conduit, shall be treated as contributions from the intermediary or conduit to the candidate if—

"(i) the contributions made through the intermediary or conduit are in the form of a check or other negotiable instrument made payable to the intermediary or conduit rather than the intended recipient; or

"(ii) the intermediary or conduit is—

"(I) a political committee;

"(II) an officer, employee, or agent of such a political committee;

"(III) a political party;

"(IV) a partnership or sole proprietorship;

"(V) a person who is required to register or to report its lobbying activities, or a lobbyist whose activities are required to be reported, under section 308 of the Federal Regulation of Lobbying Act (2 U.S.C. 267), the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.), or any successor Federal law requiring a person who is a lobbyist or foreign agent to register or a person to report its lobbying activities; or

"(VI) an organization prohibited from making contributions under section 316, or an officer, employee, or agent of such an organization acting on the organization's behalf.

"(C)(i) The term 'intermediary or conduit' does not include—

"(I) a candidate or representative of a candidate receiving contributions to the candidate's principal campaign committee or authorized committee;

"(II) a professional fundraiser compensated for fundraising services at the usual and customary rate, but only if the individual is not described in subparagraph (B)(ii);

"(III) a volunteer hosting a fundraising event at the volunteer's home, in accordance with section 301(8)(B), but only if the individual is not described in subparagraph (B)(ii); or

"(IV) an individual who transmits a contribution from the individual's spouse.

"(ii) The term 'representative' means an individual who is expressly authorized by the candidate to engage in fundraising, and who occupies a significant position within the candidate's campaign organization, provided that the individual is not described in subparagraph (B)(ii).

"(iii) The term 'contributions made or arranged to be made' includes—

"(I) contributions delivered to a particular candidate or the candidate's authorized committee or agent; and

"(II) contributions directly or indirectly arranged to be made to a particular candidate or the candidate's authorized committee or agent, in a manner that identifies directly or indirectly to the candidate or authorized committee or agent the person who arranged the making of the contributions or the person on whose behalf such person was acting.

Such term does not include contributions made, or arranged to be made, by reason of an oral or written communication by a Federal candidate or officeholder expressly advocating the nomination for election, or election, of any other Federal candidate and encouraging the making of a contribution to such other candidate.

"(iv) The term 'acting on the organization's behalf' includes the following activities by an officer, employee or agent of a person described in subparagraph (B)(ii)(VI):

"(I) Soliciting or directly or indirectly arranging the making of a contribution to a particular candidate in the name of, or by using the name of, such a person.

"(II) Soliciting or directly or indirectly arranging the making of a contribution to a particular candidate using other than incidental resources of such a person.

"(III) Soliciting contributions for a particular candidate by substantially directing the solicitations to other officers, employees, or agents of such a person.

"(D) Nothing in this paragraph shall prohibit—

"(i) bona fide joint fundraising efforts conducted solely for the purpose of sponsorship of a fundraising reception, dinner, or other similar event, in accordance with rules prescribed by the Commission, by—

"(I) 2 or more candidates;

"(II) 2 or more national, State, or local committees of a political party within the meaning of section 301(4) acting on their own behalf; or

"(III) a special committee formed by 2 or more candidates, or a candidate and a national, State, or local committee of a political party acting on their own behalf; or

"(ii) fundraising efforts for the benefit of a candidate that are conducted by another candidate.

When a contribution is made to a candidate through an intermediary or conduit, the intermediary or conduit shall report the original source and the intended recipient of the contribution to the Commission and to the intended recipient.".

(b) PROHIBITION OF CERTAIN CONTRIBUTIONS BY LOBBYISTS.—Section 315 of FECA (2 U.S.C. 441a), as amended by section 314(b), is amended by adding at the end the following new subsection:

"(m)(1) A lobbyist, or a political committee controlled by a lobbyist, shall not make contributions to, or solicit contributions for or on behalf of—

"(A) any member of Congress with whom the lobbyist has, during the preceding 12 months, made a lobbying contact; or

"(B) any authorized committee of the President of the United States if, during the preceding 12 months, the lobbyist has made a lobbying contact with a covered executive branch official.

"(2) A lobbyist who, or a lobbyist whose political committee, has made any contribution to, or solicited contributions for or on behalf of, any member of Congress or candidate for Congress (or any authorized committee of the President) shall not, during the 12 months following such contribution or solicitation, make a lobbying contact with such member or candidate who becomes a member of Congress (or a covered executive branch official).

"(3) If a lobbyist advises or otherwise suggests to a client of the lobbyist (including a client that is the lobbyist's regular employer), or to a political committee that is funded or administered by such a client, that the client or political committee should make a contribution to or solicit a contribution for or on behalf of—

"(A) a member of Congress or candidate for Congress, the making or soliciting of such a contribution is prohibited if the lobbyist has made a lobbying contact with the member of Congress within the preceding 12 months; or

"(B) an authorized committee of the President, the making or soliciting of such a contribution shall be unlawful if the lobbyist has made a lobbying contact with a covered executive branch official within the preceding 12 months.

"(4) For purposes of this subsection—

"(A) the term 'covered executive branch official' means the President, Vice- President, any officer or employee of the executive office of the President other than a clerical or secretarial employee, any officer or employee serving in an Executive Level I, II, III, IV, or V position as designated in statute or Executive order, any officer or employee serving in a senior executive service position (as defined in section 3232(a)(2) of title 5, United States Code), any member of the uniformed services whose pay grade is at or in excess of O–7 under section 201 of title 37, United States Code, and any officer or employee serving in a position of confidential or policy-determining character under schedule C of the excepted service pursuant to regulations implementing section 2103 of title 5, United States Code;

"(B) the term 'lobbyist' means—

"(i) a person required to register under section 308 of the Federal Regulation of Lobbying Act (2 U.S.C. 267) or the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.) or any successor Federal law requiring a person who is a lobbyist or foreign agent to register or a person to report its lobbying activities; or

"(C) the term 'lobbying contact'—

"(i) means an oral or written communication with or appearance before a member of Congress or covered executive branch official made by a lobbyist representing an interest of another person with regard to—

"(I) the formulation, modification, or adoption of Federal legislation (including a legislative proposal);

"(II) the formulation, modification, or adoption of a Federal rule, regulation, Executive order, or any other program, policy or position of the United States Government; or

"(III) the administration or execution of a Federal program or policy (including the negotiation, award, or administration of a Federal contract, grant, loan, permit, or license); but

"(ii) does not include a communication that is—

"(I) made by a public official acting in an official capacity;

"(II) made by a representative of a media organization who is primarily engaged in gathering and disseminating news and information to the public;

"(III) made in a speech, article, publication, or other material that is widely distributed to the public or through the media;

"(IV) a request for an appointment, a request for the status of a Federal action, or another similar ministerial contact, if there is no attempt to influence a member of Congress or covered executive branch official at the time of the contact;

"(V) made in the course of participation in an advisory committee subject to the Federal Advisory Committee Act (5 U.S.C. App.);

"(VI) testimony given before a committee, subcommittee, or office of Congress a Federal agency, or submitted for inclusion in the public record of a hearing conducted by the committee, subcommittee, or office;

"(VII) information provided in writing in response to a specific written request from a member of Congress or covered executive branch official;

"(VIII) required by subpoena, civil investigative demand, or otherwise compelled by statute, regulation, or other action of Congress or a Federal agency;

"(IX) made to an agency official with regard to a judicial proceeding, criminal or civil law enforcement inquiry, investigation, or proceeding, or filing required by law;

"(X) made in compliance with written agency procedures regarding an adjudication conducted by the agency under section 554 of title 5, United States Code, or substantially similar provisions;

"(XI) a written comment filed in a public docket and other communication that is made on the record in a public proceeding;

"(XII) a formal petition for agency action, made in writing pursuant to established agency procedures; or

"(XIII) made on behalf of a person with regard to the person's benefits, employment, other personal matters involving only that person, or disclosures pursuant to a whistleblower statute.".

"(5) For purposes of this subsection, a lobbyist shall be considered to make a lobbying contact or communication with a member of Congress if the lobbyist makes a lobbying contact or communication with—

"(i) the member of Congress;

"(ii) any person employed in the office of the member of Congress; or

"(iii) any person employed by a committee, joint committee, or leadership office who, to the knowledge of the lobbyist, was employed at the request of or is employed at the pleasure of, reports primarily to, represents, or acts as the agent of the member of Congress.".

SEC. 402. CONTRIBUTIONS BY DEPENDENTS NOT OF VOTING AGE.

Section 315 of FECA (2 U.S.C. 441a), as amended by section 401(b), is amended by adding at the end the following new subsection:

"(n) For purposes of this section, any contribution by an individual who—

"(1) is a dependent of another individual; and

"(2) has not, as of the time of such contribution, attained the legal age for voting for elections to Federal office in the State in which such individual resides,

shall be treated as having been made by such other individual. If such individual is the dependent of another individual and such other individual's spouse, the contribution shall be allocated among such individuals in the manner determined by them.".

SEC. 403. CONTRIBUTIONS TO CANDIDATES FROM STATE AND LOCAL COMMITTEES OF POLITICAL PARTIES TO BE AGGREGATED.

Section 315(a) of FECA (2 U.S.C. 441a(a)) is amended by adding at the end the following new paragraph:

"(9) Notwithstanding paragraph (5)(B), a candidate for Federal office may not accept, with respect to an election, any contribution from a State or local committee of a political party (including any subordinate committee of such committee), if such contribution, when added to the total of contributions previously accepted from all such committees of that political party, exceeds a limitation on contributions to a candidate under this section.".

SEC. 404. CONTRIBUTIONS AND EXPENDITURES USING MONEY SECURED BY PHYSICAL FORCE OR OTHER INTIMIDATION.

Title III of FECA, as amended by section 707, is amended by adding at the end the following new section:

"CONTRIBUTIONS AND EXPENDITURES USING MONEY SECURED BY PHYSICAL FORCE OR OTHER INTIMIDATION

"SEC. 326. It shall be unlawful for any person to—

"(1) cause another person to make a contribution or expenditure by using physical force, job discrimination, financial reprisals, or the threat of physical force, job discrimination, or financial reprisal; or

"(2) make a contribution or expenditure utilizing money or anything of value secured in the manner described in paragraph (1).".

SEC. 405. PROHIBITION OF ACCEPTANCE BY A CANDIDATE OF CASH CONTRIBUTIONS FROM ANY ONE PERSON AGGREGATING MORE THAN $100.

Section 321 of FECA (2 U.S.C. 441g) is amended by inserting ", and no candidate or authorized committee of a candidate shall accept from any one person," after "make".

SEC. 406. OUT-OF-STATE FUNDRAISING.

Title III of FECA, as amended by this Act, is amended by adding at the end the following new section:

"OUT-OF-STATE FUNDRAISING

"SEC. 328. A person shall not solicit or accept a contribution from a person that is not a legal resident of the candidate's State of residence prior to the date that is 2 years prior to the date of a general election for a congressional office in which the person seeks to become a candidate.".

TITLE V—REPORTING REQUIREMENTS

SEC. 501. CHANGE IN CERTAIN REPORTING FROM A CALENDAR YEAR BASIS TO AN ELECTION CYCLE BASIS.

Paragraphs (2) through (7) of section 304(b) of FECA (2 U.S.C. 434(b)(2)–(7)), as amended by section 315(d), are amended by inserting after "calendar year" each place it appears the following: "(election cycle, in the case of an authorized committee of a candidate for Federal office)".

SEC. 502. PERSONAL AND CONSULTING SERVICES.

(a) REPORTING BY POLITICAL COMMITTEES.—Section 304(b)(5)(A) of FECA (2 U.S.C. 434(b)(5)(A)) is amended by adding before the semicolon at the end the following: ", except that if a person to whom an expenditure is made is merely providing personal or consulting services and is in turn making expenditures to other persons (not including employees) who provide goods or services to the candidate or his or her authorized committees, the name and address of such other person, together with the date, amount and purpose of such expenditure shall also be disclosed".

(b) RECORDKEEPING AND REPORTING BY PERSONS TO WHOM EXPENDITURES ARE PASSED THROUGH.—Section 302 of FECA (2 U.S.C. 432) is amended by adding at the end the following new subsection:

"(j) The person described in section 304(b)(5)(A) who is providing personal or consulting services and who is in turn making expenditures to other persons (not including employees) for goods or services provided to a candidate shall maintain records of and shall provide to a political committee the information necessary to enable the political committee to report the information described in section 304(b)(5)(A).".

SEC. 503. COMPUTERIZED INDICES OF CONTRIBUTIONS.

Section 311(a) of FECA (2 U.S.C. 438(a)) is amended—

(1) by striking "and" at the end of paragraph (9);

(2) by striking the period at the end of paragraph (10) and inserting "; and"; and

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

"(11) maintain computerized indices of contributions of $200 or more.".

SEC. 504. FILING OF REPORTS USING COMPUTERS AND FACSIMILE MACHINES.

Section 302(g) of FECA (2 U.S.C. 432(g)) is amended by adding at the end the following new paragraph:

"(6)(A) The Commission, in consultation with the Secretary of the Senate and the Clerk of the House of Representatives, shall prescribe regulations under which persons required to file designations, statements, and reports under this Act—

"(i) are required to maintain and file them for any calendar year in electronic form accessible by computers if the person has, or has reason to expect to have, aggregate contributions or expenditures in excess of $100,000 during the current calendar year, and

"(ii) may maintain and file them in that manner if not required to do so under clause (i).

"(B) The Commission, in consultation with the Secretary of the Senate and the Clerk of the House of Representatives, shall prescribe regulations which allow persons to file designations, statements, and reports required by this Act through the use of facsimile machines.

"(C) In prescribing regulations under this paragraph, the Commission shall provide methods (other than signing) for verifying designations, statements, and reports covered by the regulations. Any document verified under any of the methods shall be treated for all purposes (including penalties for perjury) in the same manner as a document verified by signature.

"(D) The Commission shall ensure that any computer (or other) system developed and maintained by the Commission to receive designations, statements, and reports in the forms required or permitted under this paragraph are compatible with the systems of the Secretary of the Senate and the Clerk of the House of Representatives.".

SEC. 505. POLITICAL COMMITTEES.

Section 303(b) of FECA (2 U.S.C. 433(b)) is amended—

(1) in paragraph (2), by inserting ", and if the organization or committee is incorporated, the State of incorporation" after "committee",

(2) by striking the "name and address of the treasurer" in paragraph (4) and inserting "the names and addresses of the officers", and

(3) by striking "and" at the end of paragraph (5), by striking the period at the end of paragraph (6) and inserting "; and", and by adding at the end the following new paragraph:

"(7) a statement of the purpose for which the political committee was formed.".

TITLE VI—FEDERAL ELECTION COMMISSION

SEC. 601. USE OF CANDIDATES' NAMES.

Section 302(e)(4) of FECA (2 U.S.C. 432(e)(4)) is amended to read as follows:

"(4)(A) The name of each authorized committee shall include the name of the candidate who authorized the committee under paragraph (1).

"(B) A political committee that is not an authorized committee shall not—

"(i) include the name of any candidate in its name, or

"(ii) except in the case of a national, State, or local party committee, use the name of any candidate in any activity on behalf of such committee in such a context as to suggest that the committee is an authorized committee of the candidate or that the use of the candidate's name has been authorized by the candidate.".

SEC. 602. REPORTING REQUIREMENTS.

(a) OPTION TO FILE MONTHLY REPORTS—Section 304(a)(2) of FECA (2 U.S.C. 434(a)(2)) is amended—

(1) in subparagraph (A) by striking "and" at the end;

(2) in subparagraph (B) by striking the period at the end and inserting "; and"; and

(3) by inserting the following new subparagraph at the end:

"(C) in lieu of the reports required by subparagraphs (A) and (B), the treasurer may file monthly reports in all calendar years, which shall be filed no later than the 15th day after the last day of the month and shall be complete as of the last day of the month, except that, in lieu of filing the reports otherwise due in November and December of any year in which a regularly scheduled general election is held, a pre-primary election report and a pre-general election report shall be filed in accordance with subparagraph (A)(i), a post-general election report shall be filed in accordance with subparagraph (A)(ii), and a year end report shall be filed no later than January 31 of the following calendar year.".

(b) FILING DATE.—(1) Section 304(a)(3) (A)(i) and (B)(i) of FECA (2 U.S.C. 434(a)(3) (A)(i) and (B)(i)) are amended by striking "20th" and inserting "15th".

(2) Section 304(a)(4) of FECA (2 U.S.C. 434(a)(4)) is amended—

(A) in subparagraph (A)(i) by inserting ", and except that if at any time during the election year a committee receives contributions in excess of $100,000 ($10,000 in the case of a multicandidate political committee), or makes disbursements in excess of $100,000 ($10,000 in the case of a multicandidate political committee), monthly reports on the 15th day of each month after the month in which that amount of contributions is first received or that amount of disbursements is first anticipated to be made during that year" before the semicolon; and

(B) in subparagraph (B) by striking "20th" and inserting "15th".

(c) INCOMPLETE OR FALSE CONTRIBUTOR INFORMATION.—Section 302(i) of FECA (2 U.S.C. 432(i)) is amended—

(1) by striking "submit" and inserting "report"; and

(2) by adding the following at the end: "In the case of a contribution required to be reported under section 304(b)(3)(A), the contribution shall not be used by the political committee to make an expenditure until the political committee has obtained all of the information that is required to be reported.".

(d) WAIVER.—Section 304 of FECA (2 U.S.C. 434), as amended by section 315(c), is amended by adding at the end the following new subsection:

"(g) WAIVER.—The Commission may relieve any category of political committees of the obligation to file 1 or more reports required by this section, or may change the due dates of such reports, if it determines that such action is consistent with the purposes of this Act. The Commission may waive requirements to file reports in accordance with this subsection through a rule of general applicability or, in a specific case, may waive or change the due date of a report by notifying all political committees affected.".

SEC. 603. PROVISIONS RELATING TO THE GENERAL COUNSEL OF THE COMMISSION.

(a) VACANCY IN THE OFFICE OF GENERAL COUNSEL.—Section 306(f) of FECA (2 U.S.C. 437c(f)) is amended by adding at the end the following new paragraph:

"(5) In the event of a vacancy in the office of general counsel, the next highest ranking enforcement official in the general counsel's office shall serve as acting general counsel with full powers of the general counsel until a successor is appointed.".

(b) PAY OF THE GENERAL COUNSEL.—Section 306(f)(1) of FECA (2 U.S.C. 437c(f)(1)) is amended—

(1) by inserting "and the general counsel" after "staff director" in the second sentence; and

(2) by striking the third sentence.

SEC. 604. PENALTIES.

(a) PENALTIES PRESCRIBED IN CONCILIATION AGREEMENTS.—(1) Section 309(a)(5)(A) of FECA (2 U.S.C. 437g(a)(5)(A)) is amended by striking "which does not exceed the greater of $5,000 or an amount equal to any contribution or expenditure involved in such violation." and inserting "which—

"(i) is not less than 50 percent of all contributions and expenditures involved in the violation (or such lesser amount as the Commission provides if necessary to ensure that the penalty is not unjustly disproportionate to the violation); and

"(ii) does not exceed the greater of $5,000 or all contributions and expenditures involved in the violation.".

(2) Section 309(a)(5)(B) of FECA (2 U.S.C. 437g(a)(5)(B)) is amended by striking "which does not exceed the greater of $10,000 or an amount equal to 200 percent of any contribution or expenditure involved in such violation." and inserting "which—

"(i) is not less than all contributions and expenditures involved in the violation; and

"(ii) does not exceed the greater of $10,000 or 150 percent of all contributions and expenditures involved in the violation.".

(b) PENALTIES WHEN VIOLATIONS ARE ADJUDICATED IN COURT.—(1) Section 309(a)(6)(A) of FECA (2 U.S.C. 437g(a)(6)(A)) is amended by striking all that follows "appropriate order" and inserting ", including an order for a civil penalty in the amount determined under subparagraph (B) or (C) in the district court of the United States for the district in which the defendant resides, transacts business, or may be found or in which the violation occurred.".

(2) Section 309(a)(6)(B) of FECA (2 U.S.C. 437g(a)(6)(B)) is amended by striking all that follows "other order" and inserting ", including an order for a civil penalty which—

"(i) is not less than all contributions and expenditures involved in the violation; and

"(ii) does not exceed the greater of $10,000 or 200 percent of all contributions and expenditures involved in the violation,

upon a proper showing that the person involved has committed, or is about to commit (if the relief sought is a permanent or temporary injunction or a restraining order), a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1986.".

(3) Section 309(a)(6)(C) of FECA (29 U.S.C. 437g(6)(C)) is amended by striking "a civil penalty" and all that follows and inserting "a civil penalty which—

"(i) is not less than 200 percent of all contributions and expenditures involved in the violation; and

"(ii) does not exceed the greater of $20,000 or 250 percent of all contributions and expenditures involved in the violation.".

SEC. 605. AUDITS.

(a) RANDOM AUDITS.—Section 311(b) of FECA (2 U.S.C. 438(b)) is amended—

(1) by inserting "(1)" before "The Commission"; and

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

"(2) Notwithstanding paragraph (1), the Commission may from time to time conduct random audits and investigations to ensure voluntary compliance with this Act. The subjects of such audits and investigations shall be selected on the basis of criteria established by vote of at least 4 members of the Commission to ensure impartiality in the selection process. This paragraph does not apply to an authorized committee of a candidate for President or Vice President subject to audit under section 9007 or 9038 of the Internal Revenue Code of 1986 or to an authorized committee of an eligible Senate candidate subject to audit under section 505(a).".

(b) EXTENSION OF PERIOD DURING WHICH CAMPAIGN AUDITS MAY BE BEGUN.—Section 311(b) of FECA (2 U.S.C. 438(b)) is amended by striking "6 months" and inserting "12 months".

SEC. 606. PROHIBITION OF FALSE REPRESENTATION TO SOLICIT CONTRIBUTIONS.

Section 322 of FECA (2 U.S.C. 441h) is amended—

(1) by inserting after "SEC. 322." the following: "(a)"; and

(2) by adding at the end the following:

"(b) No person shall solicit contributions by falsely representing himself as a candidate or as a representative of a candidate, a political committee, or a political party.".

SEC. 607. REGULATIONS RELATING TO USE OF NON-FEDERAL MONEY.

Section 306 of FECA (2 U.S.C. 437c) is amended by adding at the end the following new subsection:

"(g) The Commission shall promulgate regulations to prohibit devices or arrangements which have the purpose or effect of undermining or evading the provisions of this Act restricting the use of non-Federal money to affect Federal elections.".

SEC. 608. SIMULTANEOUS REGISTRATION OF CANDIDATE AND CANDIDATE'S PRINCIPAL CAMPAIGN COMMITTEE.

Section 303(a) of FECA (2 U.S.C. 433(a)) is amended in the first sentence by striking "no later than 10 days after designation" and inserting "on the date of its designation".

SEC. 609. REIMBURSEMENT FUND.

Section 311 of FECA (2 U.S.C. 438) is amended by adding at the end thereof the following new subsection:

"(g)(1) There is established in the Treasury of the United States a Federal Election Commission Reimbursement fund (referred to in this subsection as the "fund").

"(2) There shall be credited to the fund an amount equal to—

"(A) the expenses of the Commission incurred in preparing copies of documents, publications, computer tapes, and other forms of records sold to the public;

"(B) the expenses of the Commission incurred in responding to requests for records under section 552 of title 5, United States Code; and

"(C) costs awarded to the Commission in litigation.

"(3) Amounts credited to the fund shall be available without fiscal year limitation to the Commission, in addition to amounts otherwise appropriated to the Commission, for the purpose of paying the expenses of the Commission in providing records to the public as described in subparagraphs (A) and (B) and in providing at no charge to the public informational publications designed to assist candidates, political committees, and other persons in complying with this Act.".

SEC. 610. INSOLVENT POLITICAL COMMITTEES.

Section 303(d) of FECA (2 U.S.C. 433(d)) is amended by adding at the end the following new paragraph:

"(3) Proceedings by the Commission under paragraph (2) constitute the sole means, to the exclusion of proceedings under title 11, United States Code, by which a political committee that is determined by the Commission to be insolvent may compromise its debts, liquidate its assets, and terminate its existence.".

TITLE VII—MISCELLANEOUS

SEC. 701. PROHIBITION OF LEADERSHIP COMMITTEES.

Section 302(e) of FECA (2 U.S.C. 432(e)) is amended—

(1) by amending paragraph (3) to read as follows:

"(3) No political committee that supports or has supported more than one candidate may be designated as an authorized committee, except that—

"(A) a candidate for the office of President nominated by a political party may designate the national committee of such political party as the candidate's principal campaign committee, but only if that national committee maintains separate books of account with respect to its functions as a principal campaign committee; and

"(B) a candidate may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee."; and

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

"(6)(A) A candidate for Federal office or any individual holding Federal office may not establish, finance, maintain, or control any Federal or non-Federal political committee other than a principal campaign committee of the candidate, authorized committee, party committee, or other political committee designated in accordance with paragraph (3). A candidate for more than one Federal office may designate a separate principal campaign committee for each Federal office. This paragraph shall not preclude a Federal officeholder who is a candidate for State or local office from establishing, financing, maintaining, or controlling a political committee for election of the individual to such State or local office.

"(B) For one year after the effective date of this paragraph, any political committee established before such date but which is prohibited under subparagraph (A) may continue to make contributions. At the end of that period such political committee shall disburse all funds by one or more of the following means: making contributions to an entity qualified under section 501(c)(3) of the Internal Revenue Code of 1986; making a contribution to the treasury of the United States; contributing to the national, State or local committees of a political party; or making contributions not to exceed $1,000 to candidates for elective office.".

SEC. 702. POLLING DATA CONTRIBUTED TO CANDIDATES.

Section 301(8) of FECA (2 U.S.C. 431(8)), as amended by section 315(b), is amended by inserting at the end the following new subparagraph:

"(D) A contribution of polling data to a candidate shall be valued at the usual and normal charge for the data on the date the poll was completed, depreciated at a rate not more than 1 percent per day from such date to the date on which the contribution was made.".

SEC. 703. DEBATES BY GENERAL ELECTION CANDIDATES WHO RECEIVE AMOUNTS FROM THE PRESIDENTIAL ELECTION CAMPAIGN FUND.

Section 315(b) of FECA (2 U.S.C. 441a(b)) is amended by adding at the end the following new paragraph:

"(3)(A) The candidates of a political party for the offices of President and Vice President who are receiving payments under section 9003 of the Internal Revenue Code of 1986 from the Secretary of the Treasury shall refund such payments unless both of such candidates agree in writing—

"(i) that the candidate for the office of President will participate in at least 3 debates, sponsored by a nonpartisan or bipartisan organization, with all other candidates for that office who are receiving payments under that section; and

"(ii) that the candidate of the party for the office of Vice President will participate in at least 1 debate, sponsored by a nonpartisan or bipartisan organization, with all other candidates for that office who are receiving payments under that section.

"(B) If the Commission determines that either of the candidates of a political party failed to participate in a debate under subparagraph (A) and was responsible at least in part for such failure, the candidate of the party involved shall—

"(i) not receive payments under section 9006 of the Internal Revenue Code of 1986; and

"(ii) pay to the Secretary of the Treasury an amount equal to the amount of the payments made to the candidate under that section.".

SEC. 704. TELEPHONE VOTING BY PERSONS WITH DISABILITIES.

(a) STUDY OF SYSTEMS TO PERMIT PERSONS WITH DISABILITIES TO VOTE BY TELEPHONE.—

(1) IN GENERAL.—The Federal Election Commission shall conduct a study to determine the feasibility of developing a system or systems by which persons with disabilities may be permitted to vote by telephone.

(2) CONSULTATION.—The Federal Election Commission shall conduct the study described in paragraph (1) in consultation with State and local election officials, representatives of the telecommunications industry, representatives of persons with disabilities, and other concerned members of the public.

(3) CRITERIA.—The system or systems developed pursuant to paragraph (1) shall—

(A) propose a description of the kinds of disabilities that impose such difficulty in travel to polling places that a person with a disability who may desire to vote is discouraged from undertaking such travel;

(B) propose procedures to identify persons who are so disabled; and

(C) describe procedures and equipment that may be used to ensure that—

(i) only those persons who are entitled to use the system are permitted to use it;

(ii) the votes of persons who use the system are recorded accurately and remain secret;

(iii) the system minimizes the possibility of vote fraud; and

(iv) the system minimizes the financial costs that State and local governments would incur in establishing and operating the system.

(4) REQUESTS FOR PROPOSALS.—In developing a system described in paragraph (1), the Federal Election Commission may request proposals from private contractors for the design of procedures and equipment to be used in the system.

(5) PHYSICAL ACCESS.—Nothing in this section is intended to supersede or supplant efforts by State and local governments to make polling places physically accessible to persons with disabilities.

(6) DEADLINE.—The Federal Election Commission shall submit to Congress the study required by this section not later than 1 year after the effective date of this Act.

SEC. 705. PROVISIONS RELATING TO PRESIDENTIAL PRIMARY ELECTIONS.

(a) LIMITATION ON PRESIDENTIAL PRIMARY EXPENDITURES.—Section 315(b)(1)(A) of FECA (2 U.S.C. 441a(b)(1)(A)) is amended to read as follows:

"(A) $12,000,000, in the case of a campaign for nomination for election to such office; or".

(b) MINIMUM CONTRIBUTIONS.—Section 9033(b)(3) of the Internal Revenue Code of 1986 is amended—

(1) by striking "$5,000" and inserting "$15,000"; and

(2) by striking "20 States" and inserting "26 States".

(c) CONFORMING AMENDMENT.—Clause (vi) of section 301(9)(B) of FECA (2 U.S.C. 431(9)(B)(vi)) is hereby repealed.

SEC. 706. CERTAIN TAX-EXEMPT ORGANIZATIONS NOT SUBJECT TO CORPORATE LIMITS.

Section 316 of FECA (2 U.S.C. 441b) is amended by adding at the end the following new subsection:

"(c) PROHIBITIONS NOT TO APPLY TO INDEPENDENT EXPENDITURES OF CERTAIN TAX-EXEMPT ORGANIZATIONS.—(1) Nothing in this section shall preclude a qualified nonprofit corporation from making independent expenditures (as defined in section 301(17)).

"(2) For purposes of this subsection, the term 'qualified nonprofit corporation' means a corporation exempt from taxation under section 501(a) of the Internal Revenue Code of 1986 which is described in section 501(c)(4) of such Code and which meets the following requirements:

"(A) Its only express purpose is the promotion of political ideas.

"(B) It cannot and does not engage in any activities that constitute a trade or business.

"(C) Its gross receipts for the calendar year have not (and will not) exceed $100,000, and the net value of its total assets at any time during the calendar year do not exceed $250,000.

"(D) It was not established by a person described in section 501(c)(6) of the Internal Revenue Code of 1986 that is exempt from taxation under section 501(a) of such Code, a corporation engaged in carrying out a trade or business, or a labor organization, and it cannot and does not directly or indirectly accept donations of anything of value from any such person, corporation, or labor organization.

"(E) It—

"(i) has no shareholder or other person affiliated with it that could make a claim on its assets or earnings, and

"(ii) offers no incentives or disincentives for associating or not associating with it other than on the basis of its position on any political issue.

"(3) If a major purpose of a qualified nonprofit corporation is the making of independent expenditures, and the requirements of section 301(4) are met with respect to the corporation, the corporation shall be treated as a political committee.

"(4) All solicitations by a qualified nonprofit corporation shall include a notice informing contributors that donations may be used by the corporation to make independent expenditures.

"(5) A qualified nonprofit corporation shall file reports as required by section 304 (c) and (d).

SEC. 707. AIDING AND ABETTING VIOLATIONS OF FECA.

Title III of FECA, as amended by section 313, is amended by adding at the end the following new section:

"AIDING AND ABETTING VIOLATIONS

"SEC. 325. With reference to any provision of this Act that places a requirement or prohibition on any person acting in a particular capacity, any person who knowingly aids or abets the person in that capacity in violating that provision may be proceeded against as a principal in the violation.".

SEC. 708. DEPOSIT OF REPAYMENTS OF EXCESS PAYMENTS FROM THE PRESIDENTIAL ELECTION CAMPAIGN FUND.

Subsection (d) of section 9007 of the Internal Revenue Code of 1986 (relating to examinations, audits, and repayments) is amended to read as follows:

"(d) DEPOSIT OF REPAYMENTS.—All payments received by the Secretary under this section shall be deposited in the fund.".

SEC. 709. DISQUALIFICATION FROM RECEIVING PUBLIC FUNDING FOR PRESIDENTIAL ELECTION CAMPAIGNS.

(a) GENERAL ELECTION.—Section 9003 of the Internal Revenue Code of 1986 (relating to condition for eligibility to receive payments) is amended by adding at the end the following new subsection:

"(e) DISQUALIFICATION.—A person who has been convicted of a violation of this chapter or chapter 96 shall be ineligible to receive benefits under this chapter on and after the date of the conviction.".

(b) PRIMARY ELECTION.—Section 9033 of the Internal Revenue Code of 1986 (relating to condition for eligibility to receive payments) is amended by adding at the end the following new subsection:

"(d) DISQUALIFICATION.—A person who has been convicted of a violation of this chapter or chapter 95 shall be ineligible to receive benefits under this chapter on and after the date of the conviction.".

SEC. 710. PROHIBITION OF CONTRIBUTIONS TO PRESIDENTIAL CANDIDATES WHO RECEIVE PUBLIC FUNDING IN THE GENERAL ELECTION CAMPAIGN.

Section 315 of FECA (2 U.S.C. 441a), as amended by section 402, is amended by adding at the end the following new subsection:

"(o) Except to the extent permitted under sections 9003 (b)(2) and (c)(2) of the Internal Revenue Code of 1986, no person shall make a contribution to a candidate who has become eligible to receive benefits under chapter 95 of such Code by making a certification described in section 9003 (b) and (c) of such Code.".

SEC. 711. APPLICATION OF INCREASED REVENUES TO REDUCE THE DEFICIT.

(a) DEFICIT REDUCTION.—The amount of increased revenue to the United States that is determined to be attributable to the disallowance of a deduction from income tax for lobbying expenses made by any law shall be paid into the general fund of the Treasury, to reduce the deficit and, to the extent provided by law, shall be used to reduce the role of special interests in congressional elections by funding the provision of benefits to candidates to encourage their agreement to campaign expenditure limits.

SEC. 712. SENSE OF THE SENATE THAT CONGRESS SHOULD ADOPT A JOINT RESOLUTION PROPOSING AN AMENDMENT TO THE CONSTITUTION THAT WOULD EMPOWER CONGRESS AND THE STATES TO SET REASONABLE LIMITS ON CAMPAIGN EXPENDITURES.

It is the sense of the Senate that Congress should adopt a joint resolution proposing an amendment to the Constitution that would—

(1) empower Congress to set reasonable limits on campaign expenditures by, in support of, or in opposition to any candidate in any primary, general, or other election for Federal office; and

(2) empower the States to set reasonable limits on campaign expenditures by, in support of, or in opposition to any candidate in any primary, general, or other election for State or local office.

SEC. 713. SENSE OF THE SENATE.

It is the sense of the Senate that every employee in the executive or legislative branch of the Federal Government shall follow appropriate officially prescribed procedures in contacts and dealings with the Federal Bureau of Investigation and the Internal Revenue Service.

SEC. 714. CAMPAIGN ADVERTISING THAT REFERS TO AN OPPONENT.

Title III of FECA, as amended by this Act, is amended by adding at the end the following new section:

"CAMPAIGN ADVERTISING THAT REFERS TO AN OPPONENT

"SEC. 329. (a) CANDIDATES.—A candidate or candidate's authorized committee that places in the mail a campaign advertisement or any other communication to the general public that directly or indirectly refers to an opponent or the opponents of the candidate in an election, with or without identifying any opponent in particular, shall file an exact copy of the communication with the Commission and with the Secretary of State of the candidate's State by no later than 12:00 p.m. on the day on which the communication is first placed in the mail to the general public.

"(b) PERSONS OTHER THAN CANDIDATES.—A person other than a candidate or candidate's authorized committee that places in the mail a campaign advertisement or any other communication to the general public that—

"(1) advocates the election of a particular candidate in an election; and

"(2) directly or indirectly refers to an opponent or the opponents of the candidate in the election, with or without identifying any opponent in particular,

shall file an exact copy of the communication with the Commission and with the Secretary of State of the candidate's State by no later than 12:00 p.m. on the day on which the communication is first placed in the mail to the general public.".

SEC. 715. LIMIT ON CONGRESSIONAL USE OF THE FRANKING PRIVILEGE.

Section 3210(a)(6)(A) of title 39, United States Code, is amended to read as follows:

"(A) A Member of Congress may not mail any mass mailing as franked mail during a year in which there will be an election for the seat held by the Member during the period between January 1 of that year and the date of the general election for that office, unless the Member has made a public announcement that the Member will not be a candidate for reelection to that seat or for election to any other Federal office.".

TITLE VIII—EFFECTIVE DATES; AUTHORIZATIONS

SEC. 801. EFFECTIVE DATE.

Except as otherwise provided in this Act, the amendments made by, and the provisions of, this Act shall take effect on the date of the enactment of this Act.

SEC. 802. BUDGET NEUTRALITY.

(a) DELAYED EFFECTIVENESS.—The provisions of this Act (other than this section) shall not be effective until the Director of the Office of Management and Budget certifies that the estimated costs under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 have been offset by the enactment of legislation effectuating this Act.

(b) FUNDING.—Legislation effectuating this Act shall not provide for general revenue increases, reduce expenditures for any existing Federal program, or increase the Federal budget deficit, but should be funded by disallowing the Federal income tax deduction for expenses paid or incurred for lobbying the Federal Government and by repealing the tax exemption under section 527 of the Internal Revenue Code of 1986 for the exempt function income of the campaign committees of a candidate who exceeds the voluntary Federal campaign spending limits (whether or not the candidate agreed to the limits).

(c) CLARIFICATION OF RELATIONSHIP TO POTENTIAL RECONCILIATION ACT PROVISIONS.—The amount of increased revenue to the United States that is determined to be attributable to the disallowance of a deduction from income tax for lobbying expenses made by any law shall be paid into the general fund of the Treasury, to reduce the deficit and, to the extent provided by law, shall be used to reduce the role of special interests in congressional elections by funding the provision of benefits to candidates to encourage their agreement to campaign expenditure limits.

SEC. 803. SEVERABILITY.

Except as provided in section 101(c), if any provision of this Act (including any amendment made by this Act), or the application of any such provision to any person or circumstance, is held invalid, the validity of any other provision of this Act, or the application of such provision to other persons and circumstances, shall not be affected thereby.

SEC. 804. EXPEDITED REVIEW OF CONSTITUTIONAL ISSUES.

(a) DIRECT APPEAL TO SUPREME COURT.—An appeal may be taken directly to the Supreme Court of the United States from any interlocutory order or final judgment, decree, or order issued by any court ruling on the constitutionality of any provision of this Act or amendment made by this Act.

(b) ACCEPTANCE AND EXPEDITION.—The Supreme Court shall, if it has not previously ruled on the question addressed in the ruling below, accept jurisdiction over, advance on the docket, and expedite the appeal to the greatest extent possible.

SEC. 805. REGULATIONS.

The Federal Election Commission shall prescribe any regulations required to carry out the provisions of this Act within 9 months after the effective date of this Act.

MOTION OFFERED BY MR. GEJDENSON

Mr. GEJDENSON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. GEJDENSON moves to strike all after the enacting clause of the Senate bill, S. 3 and insert in lieu thereof the provisions of H.R. 3, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "An Act to amend the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending limits and benefits for congressional election campaigns, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill was laid on the table.

PERSONAL EXPLANATION

Mr. GOODLING. Mr. Speaker, I regret my absence for rollcall No. 605, on final passage of H.R. 3. I was fervently involved in a health care reform meeting and did not realize a vote had been called.

I am completely opposed to the public financing provisions contained in H.R. 3. One can already envision future taxes being raised to pay for campaigns. I believe our attention should be aimed at cutting the costs of campaigning and not increasing the amount of money available for consumption. I have always believed campaigns should be the contests of people and ideas rather than money. I acted upon this belief in voting for the alternative campaign reform bill, which would have banned political action committees, required a majority of funds to be raised from in-district individuals, and banned the use of soft money. Moreover, the bill did not utilize public financing. While I believe the alternative bill was not perfect, it would have been an improvement on the current system.

H.R. 3 does not contain the necessary ban on political action committees but does contain unwarranted public financing provisions. For this reason, I believe H.R. 3 is fatally flawed. Had I been present for rollcall vote No. 605, I would have voted "nay."

GENERAL LEAVE

Mr. GEJDENSON. 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. 3, the bill just considered and passed.

The SPEAKER pro tempore (Mr. ANDREWS of Maine). is there objection to the request of the gentleman from Connecticut?

There was no objection.

AGREEING TO THE REQUEST OF THE SENATE FOR A CONFERENCE ON H.R. 1025, BRADY HANDGUN VIOLENCE PREVENTION ACT

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 322 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 322

Resolved, That upon the adoption of this resolution the House shall be considered to have taken the bill (H.R. 1025) to provide for a waiting period before the purchase of a handgun, and for the establishment of a national instant criminal background check system to be contacted by firearms dealers before the transfer of any firearm, with a Senate amendment thereto, from the Speaker's table, to have disagreed to the Senate amendment, and to have agreed to the request of the Senate for a conference thereon. The requirement of clause 4(b) of rule XI for a two-thirds vote to consider a report from the Committee on Rules on the same day it is presented to the House is waived with respect to a resolution reported on the legislative day of November 22, 1993, providing for the consideration or disposition of a conference report to accompany that bill.

The SPEAKER pro tempore. The gentleman from South Carolina [Mr. DERRICK] is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from New York [Mr. SOLOMON], pending which I yield myself such time as I may consume.

During consideration of this resolution, all time yielded is for purposes of debate only.

Mr. Speaker, House Resolution 322 provides that upon the adoption of this resolution, this House is considered to have taken H.R. 1025, the Brady Handgun Violence Prevention Act, with a Senate amendment, from the Speaker's table, to have disagreed to the Senate amendment and to have agreed to the request of the Senate for a conference. The rule further waives clause 4(b) of rule XI against any resolution reported from the Committee on Rules on the legislative day of November 22, 1993, providing for consideration or disposition of a conference report on H.R. 1025. Clause 4(b) of rule XI requires a two-thirds vote to consider a rule on the same day it is reported to the floor. This resolution would simply waive that two-thirds requirement against any rule for H.R. 1025 on November 22, 1993.

Mr. Speaker, Saturday the Senate passed its version of the Brady Handgun Violence Prevention Act. This rule will facilitate a conference on the Brady Handgun Violence Prevention Act prior to the close of this session of the Congress.

Mr. Speaker, the Brady Handgun Violence Prevention Act was first introduced 6 years ago. Since 1987, more than 150,000 Americans have been killed by handguns. That is more Americans killed than in World War I, the Korean war and the Vietnam war combined. The numbers continue to mount.

Mr. Speaker, the President vowed to sign the Brady Bill into law. We cannot afford to wait any longer. Too many lives have been lost to handgun violence already. Passage of the Brady bill is long overdue and this Congress should show the courage to send it to the President before we adjourn for the year.

Mr. Speaker, House Resolution 322 expedites further consideration of the Brady bill. I urge my colleagues to support the rule.

□ 1340

Mr. DERRICK. Mr. Speaker, for the purposes of debate only, I yield such time as he may consume to the gentleman from Texas [Mr. BROOKS].

Mr. BROOKS. Mr. Speaker, I rise in support of the rule to permit us to go to conference on H.R. 1025, the Brady Handgun Violence Prevention Act.

As you know, H.R. 1025 passed the House by a vote of 238 to 189 on November 10, and was taken up by the Senate Saturday night. The Senate amended the bill and sent it back to the House, with a request for a conference. As the Senate amendment is not acceptable to Brady supporters in the House, a conference is necessary to work out a final bill.

Ordinarily, in order to agree to conference, I would simply make a unanimous consent request. As an objection is certain to be heard in this case, a rule is necessary to agree to the conference requested by the Senate on H.R. 1025.

As you know, the Senate is operating under unanimous consent to conduct any further business in that body prior to adjournment. I have also been informed that an objection will be raised by certain Senate Members to any conference report on H.R. 1025 that contains any deviation from the Senate-passed bill.

Nonetheless, there appears to be a desire to conference on H.R. 1025 by some Members of the House who wish to make major changes to the Senate-passed bill. If that is the desired procedure, then I am perfectly willing to proceed to conference.

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

Mr. Speaker, When my good friend, the able chairman of the Judiciary Committee, JACK BROOKS, appeared before the Rules Committee last night, he noted that ordinarily he would simply ask unanimous consent to agree to conference. However, in this case, because there would almost certainly be an objection raised, he decided to come to the Rules Committee for a rule.

What this rule does, Mr. Speaker, is to say that upon the adoption of the rule the House will have agreed to the Senate request for a conference.

This rule also has a second provision which will come into play if and only if the conferees work out an agreement today or tonight.

If a conference report is brought to the Rules Committee later today and the Rules Committee reports a rule providing for its consideration which they might do, ordinarily a two-third vote would be required to consider a rule on the same day reported.

The second part of this rule before us now waives that two-thirds vote requirement for same day consideration, thereby making it possible to consider a conference report on the Brady bill later today in the House.

Chairman BROOKS made one other interesting observation at the time he appeared in the Rules Committee. He

noted that the Senate has now agreed to do further business only by unanimous consent, and that it is his understanding that an objection will be raised by certain Senate Members to any conference report on the Brady bill that deviates from the Senate-passed version of the bill.

Mr. Speaker, I have been an opponent of the Brady bill for years, and I hope we have some watchful Senators waiting at the appropriate time over there.

As for the two versions that will be considered in the conference, there is not a dime's worth of difference between either version. So if you did not like the Brady bill before, you will not like the one coming out of conference later today, if it comes at all.

What should be coming out of conference today, is a real crime prevention bill that does not penalize law abiding citizens who own guns, but throws the book at criminals who commit crimes with guns. That is what we ought to be considering here today.

Unfortunately the Republican comprehensive crime bill is once again being bottled up by the Democrat leadership of this House.

Meanwhile, heinous crimes and murders proliferate all across this country, and especially right here in our Nation's Capital, where there have been more than 400 homicides in the last 9 months alone.

It is a shame that this Congress is more than just partially to blame for the rampant crime across this country because we continually refuse to be allowed to do anything about it, and that is a shame.

Mr. Speaker, I yield 5 minutes to the gentleman from Florida [Mr. MCCOLLUM], the chairman of our task force on crime legislation.

Mr. MCCOLLUM. Mr. Speaker, I thank the gentleman for yielding the time.

Today, I come on this rule for one purpose, to discuss very briefly the Brady bill and what it means or does not mean, and to call attention of my colleagues to the fact we do not have out here the kind of anticrime legislation this session of Congress that we would all like to have out here. We darn well better be prepared to address it as early as possible in the next session.

First of all, the Brady bill in my judgment is both unnecessary and a distraction. It is unnecessary for the simple reason that regardless of your views on the merits of a waiting period, the fact of the matter is today with the kind of procedures we have in place throughout our law enforcement system in this Nation, we can check on who is and who is not a felon who is trying to purchase a gun from a gun dealer, which is the purpose of the Brady bill, we can do that in 5 minutes, or certainly in 5 hours, and we do not need 5 days to do it. We can do it just as well in that 5 minutes or the 5-hour period in 1 day.

There is a problem with the records in terms of their being in good place and condition, and the problem of identifying people and mechanics and so on. But none of that is going to make a hill of beans' worth of difference when it comes to being able to check this sort of thing out. It can certainly be done without the Brady bill.

The bill is a distraction from the really important legislation we need to address the violent crime crisis in America. We need to take the violent criminals off the streets, lock them up, and throw away the keys. To do that, we need to go into partnership with the States, as the Republicans have proposed, a partnership on building prisons to share fifty-fifty with the States in doing that. We need to say that we will take those States' prisoners who have been convicted of violent crimes and sexual abusers if the States will agree that they will require those prisoners to serve at least 85 percent of their sentences, and if the States will agree to have minimum mandatory sentences for that classification of criminals.

Only if we do this can we stop the revolving door that is really causing the problem where 7 percent of criminals in this Nation are causing 80 percent of violent crimes today in this country. And we should be doing that now. We should be addressing that problem and putting swiftness and certainty of punishment back into our criminal justice system where we can have deterrence again now.

To do that requires things such as ending the endless appeals that death row inmates have when they go into their prison cells after their sentences. It means changing the rules of evidence so we can get evidence more easily in. It means any number of things, including dealing with criminal aliens.

The House Republican leadership task force crime bill, H.R. 2872, addresses all of these. It is a comprehensive bill. I wish the Committee on the Judiciary had brought a bill of some sort of that nature out here so that we could have addressed these problems this session. It is the intent I believe of the chairman to do that sometime early next year.

But in the meantime, I think that the best thing we can do as Members of this House to demonstrate we want that type of opportunity, and to demonstrate our concern, since we do not have a bill to vote on that comprehensive nature, is to sign a discharge petition on an open rule and a comprehensive bill that I have filed. It is discharge petition No. 10.

□ 1350

I urge my colleagues on both sides of the aisle before we go out on recess to sign that discharge petition to demonstrate that we do care about the bottom-line problems and we do understand that the grant program bills and the Brady bill that have been brought out do not get at the root cause of the problem facing this Nation today with crime.

This is a very serious matter with the American public. They demand, and they should demand, that we address it comprehensively and that we address it by addressing the root causes of the problems, getting the violent criminals off the streets, locking them up, throwing away the key, and then correcting the fundamental flaws in our criminal justice system that have taken away deterrence and incapacitation from punishment and do not allow us to deter crime anymore in this country.

So I urge again that whatever your views are on the Brady bill, and I know there are many different views about it, that it is truly primarily symbolic at best, and that, indeed, in order to demonstrate what the point is that we want to make on this issue that you get out and to face the violent crime problem, sign discharge petition No. 10 today before we go home. It is the only way to send that message and the only way to deal with it.

Again, Brady is there, but Brady is not the answer to this problem.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. SENSENBRENNER], another distinguished member and the subcommittee vice-chairman of the Committee on the Judiciary.

Mr. SENSENBRENNER. Mr. Speaker, the question arises: Why is a conference even necessary? Why do we not just send the Senate-passed bill on to the President?

A conference is necessary, and this resolution should be supported, for two reasons. First, there are major philosophical differences in two provisions added to the Brady bill by the Senate, one which permits licensed gun dealers to sell guns anywhere in the country rather than just in their State of residence; and, second, a change in the definition of antique firearms to include any gun manufactured before 1919.

I oppose both of those provisions in the Senate bill, and I think there are legitimate reasons why they do not belong in the Brady bill.

However, there are two provisions that the Senate added that have not been properly drafted and which will have to be cleaned up in conference, at best. One is a requirement that the Bureau of Alcohol, Tobacco, and Firearms send every proposed regulation that they issue to all Federal firearms licensees before they go into effect. The way this is drafted is that it is not just regulations relating to firearms but regulations relating to alcohol and tobacco and the other matters that come under the jurisdiction of the BATF. I

do not think it is necessary for a mailing to go out even on firearms regulations. That is not done by the licensing agency in most other license provisions on both the Federal and State levels. So that will have to be cleaned up.

Second, the Senate added a provision to the Brady bill that conditions States receiving grant funds for the computized instant-check system on having a plan to report mental health records. The way the Senate has drafted this amendment is that the States get no funds for computerizing their criminal justice records until they have such a plan relative to mental health records. Most mental health records are sealed by court order and to get them unsealed is not an easy thing to do. It may even require court hearings and notice given to everyone whose mental health records have been sealed.

To hold the train at the station on the computerization of the criminal justice records for all that to be done I do not think is in the best interests of getting the instant-check system up and running, which is something that is desired by both opponents and proponents of the Brady bill.

So a conference is necessary, and this proposed rule facilitates that conference. I would hope that the rule would be adopted right now.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the gentleman from New Mexico [Mr. SCHIFF], another distinguished member of the Committee on the Judiciary.

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

Mr. Speaker, the purpose of this proposed rule, this expedited rule, is to try to accomplish a politically correct signing ceremony at the White House for the Brady bill on Thanksgiving, and I want to point out that although that may in fact occur, what we are passing up in this mad rush to pass this one bill, first of all, is we are passing up every declaration we have made up until now against unfunded mandates.

What this bill says is that there will be a 5-day waiting period in the purchase of a handgun from a licensed dealer during which time the local police agency, at their expense and at their possible civil liability, are required to do a background check of the proposed purchaser. We do not even know how much all of these checks will cost. We have never researched it, because we, in Congress, do not intend to pay for it, by having the Federal Bureau of Investigation do the check or reimbursing the States.

This is important, because there is a debate about whether this approach helps or hurts law enforcement. Supporters argue it helps law enforcement because we might catch criminals and keep them from getting guns.

But it can be pointed out that when the time is spent checking out every purchaser of a handgun, and thousands of people are honest citizens, there might be a net loss to law enforcement. Although there is a fair debate either way, there is no debating the fact that we impose this decision on local law enforcement, and we tell them, "You will do this check our way and you will pay for it."

Second of all, we are passing up oversight. And what is the Department of Justice doing today to enforce the felony-in-possession statute, 18 U.S.C. 922, in terms of its use to prevent a felon from committing a crime? I have just received information from the Justice Department, and I will make it available for all Members. I hope I am interpreting it correctly, but the information I have received indicates that the Justice Department uses this statute primarily to further prosecute criminals who have committed a new crime. I do not oppose that use, of course, but that means it is virtually not used to prevent a felon in possession from committing a new crime.

That is very significant, because the Department of Justice says all the way up to the Attorney General of the United States that we need the Brady bill; we need that bill that we are not going to enforce, that the local government is going to enforce, but they are not using existing Federal law to arrest and prosecute a felon in possession of a weapon before there is a new crime.

Third and finally, Mr. Speaker, the whole point of the Brady bill, according to its supporters, is that we have a number of violent criminals on the street, and we have to try to prevent them from getting firearms and, according to their own statement, this is a small step in that direction.

I would submit that this would raise to any logical person the question: Why are the violent criminals on the street in the first place?

I would conclude by saying to the American people that if you know the violent criminals are still on the street after we have adjourned but we pass the Brady bill, do you feel any safer?

Mr. SOLOMON. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. GEKAS], another member of the Committee on the Judiciary.

Mr. GEKAS. Mr. Speaker, Members of the House, too often we see the spectacle of a gun-toting criminal, who has just killed someone or hurt someone or used it to rob someone, in court who then, on a technicality, is set free who goes out onto the street laughing at the court system because of a technicality that the judge has used in the exclusionary rule.

I ask you, does the Brady bill in this form or any other form go to reforming that process which is so vital to the criminal justice system? The answer is a resounding no. Yet we are wasting resources, time, and energy to go to a Brady bill that does nothing about the guy who has already been convicted of a felony but who walks out of the court on a technicality.

Does this bill do anything about the individuals who have been convicted of first-degree murder and are sitting in death row filing appeal after appeal, averting justice, averting the final element of justice because of a flaw in the habeas corpus system or a habeas corpus system that is being abused? Does the Brady bill in this form or any other form have anything to do with or does it cure or does it help to cure, does it provide a remedy for the death-row appeals?

□ 1400

The answer, of course, is "no." What we are doing—may I hear that again? No. They agree with me.

They know that the Brady bill in its present form or any form that constitutes a waiting period is simply a symbol, a strong symbol, a credit to the work of Sarah and Jim Brady, but it does not go to the core of the problems that vex us as a society on the criminal on the street, the criminal on death row and the three-time felon.

How about the three-time felon whom we want to, in separate legislation, convict of a third felony and then impose life imprisonment for three-time losers, does the Brady bill provide for that?

Does the Brady bill in this form or any other form prevent the three-time felon from committing more felonies? Is not life imprisonment for a three-time felon more important than a symbol that is within this Brady bill about preventing a felon from getting a gun?

Here we have more important work to do. The three-time felon who has maimed and robbed and committed felony after felony is not gaining the attention of the Congress, but rather a 5-day waiting period.

If it does nothing to do all of these things, what is the Brady bill going to succeed in doing? It is going to make a lot of people feel better, I know, but I would rather get to work on habeas corpus reform, exclusionary rule reform, and three-time felon life imprisonment reform.

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

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

Mr. Speaker, you know, I was sitting back there listening to the last several speakers, and I was trying to remember where the quote came from, but I could not recall it. But it goes something like this: "He protested too much."

You know, the last several speakers, it is really very amusing, they have blamed the Brady bill, they blamed it on the criminal, they blamed it on the victim, they blamed it on the judges, they blamed it on the court system, they blamed it on the prisons, and they blamed it on everything except what is

the real cause. And that is, they do not have the courage to vote for the Brady bill. That is what it is all about.

I mean here we have the Brady bill has been proposed before the Houses of Congress since 1967, and this business about it is not going to do any good, well, one-fourth of the guns that were bought that killed people were purchased from licensed gun dealers.

Every State in this Nation that has any sort of waiting period has caught thousands and thousands and tens of thousands of people who had criminal records and who had backgrounds in an institution of the mentally insane.

So this business is just not true. The fact of the matter is that there is a group that does not have the courage to vote for the Brady bill.

You know, I also find it rather interesting in this country that we had 17 or 18 people killed in Somalia a couple of months ago—and my heart goes out to their families for what they have done, given the ultimate sacrifice for this Nation—but 60 people are killed every day in this Nation by handguns. I am not going to suggest to you that the Brady bill is some magic answer to it, but it is a step in the right direction and it will save some lives.

I find it rather amusing that the Senate and the House were willing to vote billions and billions and billions of dollars of taxpayers' money for more cops on the beat, for more prisons, I mean for everything that we can possibly think of except getting up the courage to vote for the Brady bill. I mean we are buying our conscience off, I guess, is about the only way I can explain it. It is the height of hypocrisy.

Now let me say that having said all that, let us go ahead and pass this rule and send the bill to the conference committee.

Mr. MATSUI. Mr. Speaker, I rise today in strong support of H.R. 1025, the Brady Handgun Violence Prevention Act. Before going further, I would like to commend Jim and Sarah Brady for their tireless work on this legislation. The Brady bill has been the subject of much debate over many years and often looked as if it would never reach the President's desk. The dedication and perseverance of the Bradys and other supporters of this legislation shows that hard work, coupled with being right on the issue, can result in success in Congress.

I will neither recount the litany of statistics that drive this legislation nor will I narrate individual horror stories which assault us daily in the headlines and on the streets. I wish only to emphasize the sobering fact that this legislation, while extremely important both directly and symbolically, is only a first step in our fight against crime and our effort to regain control over our communities. We must not rest on the passage of the Brady bill. We must not delude ourselves into the comforting yet mistaken belief that this single piece of gun control legislation, or any gun control legislation for that matter, will suddenly end crime. This simply is not the case.

Violence for the sake of violence alone may, to some, have become an end in itself. But it is also symptomatic of other mistakes and tears in our social fabric. Drug abuse, poverty, entropy of the family at all income levels, a loss of purpose and direction; these evils do damage to all of us daily. The frustration engendered by these and other hardcore problems will continue to express itself in violence, with or without the Brady bill.

One risks falling into reciting platitudes when one talks about the perceived causes of violence in our society. But there is no doubt that we will not improve the lives of America's youth, we will not control violence in the home and on the streets, and we will not remove the blight of crime from our communities until we adequately address the deep social divisions and inequities that provide the fuel for aggression and disorder.

Here in Congress, we must continue to pass legislation which helps people rise above the conditions which nurture chaos and brutality. In our communities, we must assert our commitment to the future through our active involvement in the life of our cities and towns. And individuals and families must take control of their lives and responsibility for their actions.

Passage of the Brady bill sends a signal that the Congress and the American people are now ready to take positive action to stop crime. Today we take a solid first step.

Mr. SMITH of Texas. Mr. Speaker, police, prosecutors, and the courts need a tough, practical crime bill to take violent criminals off our streets.

Many are shocked to hear that violent criminals serve an average of only 6 years for murder, 3 years for rape, 2 years for robbery and 1 year for assault.

But instead of tougher sentences, the answer we are given in this legislation is a 5-day waiting period for handgun purchases. And since over 80 percent of felons purchasing guns avoid going to legitimate dealers to buy them, a waiting period will have little impact on the crime rate.

The Brady bill wrongly creates high hopes and great expectations. In reality, it will disappoint the American people.

To measure the impact of the Brady bill, start with the crime actually committed with a handgun within 1 month of that weapon's purchase.

According to a Police Foundation Firearm Abuse Study, only 2 percent of crime fit this category. And the Brady bill would cover only a fraction of this time period.

From that small number, deduct those criminals who would have acquired handguns from other sources if the Brady bill were in effect. For example, pistols could be obtained through the underground market, borrowed from friends or simply stolen.

Then deduct those who would have used false or stolen identification to purchase a gun. Then deduct those who would have slipped through the cracks simply because background records were nonexistent, incomplete, or inaccurate.

So what do you have left? Not much reduction in crime. And at what expense to the taxpayer and at what cost to the constitutional rights of law-abiding citizens? Worse yet, you have reduced the work of police officers to that of summer interns—taking cops off the street to shuffle paper.

The only real answer to gun violence is swift, severe and guaranteed punishment for people who misuse guns. That is what we should be considering here today.

Instead we are likely to help the criminal more than we are the victim with this bill by placing restrictions on the self defense of law-abiding citizens.

Mr. DERRICK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. ANDREWS of Maine). The question is on the resolution.

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

Mr. RIDGE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 249, nays 178, not voting 6, as follows:

[Roll No. 606]

YEAS—249

Abercrombie	Deutsch	Huffington
Ackerman	Diaz-Balart	Hughes
Andrews (ME)	Dicks	Hutto
Andrews (NJ)	Dixon	Hyde
Andrews (TX)	Dunn	Jacobs
Applegate	Durbin	Jefferson
Bacchus (FL)	Edwards (CA)	Johnson (CT)
Baesler	Engel	Johnson (SD)
Barca	English (AZ)	Johnson, E. B.
Barrett (WI)	English (OK)	Johnston
Bateman	Eshoo	Kaptur
Becerra	Evans	Kennedy
Beilenson	Farr	Kennelly
Bentley	Fawell	Kildee
Bereuter	Fazio	Kleczka
Berman	Fields (LA)	Klein
Bevill	Filner	Klug
Bilbray	Fingerhut	Kreidler
Blackwell	Fish	LaFalce
Blute	Flake	Lambert
Boehlert	Foglietta	Lancaster
Bonior	Ford (MI)	Lantos
Borski	Ford (TN)	Lazio
Brooks	Fowler	Leach
Browder	Frank (MA)	Lehman
Brown (CA)	Franks (NJ)	Levin
Brown (FL)	Frost	Lewis (GA)
Brown (OH)	Furse	Lipinski
Bryant	Gallo	Lloyd
Byrne	Gejdenson	Long
Cantwell	Gephardt	Lowey
Cardin	Gibbons	Machtley
Carr	Gilchrest	Maloney
Castle	Gilman	Mann
Clay	Glickman	Manton
Clayton	Gonzalez	Margolies-Mezvinsky
Clement	Goodling	Markey
Clyburn	Gordon	Martinez
Collins (IL)	Goss	Matsui
Collins (MI)	Greenwood	Mazzoli
Condit	Gutierrez	McCloskey
Conyers	Hamburg	McDade
Cooper	Hamilton	McDermott
Coppersmith	Harman	McHale
Coyne	Hastings	McKinney
Cramer	Hefner	McMillan
Darden	Hinchey	McNulty
DeFazio	Hoagland	Meehan
DeLauro	Hochbrueckner	Meek
Dellums	Horn	Menendez
Derrick	Hoyer	

Meyers	Reynolds	Swift
Mfume	Ridge	Synar
Michel	Roemer	Thompson
Miller (CA)	Ros-Lehtinen	Thornton
Miller (FL)	Rose	Torkildsen
Mineta	Rostenkowski	Torres
Minge	Roukema	Torricelli
Mink	Rowland	Towns
Moakley	Roybal-Allard	Traficant
Molinari	Rush	Tucker
Moran	Sabo	Unsoeld
Morella	Sangmeister	Upton
Murphy	Sawyer	Valentine
Murtha	Saxton	Velazquez
Nadler	Schenk	Vento
Neal (MA)	Schroeder	Visclosky
Neal (NC)	Schumer	Walsh
Obey	Scott	Washington
Olver	Sensenbrenner	Waters
Owens	Serrano	Watt
Pallone	Sharp	Waxman
Pastor	Shaw	Weldon
Payne (NJ)	Shays	Wheat
Pelosi	Shepherd	Whitten
Peterson (FL)	Skaggs	Wolf
Pickle	Slattery	Woolsey
Porter	Slaughter	Wyden
Price (NC)	Smith (NJ)	Wynn
Quinn	Spratt	Yates
Ramstad	Stark	Young (FL)
Rangel	Stokes	Zimmer
Reed	Studds	
Regula	Swett	

NAYS—178

Allard	Gunderson	Paxon
Archer	Hall (TX)	Payne (VA)
Armey	Hancock	Penny
Bachus (AL)	Hansen	Peterson (MN)
Baker (CA)	Hastert	Petri
Baker (LA)	Hayes	Pickett
Ballenger	Hefley	Pombo
Barcia	Herger	Pomeroy
Barlow	Hilliard	Portman
Barrett (NE)	Hobson	Poshard
Bartlett	Hoekstra	Pryce (OH)
Barton	Hoke	Quillen
Bilirakis	Holden	Rahall
Bishop	Houghton	Ravenel
Bliley	Hunter	Richardson
Boehner	Hutchinson	Roberts
Bonilla	Inglis	Rogers
Boucher	Inhofe	Rohrabacher
Brewster	Inslee	Roth
Bunning	Istook	Royce
Burton	Johnson (GA)	Sanders
Buyer	Johnson, Sam	Santorum
Callahan	Kanjorski	Sarpalius
Calvert	Kasich	Schaefer
Camp	Kim	Schiff
Canady	King	Shuster
Coble	Kingston	Sisisky
Coleman	Klink	Skeen
Collins (GA)	Knollenberg	Skelton
Combest	Kolbe	Smith (IA)
Costello	Kopetski	Smith (MI)
Cox	Kyl	Smith (OR)
Crane	LaRocco	Smith (TX)
Crapo	Laughlin	Snowe
Cunningham	Levy	Solomon
Danner	Lewis (CA)	Spence
de la Garza	Lewis (FL)	Stearns
Deal	Lightfoot	Stenholm
DeLay	Linder	Strickland
Dickey	Livingston	Stump
Dingell	Manzullo	Stupak
Doolittle	McCandless	Sundquist
Dornan	McCollum	Talent
Dreier	McCrery	Tanner
Duncan	McHugh	Tauzin
Edwards (TX)	McInnis	Taylor (MS)
Emerson	McKeon	Taylor (NC)
Everett	Mica	Tejeda
Ewing	Mollohan	Thomas (CA)
Fields (TX)	Montgomery	Thomas (WY)
Franks (CT)	Moorhead	Thurman
Gallegly	Myers	Volkmer
Gekas	Natcher	Walker
Geren	Nussle	Williams
Gillmor	Oberstar	Wilson
Gingrich	Ortiz	Wise
Goodlatte	Orton	Young (AK)
Grams	Oxley	Zeliff
Grandy	Packard	
Green	Parker	

NOT VOTING—6

Chapman	Dooley	McCurdy
Clinger	Hall (OH)	Vucanovich

□ 1425

Mr. EVERETT changed his vote from "yea" to "nay."

Mr. BRYANT and Mr. BLUTE changed their vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PARLIAMENTARY INQUIRY

Mr. SENSENBRENNER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. ANDREWS of Maine). The gentleman will state his parliamentary inquiry.

Mr. SENSENBRENNER. Does the gentleman from Texas [Mr. BROOKS] have to make the motion to send the bill to conference provided for under this rule?

The SPEAKER pro tempore. No, the adoption of the rule accomplishes that.

Mr. SENSENBRENNER. I thank the Chair.

APPOINTMENT OF CONFEREES ON H.R. 1025

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

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

The Clerk read as follows:

Mr. SENSENBRENNER moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendment to the bill, H.R. 1025, be instructed to accept section 302(d) of the Senate amendment, and subsection (i)(1)(A) of the matter proposed to be added by section 302(e) of the Senate amendment.

Mr. SENSENBRENNER (during the reading). Mr. Speaker, I ask unanimous consent that the motion to instruct be considered as read and printed in the RECORD.

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

There was no objection.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Wisconsin [Mr. SENSENBRENNER] will be recognized for 30 minutes, and the gentleman from Texas [Mr. BROOKS] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. SENSENBRENNER].

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

Mr. Speaker, this is a motion which I hope will be noncontroversial. It instructs the House conferees to accept the language added in the Senate to make the theft of a gun from a licensed gun dealer a Federal crime. Presently stealing a gun from a gun shop is not a Federal crime. The Senate added a provision that makes it a Federal crime subject to a fine of not more than $10,000, imprisonment of up to 10 years, or both, which would get the FBI involved in investigating thefts from gun stores.

Mr. Speaker, I would hope that this would be adopted in conference. I urge support for my motion to instruct.

Mr. Speaker, reserve the balance of my time.

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

Mr. Speaker, I have examined the motion to instruct, and the distinguished gentleman from Wisconsin [Mr. SENSENBRENNER] is soon to be appointed to the conference committee. I feel sure we will be able to rationalize and thoroughly explore that suggestion. We have no objection to it.

Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Speaker, I thank the gentleman from Texas [Mr. BROOKS], the chairman of the Committee on the Judiciary. I think this is a worthy instruction, and I hope we can move it very quickly.

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

Mr. SENSENBRENNER. Mr. Speaker, I, too, yield back the balance of my time, and I move the previous question on the motion to instruct.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from Wisconsin [Mr. SENSENBRENNER].

The motion was agreed to.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. BROOKS, HUGHES, SCHUMER, SENSENBRENNER and GEKAS.

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 3400, GOVERNMENT REFORM AND SAVINGS ACT OF 1993

Mr. GORDON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 320 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 320

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 3400) to provide a more effective, efficient, and responsive government. The first reading of the bill shall be dispensed with. All points or order against consideration of the bill are waived. General debate shall be confined to the bill and the amendments made in order by this resolution and shall not exceed one hour equally divided and controlled by the Majority Leader and the Minority Leader. After general debate the bill shall be considered for amendment under the five-minute rule. In lieu of the committee amendments now printed in the bill, the amendment in the nature of a substitute specified in part 1 of the

report of the Committee on Rules accompanying this resolution shall be considered as adopted in the House and in the Committee of the Whole. The bill, as so amended, shall be considered as the original bill for the purpose of further amendment. All points of order against the bill, as so amended, are waived. The bill, as so amended, shall be considered as read. No amendment to the bill, as so amended, shall be in order except those printed in part 2 of the report of the Committee on Rules. Each amendment may be offered and shall be disposed of only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable under the terms specified in the report, shall not be subject to amendment except as specified in the report, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against the amendments printed in the report are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill, as so amended, to the House with such further amendment as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill, as so amended, or to any further amendment in the nature of a substitute adopted in the Committee of the Whole. The previous question shall be considered as ordered on the bill, as so amended, and any amendment thereto to final passage without intervening motion except one motion to recommit, which may not include instructions.

□ 1430

POINT OF ORDER

Mr. GOSS. Mr. Speaker, I rise to a point of order.

The SPEAKER pro tempore (Mr. ANDREWS of Maine). The gentleman will state his point of order.

Mr. GOSS. Mr. Speaker, I make a point of order against the consideration of House Resolution 320 on grounds that it is in violation of clause 4(b) of House rule XI, and ask to be heard on my point of order.

Clause 4(b) of House rule XI provides that, and I quote:

The Committee on Rules shall not report any rule or order of business which * * * would prevent the motion to recommit from being made as provided in clause 4 of rule XVI.

And clause 4 of rule XVI provides, and again I quote:

After the previous question shall have been ordered on the passage of a bill or joint resolution, one motion to recommit shall be in order, and the Speaker shall give preference in recognition for such purpose to a Member who is opposed to the bill or joint resolution.

Mr. Speaker, as was said last night, those two clauses were adopted as amendments to House rules on March 15, 1909, when the minority party Democrats joined with a group of insurgent Republicans to guarantee greater minority rights.

Mr. Speaker, I will not repeat all the arguments I made on the preceding rule which contained the same wording which denied any instructions on the motion to recommit.

Nor will I quote all the Speakers I previously cited who affirmed that this motion was designed in 1909 to permit the minority to offer its final amendment to a bill.

Nor will I explain again why the one Speaker who misruled on this point in 1934 was wrong and should be overturned.

All this has been amply documented. All that remains to be done is for the present occupant of the Chair to admit that the single ruling in 1934 on which all the recent rulings have been based was erroneous and should be overturned.

Just as the Supreme Court overturned a bad precedent in 1954 to guarantee minority rights, so too can this Speaker overturn a bad precedent and restore the minority rights that were originally established back in 1909.

I strongly urge the Chair to sustain my point of order and thereby restore the rights that are rightfully ours according to the legislative history and intent behind this rule.

The SPEAKER pro tempore. Does the gentleman from Tennessee [Mr. GORDON] wish to be hard on this point of order?

Mr. GORDON. Mr. Speaker, I do wish to be heard on this point of order.

Mr. Speaker, the gentleman from Florida [Mr. GOSS] makes the point of order that the rule limits the motion to recommit and therefore, according to the minority, the rule violates clause 4(b) of rule XI.

Mr. Speaker, I respectfully disagree. Rule XI prohibits the Rules Committee from reporting a rule that: "Would prevent the motion to recommit from being made as provided in clause 4 of rule XVI."

Clause 4 of rule XVI addresses only the simple motion to recommit and requires the Speaker to give preference in recognition to a Member of the minority who is opposed to the measure.

Nowhere are instructions mentioned. Mr. Speaker, so long as the minority's right to offer a simple motion to recommit is protected, a rule does not "prevent the motion to recommit from being made as provided in clause 4 of rule XVI." This is a well-established parliamentary point.

I will not respect the precedents and history of this point. Suffice it to say that Speaker Rainey, on January 11, 1934 so ruled and was sustained on appeal.

The parliamentary point has been reaffirmed several times in the last few years, by ruling of the Chair, and when the ruling was challenged, it has been sustained on appeal.

The precedents are clear and unequivocal. If the rule does not deprive the minority of the right to offer a simple motion to recommit, then the rule does not violate the spirit or the letter of clause 4(b) of rule XI. Mr. Speaker, I urge that the point of order be overruled.

The SPEAKER pro tempore (Mr. ANDREWS of Maine). The Chair is now prepared to rule. Under the precedents cited in section 729(C) of the House Rules and Manual, and as reiterated as recently as yesterday afternoon, the Chair overrules the point of order.

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] and pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 320 provides for the consideration of H.R. 3400, the Government Reform and Savings Act. The rule provides for 1 hour of general debate which is to be equally divided and controlled by the majority leader and minority leader or their designee. All points of order are waived against consideration of the bill.

The rule provides that the amendment in the nature of a substitute printed in part I of the report to accompany the rule shall be considered as adopted in the House and in the Committee of the Whole. The bill, as amended, shall be considered as read.

House Resolution 320 provides that the bill, as amended, shall be considered as an original bill for the purposes of further amendment. All points of order are waived against the bill as amended.

The rule makes in order only those amendments which are printed in part II of the report to accompany the rule. The amendments are to be considered in the order and manner specified in the report, with debate time also specified in the report.

The amendments are to be considered as read, and are not subject to a demand for the division of the question. All points of order are waived against the amendments in the report.

Finally, the rule provides for one motion to recommit which may not contain instructions.

Mr. Speaker, H.R. 3400 is the second round of spending cuts Congress has considered this year. In August, Congress enacted a comprehensive deficit reduction package which included $255 billion in spending cuts.

House Resolution 320 provides for the consideration of three different Federal spending reduction alternatives.

The first alternative the House will consider is sponsored by the chairman of the Budget Committee, Mr. Sabo. The Sabo amendment cuts $37.1 billion over 5 years, and includes the $2.6 billion rescission package reported by the Appropriations Committee. The Sabo alternative includes many of the recommendations included in Vice President GORE'S National Performance Review, including a reduction of the Federal work force by 252,000 positions over the next 5 years.

The Penny-Kasich amendment will be considered second. This amendment provides for $90.4 billion in spending cuts over 5 years. Many of the recommendations included in the Sabo amendment are incorporated in the Penny-Kasich plan including the reduction of the Federal work force by 252,000. Additional savings are achieved by cuts in mandatory spending, consolidation of Federal agencies, streamlining government and other changes in policy.

Finally, after the House has considered the Penny-Kasich amendment, it will be in order to consider the Frank-Shays amendment which cuts $51.5 billion over 5 years.

The Frank-Shays alternative includes everything in the Sabo amendment plus an additional $14.4 billion is spending cuts: $707 million from canceling the space station, $4.9 billion by increasing our European allies' burdensharing responsibilities, $1.85 billion in cuts from the Ballistic Missile Defense Program, and $315 million from the termination of the advanced liquid metal reactor.

Mr. Speaker, this rule provides for the consideration of three major cost cutting alternatives. Now is the time to live up to our commitment to cut government spending. A no vote on the rule will send the wrong message to the American public.

I encourage my colleagues to adopt the rule so that the House can consider this very important piece of legislation.

□ 1440

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

(Mr. Speaker, no one enjoys a tough challenge more than I do. But to wait until the last days of this session of Congress to try and reinvent government, I think, is a little bit more than daunting. It is downright intimidating, if not ludicrous, at best.

This is especially so when Members consider that it took our Founding Fathers nearly 4 months to invent the government in the first place. It is a bit arrogant on our part to think that we can reinvent it in just one day or a couple of hours.

Mr. Speaker, let me say that I appreciate the fact that a commitment was made by the Speaker earlier this year to give us an opportunity before this session was out to have another round of spending cuts. On that, I commend the Speaker. But little did anyone know or think that he would literally wait until the very last day of the session, in the very last hours, to make good on that commitment.

This, Mr. Speaker, all began as a reasonable idea. The Vice President has a number of sound recommendations for making the government work better. The President and the Appropriations Committee had some competing ideas for modest spending rescissions, and the Penny-Kasich group, of which I was proud to be a member, had some bold and necessary proposals for cutting spending and reducing the deficit. That is something that the American people want us to do and do more of.

Our Task Force labored for months to put together roughly $103 billion in spending cuts over 5 years. Some 75 percent of those cuts were based on the Republican budget plan, rejected by this House earlier this year. That package has since been modified in the face of certain political realities, but it is still a repeatable $90 billion in cuts.

The President claimed to have sent us some $9 billion in spending cuts in the Gore Reinventing Government package on October 27, plus another $1.9 billion in rescissions on November 2. However, when the Congressional Budget Office scored that October 27 package, lo and behold, it only contained $305 million in cuts, not the $9 billion. That is 95 percent less. And by the time the 17 committees to which it was referred, got down with it, it actually would have ended up costing, not saving, an additional $1.2 billion.

Can Members imagine? Instead of saving $9 billion, it is now going to cost $1.2 billion. Naturally this was cause for considerable embarrassment on the part of the administration and its allies here in the House, who had hoped to have available an alternative to our Penny-Kasich package.

So the administration embarked on a two-track strategy to try to salvage something from this disastrous situation. What did they do?

They borrowed $30 billion in savings from the Penny-Kasich package by agreeing to a reduction of 252,000 Federal workers. My colleagues all know those figures being bandied around. And on the second track, they tried to savage and discredit the Penny-Kasich package as being the end of the world as we know it.

Keep in mind that the House leaders endorsing the so-called "Sabo substitute," of which more than 75 percent is based on Federal work force reduction, is the same group that has twice defied the wishes of this House to include those reductions in unemployment legislation on the grounds that such a work force reduction was impractical.

All this brings us, Mr. Speaker, to the Committee on Rules and the rules which fabricates a new base bill called the Sabo substitute, which is self-executed to final adoption by this rule.

Mr. Speaker, what exactly does the Sabo substitute do? Unfortunately, the gentleman from Minnesota [Mr. SABO] could not tell us in detail, since he admitted up in the Committee on Rules the other night, in his testimony, that it was still being written by the Committee on Rules in the back room even as he spoke.

Mr. Speaker, what finally came out of that back room is unbelievable. The Sabo substitute actually strikes, listen to this, it actually strikes provisions reported by several committees who bothered to report, thus bypassing the entire committee system. And it adds new provisions which other committees did not report at all. Some way to run a ship, Mr. Speaker.

In short, the Sabo base text rewards those who did not do their work on time. And it punishes those who did. That is a whole new twist on what the legislative process is really all about around here.

Mr. Speaker, not only does the rule self-execute the Sabo language into the base text of the bill, it goes on to take the same language as a substitute for itself—and the gentleman from Pennsylvania [Mr. WALKER] is going to dramatize this on a chart in a few minutes—as one of those three amendments.

The reason for that is to allow the House to strategically vote on Sabo first and, thereby, give an excuse for all of those Democrats who voted for the tax package, the biggest tax increase in history, to give them an excuse for not voting for Penny-Kasich right now.

The second amendment allowed by this rule is the Penny-Kasich amendment, which is not a substitute for but, rather, a further amendment to the base text. Never mind that one-third of Penny-Kasich is identical to over three-fourths of the Sabo substitute. We will simply go ahead and enact the same 252,000 Federal work force reduction, twice in the same bill.

How are we going to score that?

The third amendment is the Frank-Shays amendment, which takes a major chunk out of an already eviscerated Defense budget and also duplicates the language of the Sabo base text. Talk about confusion. No one even knows how that works. We cannot possibly score it, and we cannot possibly enact it.

Finally, the rule denies this minority its traditional right to even offer a motion to recommit with instructions, our traditional right for the last 150 years. That is the second time in 2 days that this suppression has taken place.

What the rule does not do, though, is also a disgrace, my colleagues. All told, some 34 amendments were submitted to the Committee on Rules, 15 by Democrats and 19 by Republicans. Most of these were thoughtful and serious attempts by Members on both sides of the aisle to make some contribution towards reinventing government and reducing the deficit. But this rule shuts out 32 of those 34 amendments, Republicans and Democrats alike. We will not have an opportunity to even consider, let alone vote on, those meritorious amendments.

At the top of the list is a sincere effort led by the gentleman from California [Mr. HORN] and the Republican freshman class to put some meaningful and low spending caps on Government spending. They are being denied, notwithstanding that our freshmen comprise a sizable segment of this House and are probably the closest to the mandate for change the people voted for a year ago. Members all remember that.

Freshmen Members on both sides of the aisle are being shut out of the process by this rule.

□ 1450

If I were one of those freshmen, I would be outraged. Not only are the most junior Members of this House disenfranchised, but so, too, are our most senior Members, including our respected leader, the gentleman from Illinois, BOB MICHEL, the man who has served in this House longer than any other Republican. He had offered an amendment for giving the line item veto over targeted tax benefits, something this House voted on earlier this year, but now has been killed in the other body by somebody named BYRD.

I wish I had the time to discuss all the worthy amendments that were disallowed by this rule and, more importantly, I wish the House would be given the time to debate them.

Mr. Speaker, I can read the writing on the wall and the clock on the wall. The first session of this Congress will mercifully come to an end soon, and this is used as a justification for denying Members of this House a chance to really legislate on this bill. We do not have time. We do not have time.

I think at the very least we could amend this rule to allow one additional amendment to be made in order. At present we have two Democrat amendments and one truly bipartisan amendment. I would like to suggest, for the sake of fairness, that we, at the very least, amend this rule to make in order the so-called Horn freshman Republican amendment to set hard target discretionary and mandatory spending caps for fiscal 1994 through 2000.

That amendment would exempt Social Security, Medicare, veterans, civil service pensions, Head Start, and give the President certain flexibility in other areas, but it would do something for meaningful deficit reduction. Let us make that amendment in order under the same 1 hour of debate as the Penny-Kasich and Frank-Shays amendment, and then have an up-or-down vote on it. I think this is reasonable, and it is equitable, and it is fair.

If Members vote down this rule, they will have that chance. If we do not, there is not going to be any deficit reduction, and this sea of red ink is going to continue to mount and mount and mount. We do not want that to happen.

Mr. Speaker, I include for the RECORD a chart and documents depicting the percentage of open versus closed rules, and a chart and other material describing amendments:

OPEN VERSUS RESTRICTIVE RULES 95TH–103D CONG.

Congress (years)	Total rules granted[1]	Open rules		Restrictive rules	
		Number	Percent[2]	Number	Percent[3]
95th (1977–78)	211	179	85	32	15
96th (1979–80)	214	161	75	53	25
97th (1981–82)	120	90	75	30	25
98th (1983–84)	155	105	68	50	32
99th (1985–86)	115	65	57	50	43
100th (1987–88)	123	66	54	57	46
101st (1989–90)	104	47	45	57	55
102d (1991–92)	109	37	34	72	66
103d (1993–94)	53	12	23	41	77

[1] Total rules counted are all order of business resolutions reported from the Rules Committee which provide for the initial consideration of legislation, except rules on appropriations bills which only waive points of order. Original jurisdiction measures reported as privileged are also not counted.

[2] Open rules are those which permit any Member to offer any germane amendment to a measure so long as it is otherwise in compliance with the rules of the House. The parenthetical percentages are open rules as a percent of total rules granted.

[3] Restrictive rules are those which limit the number of amendments which can be offered, and include so-called modified open and modified closed rules, as well as completely closed rule, and rules providing for consideration in the House as opposed to the Committee of the Whole. The parenthetical percentages are restrictive rules as a percent of total rules granted.

Sources: "Rules Committee Calendars & Surveys of Activities," 95th–102d Cong.; "Notices of Action Taken," Committee on Rules, 103d Cong., through Nov. 20, 1993.

OPEN VERSUS RESTRICTIVE RULES: 103D CONG.

Rule number date reported	Rule type	Bill number and subject	Amendments submitted	Amendments allowed	Disposition of rule and date
H. Res. 58, Feb. 2, 1993	MC	H.R. 1: Family and medical leave	30 (D–5; R–25)	3 (D–0; R–3)	PQ: 246–176. A: 259–164. (Feb. 3, 1993).
H. Res. 59, Feb. 3, 1993	MC	H.R. 2: National Voter Registration Act	19 (D–1; R–18)	1 (D–0; R–1)	PQ: 248–171. A: 249–170. (Feb. 4, 1993).
H. Res. 103, Feb. 23, 1993	C	H.R. 920: Unemployment compensation	7 (D–2; R–5)	0 (D–0; R–0)	PQ: 243–172. A: 237–178. (Feb. 24, 1993).
H. Res. 106, Mar. 2, 1993	MC	H.R. 20: Hatch Act amendments	9 (D–1; R–8)	3 (D–0; R–3)	PQ: 248–166. A: 249–163. (Mar. 3, 1993).
H. Res. 119, Mar. 9, 1993	MC	H.R. 4: NIH Revitalization Act of 1993	13 (d–4; R–9)	8 (D–3; R–5)	PQ: 247–170. A: 248–170. (Mar. 10, 1993).
H. Res. 132, Mar. 17, 1993	MC	H.R. 1335: Emergency supplemental Appropriations	37 (D–8; R–29)	1 (not submitted) (D–1; R–0)	A: 240–185. (Mar. 18, 1993).
H. Res. 133, Mar. 17, 1993	MC	H. Con. Res. 64: Budget resolution	14 (D–2; R–12)	4 (1-D not submitted) (D–2; R–2)	PQ: 250–172. A: 251–172. (Mar. 18, 1993).
H. Res. 138, Mar. 23, 1993	MC	H.R. 670: Family planning amendments	20 (D–8; R–12)	9 (D–4; R–5)	PQ: 252–164. A: 247–169. (Mar. 24, 1993).
H. Res. 147, Mar. 31, 1993	C	H.R. 1430: Increase Public debt limit	6 (D–1; R–5)	0 (D–0; R–0)	PQ: 244–168. A: 242–170. (Apr. 1, 1993).
H. Res. 149, Apr. 1, 1993	MC	H.R. 1578: Expedited Rescission Act of 1993	8 (D–1; R–7)	3 (D–1; R–2)	A: 212–208. (Apr. 28, 1993).
H. Res. 164, May 4, 1993	O	H.R. 820: Nate Competitiveness Act	NA	NA	A: Voice Vote. (May 5, 1993).
H. Res. 171, May 18, 1993	O	H.R. 873: Gallatin Range Act of 1993	NA	NA	A: Voice Vote. (May 20, 1993).
H. Res. 172, May 18, 1993	O	H.R. 1159: Passenger Vessel Safety Act	NA	NA	A: 308–0 (May 24, 1993).
H. Res. 173, May 18, 1993	MC	S.J. Res. 45: United States forces in Somalia	6 (D–1; R–5)	6 (D–1; R–5)	A: Voice Vote (May 20, 1993)
H. Res. 183, May 25, 1993	O	H.R. 2244: 2d supplemental appropriations	NA	NA	A: 251–174. (May 26, 1993).
H. Res. 186, May 27, 1993	MC	H.R. 2264: Omnibus budget reconciliation	51 (D–19; R–32)	8 (D–7; R–1)	PQ: 252–178. A: 236–194 (May 27, 1993).
H. Res. 192, June 9, 1993	MC	H.R. 2348: Legislative branch appropriations	50 (D–6; R–44)	6 (D–3; R–3)	PQ: 240–177. A: 226–185. (June 10, 1993).
H. Res. 193, June 10, 1993	O	H.R. 2200: NASA authorization	NA	NA	A: Voice Vote. (June 14, 1993).
H. Res. 195, June 14, 1993	MC	H.R. 5: Striker replacement	7 (D–4; R–3)	2 (D–1; R–1)	A: 244–176.. (June 15, 1993).
H. Res. 197, June 15, 1993	MO	H.R. 2333: State Department. H.R. 2404: Foreign aid	53 (D–20; R–33)	27 (D–12; R–15)	A: 294–129. (June 16, 1993).
H. Res. 199, June 16, 1993	C	H.R. 1876: Ext. of "Fast Track"	NA	NA	A: Voice Vote. (June 22, 1993).
H. Res. 200, June 16, 1993	MC	H.R. 2295: Foreign operations appropriations	33 (D–11; R–22)	5 (D–1; R–4)	A: 263–160. (June 17, 1993).
H. Res. 201, June 17, 1993	O	H.R. 2403: Treasury-postal appropriations	NA	NA	A: Voice Vote. (June 17, 1993).
H. Res. 203, June 22, 1993	MO	H.R. 2445: Energy and Water appropriations	NA	NA	A: Voice Vote. (June 23, 1993).
H. Res. 206, June 23, 1993	O	H.R. 2150: Coast Guard authorization	NA	NA	A: 401–0. (July 30, 1993).
H. Res. 217, July 14, 1993	MO	H.R. 2010: National Service Trust Act	NA	NA	A: 261–164. (July 21, 1993).
H. Res. 218, July 20, 1993	O	H.R. 2530: BLM authorization, fiscal year 1994–95	NA	NA	
H. Res. 220, July 21, 1993	MC	H.R. 2667: Disaster assistance supplemental	14 (D–8; R–6)	2 (D–2; R–0)	PQ: 245–178. F: 205–216. (July 22, 1993).
H. Res. 226, July 23, 1993	MC	H.R. 2667: Disaster assistance supplemental	15 (D–8; R–7)	2 (D–2; R–0)	A: 224–205. (July 27, 1993).
H. Res. 229, July 28, 1993	MO	H.R. 2330: Intelligence Authority Act, fiscal year 1994	NA	NA	A: Voice Vote. (Aug. 3, 1993).
H. Res. 230, July 28, 1993	O	H.R. 1964: Maritime Administration authority	NA	NA	A: Voice Vote. (July 29, 1993).
H. Res. 246, Aug. 6, 1993	MO	H.R. 2401: National Defense authority	149 (D–109; R–40)		A: 246–172. (Sept. 8, 1993).
H. Res. 248, Sept. 9, 1993	MO	H.R. 2401: National defense authorization			PQ: 237–169. A: 234–169. (Sept. 13, 1993).
H. Res. 250, Sept. 13, 1993	MC	H.R. 1340: RTC Completion Act	12 (D–3; R–9)	1 (D–1; R–0)	A: 213–191–1. (Sept. 14, 1993).
H. Res. 254, Sept. 22, 1993	MO	H.R. 2401: National Defense authorization		91 (D–67; R–24)	A: 241–182. (Sept. 28, 1993).
H. Res. 262, Sept. 28, 1993	O	H.R. 1845: National Biological Survey Act	NA	NA	A: 238–188 (10/06/93).
H. Res. 264, Sept. 28, 1993	MC	H.R. 2351: Arts, humanities, museums	7 (D–0; R–7)	3 (D–0; R–3)	PQ: 240–185. A: 225–195. (Oct. 14, 1993).
H. Res. 265, Sept. 29, 1993	MC	H.R. 3167: Unemployment compensation amendments	3 (D–1; R–2)	2 (D–1; R–1)	A: 239–150. (Oct. 15, 1993).
H. Res. 269, Oct. 6, 1993	MO	H.R. 2739: Aviation infrastructure investment	N/A	N/A	A: Voice Vote. (Oct. 7, 1993).
H. Res. 273, Oct. 12, 1993	MC	H.R. 3167: Unemployment compensation amendments	3 (D–1; R–2)	2 (D–1; R–1)	PQ: 235–187. F: 149–254. (Oct. 14, 1993).
H. Res. 274, Oct. 12, 1993	MC	H.R. 1804: Goals 2000 Educate America Act	15 (D–7; R–7; I–1)	10 (D–7; R–3)	A: Voice Vote. (Oct. 13, 1993).
H. Res. 282, Oct. 20, 1993	C	H.J. Res. 281: Continuing appropriations through Oct. 28, 1993	N/A	N/A	A: Voice Vote. (Oct. 21, 1993).
H. Res. 286, Oct. 27, 1993	O	H.R. 334: Lumbee Recognition Act	N/A	N/A	A: Voice Vote. (Oct. 28, 1993).
H. Res. 287, Oct. 27, 1993	C	H.J. Res. 283: Continuing appropriations resolution	1 (D–0; R–0)	0	A: 252–170. (Oct. 28, 1993).
H. Res. 289, Oct. 28, 1993	O	H.R. 2151: Maritime Security Act of 1993	N/A	N/A	A: Voice Vote. (Nov. 3, 1993).
H. Res. 293, Nov. 4, 1993	MC	H. Con. Res. 170: Troop withdrawal Somalia	N/A	N/A	A: 390–8. (Nov. 8, 1993).
H. Res. 299, Nov. 8, 1993	MO	H.R. 1036: Employee Retirement Act–1993	2 (D–1; R–1)	N/A	A: Voice Vote. (Nov. 9, 1993).
H. Res. 302, Nov. 9, 1993	MC	H.R. 1025: Brady handgun bill	17 (D–6; R–11)	4 (D–1; R–3)	A: 238–182. (Nov. 10, 1993).
H. Res. 303, Nov. 9, 1993	O	H.R. 322: Mineral exploration	N/A	N/A	A: Voice Vote. (Nov. 16, 1993).
H. Res. 304, Nov. 9, 1993	C	H.J. Res. 288: Further CR, FY 1994	N/A	N/A	
H. Res. 312, Nov. 17, 1993	MC	H.R. 3425: EPA Cabinet Status	27 (D–8; R–19)	9 (D–1; R–8)	
H. Res. 313, Nov. 17, 1993	MC	H.R. 796: Freedom Access to Clinics	15 (D–9; R–6)	4 (D–1; R–3)	A: 233–192. (Nov. 18, 1993).
H. Res. 314, Nov. 17, 1993	MC	H.R. 3351: Alt Methods Young Offenders	21 (D–7; R–14)	6 (D–3; R–3)	A: 238–179. (Nov. 19, 1993).

OPEN VERSUS RESTRICTIVE RULES: 103D CONG.—Continued

Rule number date reported	Rule type	Bill number and subject	Amendments submitted	Amendments allowed	Disposition of rule and date
H. Res. 316, Nov. 19, 1993	C	H.R. 51: D.C. statehood bill	1 (D–1; R–0)	N/A	A: 252–172. (Nov. 20, 1993).
H. Res. 319, Nov. 20, 1993	MC	H.R. 3: Campaign Finance Reform	35 (D–6; R–29)	1 (D–0; R–1)	
H. Res. 320, Nov. 20, 1993	MC	H.R. 3400: Reinventing Government	34 (D–15; R–19)	3 (D–3; R–0)	

Note.—Code: C-Closed; MC-Modified closed; MO-Modified open; O-Open; D-Democrat; R-Republican; PQ: Previous question; A-Adopted; F-Failed.

ROLLCALL VOTES IN THE RULES COMMITTEE ON AMENDMENTS TO THE PROPOSED RULE ON H.R. 3400, THE GOVERNMENT REFORM AND SAVINGS ACT

Open rule—This amendment to the proposed rule provides for an open rule with two-hours of general debate time equally divided between the minority and majority leaders. It is first in order to consider the Penny-Kasich amendment in the nature of a substitute under the five-minute rule. All points of order are waived against the bill and the substitute.

Vote (Defeated 3–7): Yeas—Solomon, Dreier, Goss; Nays—Moakley, Beilenson, Frost, Bonior, Wheat, Gordon, Slaughter. Not voting: Quillen, Derrick, Hall.

Allow motion to recommit with instructions—

Vote (Defeated 3–7): Yeas—Solomon, Dreier, Goss; Nays—Moakley, Derrick, Beilenson, Frost, Bonior, Gordon, Slaughter. Not voting: Quillen, Hall, Wheat.

Porter: Requires OMB and Treasury, in 1995 and in each year through 1999, to determine: (1) the difference between last year's deficit and the deficit two years ago, (2) the amount of reconciliation taxes for last year (income taxes, excise taxes and user fees attributable to the 1993 reconciliation bill), and (3) the relationship of any change in the deficit to reconciliation tax increases. If the deficit grew, or shrank less than the amount of reconciliation taxes, then the reconciliation tax changes do not apply for that year.

Vote (Defeated 3–8): Yeas—Solomon, Dreier, Goss; Nays—Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon, Slaughter. Not voting: Quillen, Hall.

Saxton: (Amends Penny-Kasich) Strikes sections 603 and 604; those sections impose a 20% coinsurance on home health services and clinical laboratory services under Medicare.

Vote (Defeated 3–8): Yeas—Solomon, Dreier, Goss; Nays—Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon, Slaughter. Not voting: Quillen, Hall.

Ramstad: Requires Congress and the President to use the current year spending levels as a baseline in preparation of the budget.

Vote (Defeated 3–8): Yeas—Solomon, Dreier, Goss; Nays—Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon, Slaughter. Not voting: Quillen, Hall.

Smith (MI): Create a Consumer Price Index for Government Use (CPI–G) to set the amount of federal cost-of-living allowances; the index will be modeled on the Consumer Price Index for Urban Consumers (CP–U) except that tobacco products will be excluded.

Vote (Defeated 4–7): Yeas—Solomon, Dreier, Goss, Slaughter; Nays—Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon. Not voting: Quillen, Hall.

Horn: Sets hard-target caps for FY 1994–2000 discretionary appropriations and mandatory spending, with the threat of sequestration if spending exceeds caps (except for bank deposit insurance, interest payments, Social Security benefits, Medicare, Veterans' compensation and pensions, military and civil service pensions or annuities, Head Start, and offsetting receipts). Allows President to exempt other programs from reductions, up to $1 billion per functional category, provided the across-the-board percentage cut is increased for nonexempt programs to make up the difference.

Vote (Defeated 3–8): Yeas—Solomon, Dreier, Goss; Nays—Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon, Slaughter. Not voting: Quillen, Hall.

Schiff: Repeals several provisions of the 1993 reconciliation bill: increase in earned income tax credit; increase in Presidential election campaign fund checkoff; certain increases in Food Stamp program; and the moratorium on HHS collections on penalties against States that allegedly fail to properly implement foster care and child welfare services.

Vote (Defeated 3–8): Yeas—Solomon, Dreier, Goss; Nays—Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon, Slaughter. Not voting: Quillen, Hall.

Morella: Provides that the Secretary shall carry out the phase out and closure of the Uniformed Services University of the Health Services in the same manner as the closure of a military installation approved for closure under the base closure law.

Vote (Defeated 3–7): Yeas—Solomon, Dreier, Goss; Nays—Moakley, Derrick, Frost, Bonior, Wheat, Gordon, Slaughter. Not voting: Quillen, Hall, Beilenson.

Michel: Grants the President authority to veto any targeted tax benefit within a revenue bill. Requires the President to notify Congress of the individual vetoes by special message not later than twenty days after the date of enactment of the revenue measure. Congress, by a majority vote, may disapprove the vetoes by passage of a disapproval bill or joint resolution. Provides a twenty day Congressional review period. The President may either sign or veto the disapproval bill or joint resolution. A veto of the disapproval bill or joint resolution must be overridden by a two-thirds vote in both Houses.

Vote (Defeated 3–8): Yeas—Solomon, Dreier, Goss; Nays—Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon, Slaughter. Not voting: Quillen, Hall.

Collings (GA): Amendment to the Penny/Kasich amendment—Changes the Medicare Part B subsidy threshold from $70,000 for individuals and $90,000 for couples to $100,000 for either individuals or couples. The amendment would provide a phase-in of the premium increase and would eliminate the Part B subsidy by 3% increments so that beneficiaries earning $125,000 or more will pay full premiums.

Vote (Defeated 3–8): Yeas—Solomon, Dreier, Goss; Nays—Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon, Slaughter. Not voting: Quillen, Hall.

Collins (GA): Amendment to the Penny/Kasich amendment—Strikes the provisions affecting military COLAs.

Vote (Defeated 3–8): Yeas—Solomon, Dreier, Goss; Nays—Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon, Slaughter. Not voting: Quillen, Hall.

Zimmer: Repeals retroactive application of 1993 reconciliation provisions increasing income tax rates and making the top estate and gift tax rates permanent.

Vote (Defeated 4–7): Yeas—Solomon, Dreier, Goss, Frost; Nays—Moakley, Derrick, Beilenson, Bonior, Wheat, Gordon, Slaughter. Not voting: Quillen, Hall.

Zimmer: Repeals 1993 reconciliation provision increasing the portion of Social Security benefits-income subject to income tax.

Vote (Defeated 3–8):Yeas—Solomon, Dreier, Goss; Nays—Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon, Slaughter. Not voting: Quillen, Hall.

Zimmer: Repeals 1993 reconciliation increasing tax on transportation fuels.

Vote (Defeated 3–8) Yeas—Solomon, Dreier, Goss; Nays—Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon, Slaughter. Not voting: Quillen, Hall.

Goodling: Strikes Title XVI, subtitle G which requires federal agencies to adjust civil monetary penalties to reflect the rate of inflation at least every 4 years.

Vote (Defeated 3–8) Yeas—Solomon, Dreier, Goss; Nays—Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon, Slaughter. Not voting: Quillen, Hall.

Morella: Strikes the section in Title III relating to the closure of the Uniformed Services University of the Health Sciences.

Vote (Defeated 3–8) Yeas—Solomon, Dreier, Goss; Nays—Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon, Slaughter. Not voting: Quillen, Hall.

Archer: Provides for 50% capital gains exclusion and indexes the cost basis of capital gains assets

Vote (Defeated 4–7): Yeas—Solomon, Dreier, Goss, Derrick; Nays—Moakley Beilenson, Frost, Bonior, Wheat, Gordon, Slaughter. Not voting: Quillen, Hall.

Vote (Defeated 3–8) Yeas—Solomon, Dreier, Goss; Nays—Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon, Slaughter. Not voting: Quillen, Hall.

Walker: Omnibus amendment including both rescissions and statutory changes to reduce the deficit.

Vote (Defeated 3–8) Yeas—Solomon, Dreier, Goss; Nays—Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon, Slaughter. Not voting: Quillen, Hall.

King-of-the-hill procedure: This amendment would set up a king-of-the-hill procedure for the consideration of (1) the Horn amendment; and, (2) the Penny-Kasich substitute. Whichever was the last to receive a majority would prevail. That surviving test would then be subject to each of three separate amendments by Mr. Zimmer which would use some of the savings achieved for specified tax cuts.

Vote (Defeated 3–8) Yeas—Solomon, Dreier, Goss; Nays—Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon, Slaughter. Not voting: Quillen, Hall.

Burton: (Amendment to H.R. 3511) Rescinds an additional $155.3 million from seven items: $21.75 million from FHA rural development grants; $3 million from the Outreach for Socially Disadvantaged Farmers program; $109.4 million from the Economic Development Assistance programs; $11.8 million from the Forth Worth Stockyards project; $2 million from the National Park Service construction for Boston Public Library; $6.9 million from the Agriculture Forest Service forest legacy program; and $400,000 from HUD community development grants.

Vote (Defeated 3-8): Yeas—Solomon, Dreier, Goss; Nays—Moakley, Derrick, Beilenson, Frost, Bonior, Wheat, Gordon, Slaughter. Not voting: Quillen, Hall.

Add words "and shall be disposed of":

Vote (Adopted 8-3): Yeas—Moakley, Derrick Beilenson, Frost, Bonior, Wheat, Gordon, Slaughter; Nays—Solomon, Dreier, Goss. Not voting: Quillen, Hall.

Adoption of rule.

Vote (Adopted 7-3-1): Yeas—Moakley, Derrick, Beilenson, Bonior, Wheat, Gordon, Slaughter; Nays—Solomon, Dreier, Gross. Voting present: Frost. Not voting Quillen, Hall.

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

Mr. GORDON. Mr. Speaker, for purposes of debate only I yield 4 minutes to the gentleman from Nebraska [Mr. HOAGLAND].

Mr. HOAGLAND. Mr. Speaker, as Members of Congress, our job is to make fundamental policy choices for the Nation. I view the impending vote on the Penny-Kasich amendment as a fundamental policy choice.

The choice presented by the Penny-Kasich amendment is whether we can cut another $90 billion from Federal spending, which is going to total $8.1 trillion over the next 5 years, or not. I believe we can.

I have deep reservations about whether some of the cuts are good policy. I am skeptical they will, in the end, result in as much savings as claimed. I hope and expect that the details of these proposals will be altered substantially as they are considered by the Senate, and as the House and Senate reconcile their differences over these cuts. However, I firmly believe we can cut spending by $90 billion over the next 5 years, and we should commit ourselves to that goal by voting for Penny-Kasich.

Let me be specific about some of my reservations. I am not pleased to raise the Davis-Bacon threshold without adopting other reforms to that law. I question whether adequate thought has been given to the creation of the new Department of Science. I worry about the impact of the proposed defense cuts on readiness, including the proposed unaccompanied tours of duty. And I am concerned about Medicare premium increases which do not reflect actual costs in Nebraska. I am only willing in the end to go along with further cuts in Medicare that are consistent with reforming our health care system in a financially sound manner. Notwithstanding these reservations, I support the Penny-Kasich amendment because I firmly believe we can achieve further deficit reduction. Our national debt is preventing economic growth and will be a burden on our children's generation. The provisions will undoubtedly be changed—let us pass it now—and wait to judge the final product when it comes back.

Over the 5 fiscal years covered by Penny-Kasich, we are projected to spend $8.1 trillion. Of the $8.1 trillion, $1.2 trillion will be new debt.

The Penny-Kasich amendment will reduce the $8.1 trillion of expected spending by $90 billion or only 1 percent. It will reduce the $1.2 trillion of deficit borrowing we expect over the next 5 years by 7.5 percent. Surely we can do that much.

Economist Barry Bosworth of the Brookings Institute tells us that the U.S. Government borrows between two-thirds and three-fourths of all individual and corporate savings in America to fund the annual Federal deficit.

In other words, that giant sucking sound you hear is capital being drained away from private enterprise to underwrite our profligate spending. That is money that would otherwise be available to be borrowed by private industry to invest in new plants and equipment which would create jobs and increase our real economic growth rate.

As long as Government continues to borrow between two-thirds and three-fourths of all private savings, how can you expect our real growth rate to increase as fast as we would like?

The point is, there is real value in deficit reduction. Deficit reduction through cuts, freeing up capital for private investment, really does make our economy work better. That is what is at stake here.

And there is no reason on earth we cannot reduce $8.1 trillion of spending over the next 5 years by $90 billion of spending. Passage of Penny-Kasich is no more than directions to this institution to get that job done.

Some of the cuts are genuinely painful for the affected groups, but we cannot stop this fiscal hemorrhaging without some painful choices. If we are rendered impotent by all of these interest groups that are bearing down on us every moment of the day, and cannot get this done, then we will never make the tough choices that are necessary to restore this country to fiscal sanity.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. WALKER], the majority whip or soon to be the majority deputy whip, let me put it that way, in November 1994.

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

Mr. Speaker, I just want to talk a little bit about this Rube Goldberg rule that was concocted to make certain that we do not ever get around to voting for real spending cuts. I have the Rube Goldberg contraption here beside me. I want to lead people through it, because it really is an amazing attempt to make certain that we never get to voting for real spending cuts.

Mr. Speaker, we start off down here, with H.R. 3400. Even the Democrats came to the conclusion that that was a laughable piece of legislation; that they were going to get laughed out of town if they brought this thing forward for any kind of real measure, so immediately in this rule what they do is, they put the so-called Sabo amendment in play. The so-called Sabo amendment is adopted as soon as we adopt the rule, but then, guess what? What we do then is, we go into a debate on the so-called Sabo amendment, despite the fact that it has been adopted. We go to a debate on it, and we have 90 minutes of debate on the so-called Sabo amendment. That is the so-called Sabo amendment to the Sabo bill that has already been introduced.

Then, if we have adopted the so-called Sabo amendment to the Sabo bill, we then come down and we actually get back down to the Sabo bill again.

Then we take up the so-called Penny-Kasich amendment. After we take up the Penny-Kasich proposal, depending upon the outcome of that, it can win or lose, nevertheless, we go back to Sabo again.

Then we come up with another amendment under this formula. We then go to the amendment of the gentleman from Connecticut [Mr. SHAYS], which, guess what, contains the so-called Sabo amendment. So we have the amendment by the gentleman from Connecticut [Mr. SHAYS] containing the amendment by the gentleman from Minnesota [Mr. SABO] that comes down here, and amends Sabo that was already put in as part of the rule, because they could not do H.R. 3400 because that was a laughable piece of trash.

I would suggest that a rule that does those kinds of things probably is pretty bad. It might be a good idea to turn down this rule and go back and get a real spending cut. What we could do is, we could bring Penny-Kasich before us. Penny-Kasich has a lot of good things in it, in fact, so many good things that the gentleman from Minnesota [Mr. SABO] puts it in his bill. A large portion of the rescissions the gentleman from Ohio [Mr. KASICH] and the gentleman from Minnesota [Mr. PENNY] came up with are already included in the so-called Sabo bill, but remember, that is the so-called Sabo bill we are adopting as part of this rule, and then going back to the so-called Sabo bill, and then back to the so-called Sabo bill again, and three times we go to the Sabo bill.

Mr. Speaker, do we think maybe they are trying to keep us from voting on real spending cuts? I think so. Turn down the rule.

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

Mr. Speaker, I appreciate the comments of the gentleman from Pennsylvania [Mr. WALKER]. I am not sure that I follow them, but I do appreciate those. I think he was saying he wanted a vote on the so-called Penny-Kasich amendment, and we are going to get that vote, so I hope that he is getting what he requested.

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Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from Pennsylvania [Mr. FOGLIETTA].

□ 1500

Mr. FOGLIETTA. Mr. Speaker, I rise to speak in favor of the rule and against the Penny-Kasich amendment.

It has become our tradition to pass important legislation before we adjourn for the year.

This is not show business. This sends a message to the American people that we are working, and working hard for them.

But we are engaging in show business today with the Penny-Kasich amendment.

The results of this performance will handicap our efforts to downsize the military in a rational and safe manner, jeopardize our halting economic recovery, and sabotage our efforts to reform health care delivery. It will also hurt senior citizens, and our poorest and most vulnerable constituents.

Representing one of the poorest districts in the country, and chairing the congressional urban caucus, I want to focus my remarks on how it will hurt the people who live in our cities.

In our appropriations bills we have made tough choices, and we have performed well in making sure that the safety net of Federal program is in place for the people who live in cities. But Penny-Kasich will kill or cripple every program important to cities. Just in Labor/HHS funding alone, a cut of 2 percent—a conservative figure—will mean cutting Head Start by $67 million, AIDS programs by $50 million, substance abuse programs by $28 million, State unemployment aid by $50 million, aid to city schools by at least $139 million.

Before you vote for Penny-Kasich, I urge you to talk to the mayors of your cities, the superintendents of your school districts, the operators of your mass transit systems—ask them how they will replace these lost Federal funds. Simply put, a vote for Penny-Kasich is a vote for big tax increases back home.

Thus, a vote for Penny-Kasich is not a tough vote at all; it is smoke and mirrors. It just forces others to make the tough decision about Government spending. We were not elected to shift around responsibility. Let us reject this superficial piece of candy that feeds the radio talk show hosts. Vote for the rule against Penny-Kasich.

Mr. GORDON. Mr. Speaker, for purposes of debate only, I yield 3 minutes to the gentleman from Pennsylvania [Mr. MURPHY].

Mr. MURPHY. Mr. Speaker, I thank the gentleman from Tennessee for the time allotted.

Mr. Speaker, most of us in this House are concerned with deficit reduction. And I want no mistake to be made that if we oppose the rule we are not opposed to deficit reduction.

But as has been pointed out, as we address this rule in the closing hours of a session, when our colegislative body has for all practice purposes left the Capitol, and we have almost a closed, a rather limited rule, there is no opportunity for those of us who are concerned with deficit reduction to offer individual amendments to either correct, detract, or add to the three packages that we are given. The three packages are rather confused, add to, take from, go up, go down.

What we need to seriously address this problem is time, time that the rule cannot give us today, time that this session cannot give us this year. Let us return from the holidays when our colleagues across the Capitol return and address this matter seriously, go through it amendment by amendment, take into consideration what we feel is important, what we feel is unimportant.

In Davis-Bacon it should be clarified. I do not oppose the limitations. But I think that we already have a bill out of committee that totally expresses our desire in readdressing Davis-Bacon. Medicare adjustments, very complicated, Medicaid, very complicated, something that we cannot do in the remaining few hours that we are given.

We are given an opportunity to either be for or against deficit reduction, and we will have to vote for one, two, or three of these packages. I think that is very unfair to the Members. It is very unfair to the 110 new Members of this Congress. They should be given their opportunity to fully debate and fully amend.

I urge my colleagues to defeat the rule, bring this session to a close, and come back and address it when we have time.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Pennsylvania [Mr. GOODLING].

Mr. GOODLING. Mr. Speaker, I am here today to register my strong objection to section 16701, now section 16010 in the bill before us, which would index all civil penalties, except those under the Internal Revenue Code, to inflation. Penalty levels would be increased by September 1994 to reflect past inflation from the time the penalty was last adjusted, then indexed to inflation thereafter. Hundreds of provisions in existing law would be affected.

Ironically, this is a bill advertised as a budget cutter, and as one to reinvent the Government to better serve the public. This provision does neither. It raises revenues for the Government to the tune of $64 to $126 million over 5 years, and is going to look like just another tax to the businesses in this country.

Why are we so determined to put small businesses out of business?

Despite the sweeping nature of this provision, there have been no hearings; no serious consideration has been given to this provision. In fact, the approach is just the opposite to the call of the Vice President to examine all of what Government does—to check and review regulation overkill.

I brought this to the attention of one of the high officials in the Administration and he said, "Why shouldn't we increase criminal penalties?" And I said, "But we are not talking about criminal penalties, we are talking about civil penalties." And when he asked the staffer with him whether we are talking about criminal penalties the staffer said, "Yes, criminal penalties."

Well, we are talking about civil penalties. In fact, when you talk about civil penalties, here is the booklet Civil Monetary Assessments and Collections, 1990 Report to Congress on Civil Monetary Penalties and Inflation Adjustment Report On the very first page there are 36 adjustments, and then you go page after page after page. No one looked at them. No one is checking to see whether we should reinvent what has been done here, whether these penalties have outlived their usefulness.

Let me just give a couple of examples if you think this issue is insignificant. On this page here is one that would go from $800,000 to $2,125,000. Another goes from $800,000 to $2,500,000. Another goes from $400,000 to $1,250,000.

It seems to me the committees of jurisdiction should really be looking at this. This is revenue enhancement. It has nothing to do with budget cutting.

But the seriousness of it is that we do not really know how many businesses we are going to put out of business simply by taking something blindly like this and doing it.

I saw where the chairman of the Ways and Means Committee asked what is the rush. I saw where the AFL–CIO said you are moving too rapidly, you had better reexamine what it is you are doing. And that is what I am asking Members to do today, slow this process down. Think of what we are doing before we do something that we are going to be very, very sorry for in the very near future.

Mr. Speaker, as the ranking Republican of the Education and Labor Committee I would like to comment on today's spending cuts/reinventing Government proposals, and how they may, or may not, affect programs before my committee.

First of all, I must register my strong objections to section 16701 of H.R. 3400, which would index all civil penalties, except those under the Internal Revenue Code, to inflation. Penalty levels would be increased by September 1994 to reflect past inflation, then indexed to inflation thereafter. Hundreds of provisions in existing law would be affected. Ironically, this is in a bill advertised as a budget cutter and as one to reinvent government to better serve the public. This provision does neither; it raises revenue for the government, to the

tune of $64 to $126 million over 5 years, and is going to look like just another tax to the businesses in this country.

Despite the sweeping nature of this provision, there have been no hearings, nor has it, or any other provision in the bill for that matter, been given serious consideration. The bill, as a whole, has been rushed through the House, introduced only a few weeks ago—on October 28. The Republican Members on the Education and Labor Committee requested a markup of H.R. 3400 and were denied that chance to get the issues on the table for public examination. I then went to the Rules Committee with an amendment to strike section 16701, thinking we could get some debate on the floor. Guess what? The Rules Committee decided not to permit the amendment to be brought up. I know I should no longer be surprised, I suppose, at how undemocratic the Democrats can be, but I feel a particular sense of frustration, even outrage, in this instance.

No one should think this is an unimportant, technical issue. Civil penalties under OSHA were recently increased seven-fold, from $10,000 to $70,000. Quick math will show that, assuming a 3.5 percent inflation rate, that penalty will be close to $100,000 in 10 years under this provision and will continue to climb, compounding forever. What would the amounts be if inflation was at the double-digit levels of the Carter years? Apply that calculation to any of the hundreds of penalties on the books and see what you come up with. And it will all be done automatically, by the Federal agencies, without any examination of the merits, or demerits, of the underlying law. What will be the effect on businesses or enforcement? We have no idea. And, of course, there is no guarantee in the law or otherwise that the income of businesses will also increase, lock step, with the rate of inflation. In fact, history has taught us otherwise.

Well, I wish we could have had a discussion of this issue, but the Rules Committee saw fit to preclude that. I assume, however, that my colleagues who support tying penalties to an automatic escalator driven by inflation will support my future efforts to similarly tie to inflation the monetary thresholds exempting small business under certain laws. If not, I look forward to hearing how they will draw a distinction.

Beyond the point of the civil penalties portion of this legislation, I would also like to note that H.R. 3400 falls far short of actually reinventing government. On September 7, with much fanfare, Vice President GORE released the long awaited report of the National Performance Review [NPR] entitled From Red Tape to Results: Creating a Government That Works Better and Costs Less. Vice President GORE'S report called for an impressive list of 21 reform initiatives related to the Department of Labor. But, as with past attempts to substantially reform the Federal Government programs, a cabal of lobbyists and special interest representatives fanned out across the various agencies and Congress and put the kibosh on the full implementation of the Gore Report. As a result, H.R. 3400 omits many of the labor reform proposals.

It is extremely disappointing that the administration failed to act upon all of the Gore Report's recommendations, especially those in the labor. Despite the pressure of the many lobbyists and special interests who labored to slow down the implementation of the Gore Report's recommendations, many Republican and Democratic Members of Congress enthusiastically endorsed the reform plan. In fact, 13 Republican members of the Committee on Education and Labor wrote Vice President GORE offering our support for many of the education and labor reforms.

In particular, we voiced our support for the NPR's recommendation to allow employers the option of using third parties or in-house programs to certify the safety of the workplace, and to create incentives in the OSHA Program to encourage employers to have good safety records. This very important OSHA reform proposal was completely excluded from H.R. 3400. Moreover, we also embraced the NPR's proposal to raise the current Davis-Bacon Act threshold from $2,000 to $100,000, and to substantially overhaul the McNamara-O'Hara Service Contract Act of 1965. In both cases, the NPR's original recommendations were vitally important in a necessary effort to modernize these two antiquated statutes. With regard to the Davis-Bacon and Service Contract Acts, H.R. 3400 merely tinkers with the periphery of the statutes and sidesteps the more important substantive changes recommended by the NPR.

Let me also add, Mr. Speaker, that I am very disappointed to see that H.R. 3400 fails to include any of the education recommendations made by the Vice President in the National Performance Review. The Vice President recommended consolidation or elimination of over 40 education programs—H.R. 3400 does nothing on this front. In addition, there are a number of good government provisions that could have been added to the bill dealing with education programs ranging from Head Start to Higher Education and beyond, had we been given the opportunity to review this bill at the committee level. These proposals would both make government work more efficiently and save money—which is what the NPR was all about. It is bad, at least as education is concerned, that the administration's legislation does not match its rhetoric.

Further, I am also extremely disappointed that the process used by the administration to first develop the Gore report's recommendations, and second to prepare a legislative package was cloaked in secrecy. At the time of that NPR's release, the administration's stated that full working group monographs and agency management cluster group reports would be released before a legislative package was developed. As of today, this promise has not been kept. As a result of the administration failure to keep its promise, I would simply ask that the administration release all pertinent monographs and cluster group reports. This request is especially important for those recommendations that will be implemented in the future. The administration's failure to make all pertinent background material available for congressional consumption risks preempting the type of debate which would lead to meaningful and wide-sweeping Government reform.

Beyond H.R. 3400, Mr. Speaker, I also would like to state that from an Education and Labor Committee perspective I also have some concerns about the Penny-Kasich amendment.

I am concerned about the proposal in the Penny-Kasich amendment which would eliminate Pell Grants for incarcerated individuals. I believe that these individuals must be educated and rehabilitated if they are going to contribute to society once they are released from prison. Eliminating Pell grants for all incarcerated individuals will reduce the chances that they will become educated and contribute to society once they serve their prison sentence.

I also am concerned with their proposal to consolidate several social service programs into one large block grant to the States. I applaud them generally for their effort to consolidate programs, because as we all know the Federal Government has too many programs that do the same thing, which leads to a large waste of money to feed the bloated bureaucracy. My concern with this proposal, however, is that the programs slated for consolidation are, by-and-large, targeted for separate and distinct populations with unique needs. For example, one of the programs provides nutrition and social services for the elderly, while another one provides funding for low-income child care; obviously, two very different groups of people. If the Penny-Kasich amendment is enacted, I would urge my colleagues to examine ways to ensure that funds under this new giant block grant program could be targeted to these different and unique groups in the same proportion they now enjoy, while reaping the administrative cost savings that will result from the consolidation.

Mr. Speaker, I definitely support the concepts of reducing Federal spending and reinventing government, but the way in which this whole process has unfolded leaves many question marks from the perspective of the Education and Labor Committees, which I wanted to bring to the attention of my colleagues.

Mr. GORDON. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from Ohio [Mr. FINGERHUT].

Mr. FINGERHUT. Mr. Speaker, I thank the gentleman for yielding the time.

Mr. Speaker, I rise in strong support of this rule.

Mr. Speaker, it is all too often on this floor that we hear that we are about to have a watershed vote, but I do believe that if we are able to vote today on the Penny-Kasich amendment that that is exactly what we will have.

The facts of the matter really are quite simple. There are some Members of this body who believe that more deficit reduction is needed than has been adopted in this session of Congress. There are others who do not. We asked, those of us who believe more is needed, for the opportunity to make that case to the full House during this session. We were given that commitment.

We then reached across the aisle to join together in a bipartisan effort to come up with a package of spending cuts that would meet what we believe is the necessity for further deficit reduction, and we were joined with outstretched hand by the gentleman from

Ohio [Mr. KASICH], and by many other Members of the Republican side in this bipartisan effort. We argued together, we compromised together, and we achieved our package. And today, if this rule passes, we will have a chance to debate it before the House, and to have the House render a decision on it.

I say to my Republican friends who are concerned about this rule that while there are other issues that I know you wish to debate, there are other cuts and other proposals you wish to put before the House, that the terms of this commitment have been kept. This rule provides us with the opportunity to debate and to make the case on the bipartisan amendment that we worked on, and I ask that we all support this rule in the same spirit that we proceeded over the last month to put together the Penny-Kasich amendment.

□ 1510

I would say finally to my friends who were concerned about this rule that if we make this historic statement today in favor of further deficit reduction that the lay of the land will never be the same again and that we will have other opportunities to pursue the other issues that people wish to follow.

I urge support of this rule.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana [Mr. BURTON], the fiscal watchdog of this House.

Mr. BURTON of Indiana. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, when the Committee on Rules met there were other amendments besides the Penny-Kasich approach that were to be discussed. In the dark of night without any discussion at all from Members, they passed a rule that did not include any of these other amendments for debate, and the gentleman from New York [Mr. SOLOMON] alluded to that just a few minutes ago.

I had an amendment before the Committee on Rules which would have cut $555 million from spending, and it was just cutting back to the 1993 levels. It was not cutting into the muscle and bone of some of these projects. I was going to cut things like the LaCrosse, KS, industrial park. We do not have any business in this body passing money for an industrial park. Seaboard Farms, OK, processing plant; we were going to cut $3 million out of a program for socially disadvantaged farmers, and nobody in this body even knows what a socially disadvantaged farmer is. We were going to cut out renovation of the Macon, GA, Coliseum; we were going to cut out a new hangar maintenance facility at Wood County Airport in West Virginia from the gentleman from the other body, chairman of the Appropriations Committee. We were going to cut economic development assistance programs for the Fort Worth stockyards which the previous Speaker of the House wanted. We were going to cut $2 million for a historical landmark at the Boston Public Library, but we did not get a chance to debate that. We were going to cut $7 million from the Forest Legacy Program which allows the Government to buy more land so we cannot develop it in this country. And we were going to cut $400 million, back to the $4 billion level of 1993, for the Community Development Block Grant Program, and a lot of this money was going for such things as golf courses, beachfront parking garages, and cemeteries.

The people of this country want us to be fiscally responsible. They want us to cut wasteful spending, and yet the Committee on Rules time after time after time sends rules to this floor which will not allow any debate on these cuts.

Now, the Penny-Kasich approach is a valiant effort in that direction. But there are a lot of other proposals that will save this country money, and we need to have the Committee on Rules be more responsive.

Mr. GORDON. Mr. Speaker, for the purposes of debate only, I yield 2 minutes to the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Mr. Speaker, in August the leadership and the White House agreed to another round of spending cuts in the fall time frame. Based upon that agreement, I worked with a bipartisan group to develop a package of spending cuts totaling roughly $90 billion over 5 years. We have a rule before us that provides a fair fight and a free-standing vote on this package of cuts. I believe that fulfills the agreement made by Speaker FOLEY and others in the leadership and President Clinton.

No doubt it is somewhat a creative rule, but it allows for three separate votes on three spending-cut packages and no vote impedes another vote.

A vote for the rule provides us the only opportunity we will have before adjournment to further reduce the Federal deficit.

The key difference between the three amendments before us today is that only the Penny-Kasich amendment cuts the deficit. The other amendments do not.

The Sabo proposal touts $35 billion worth of cuts, but those savings are left available to be spent elsewhere. The Frank-Shays proposal, while including many provisions which I support, does not reduce the deficit but, again, reserves those cuts to be spent elsewhere.

These two amendments do not represent spending cuts. They are spending shifts, and they do not cut the deficit.

For those who are serious about deficit reduction, there is only one choice: Penny-Kasich.

Support the rule; support Penny-Kasich.

Mr. GORDON. For the purposes of debate only, I yield 3 minutes to the gentleman from Minnesota [Mr. SABO].

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

Mr. Speaker, I rise in support of the rule. The rule provides the opportunity today for us to vote on three options.

We will debate the merits of those options later. I think the rule is fair. Clearly the Members will be presented with real choices between people who want to sabotage our attempt to move forward with health care reform and, rather, simply ask the seniors of this country to pay substantially more for Medicare absent health care reform and to make some other very fundamental changes that involve choices which I do not think this Congress wants to make.

I have to say, Mr. Speaker, that this amendment and this process comes in the wake of the historic actions by the Congress last summer in adopting a $500 billion deficit reduction package. I cannot help but note that some of the most vehement rhetoric today comes from people who voted "no" last summer, but we will explore that more later.

In the meantime, Mr. Speaker, I would urge us to adopt this motion and pass the rule.

MESSAGE FROM THE PRESIDENT

A message in writing the President of the United States was communicated to the House by Mr. Edwin Thomas, one of his secretaries.

GOVERNMENT REFORM AND SAVINGS ACT OF 1993

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

The very cute rule that the gentleman from Minnesota [Mr. SABO] and the gentleman from Minnesota [Mr. PENNY] were talking about before is characterized as cleverly structured.

I yield 2 minutes to the gentleman from New Jersey [Mr. ZIMMER], who was deprived of his amendments.

Mr. ZIMMER. Mr. Speaker, I support the Penny-Kasich amendment, but I oppose the rule.

The Rules Committee has refused to make in order three amendments I proposd to offer in an effort to bring Congress back on track with regard to fiscal policy.

We all remember that when the President first proposed his budget package, he justified its huge tax increases on the grounds that spending cuts alone could not achieve the desired level of deficit reduction. Now that the Penny-Kasich task force has identified major additional spending cuts, we should use some of those savings to begin to roll back the Clinton tax increases.

The Penny-Kasich proposal is before us today because of a commitment that was made to secure enough votes to pass the tax increases included in the 1993 Budget Reconciliation Act. Because the Reconciliation Act addressed both the spending and revenue sides of the fiscal ledger, it is appropriate that H.R. 3400 do so as well. If all three of the amendments I have proposed were approved they would eliminate a total of $60 billion in new taxes—leaving $30 billion to go toward deficit reduction beyond the levels provided in the Reconciliation Act.

My first amendment would repeal the 4.3-cent increase in the gasoline tax. The gas tax is regressive. It hits low- and middle-income families the hardest. The $24 billion in anticipated revenue this tax increase is supposed to bring in is not dedicated to highway construction. It should be rolled back.

My second amendment would repeal the Social Security tax increase, which is nothing more than a penalty on retirees who have tried to provide for their old age.

My third amendment would repeal the retroactivity of most of the new taxes. Even people who are not required to pay retroactive taxes have been shocked and offended by the unfairness of retroactivity.

Now that Representatives PENNY and KASICH have identified additional spending cuts, we should use this opportunity to roll back the most egregious tax increases in the 1993 Budget Reconciliation Act.

Vote against the rule so we can do so.

Mr. GORDON. Mr. Speaker, for the purposes of debate only, I yield 2 minutes to the gentleman from Florida [Mr. BACCHUS].

□ 1520

Mr. BACCHUS of Florida. I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise in very strong support of this rule. I want to thank the President of the United States for keeping his commitment to us to submit proposals for additional spending cuts beyond those in his plan which was adopted last summer. I thank the leadership of my party in the House for keeping their commitment to those of us who are deficit hawks and allowing us a chance to offer a real spending cut proposal on the floor of this House as we do today.

I also rise in support of the Penny-Kasich plan. Mr. Speaker, I have three overriding goals. My first goal is to continue to reduce and eventually eliminate the Federal budget deficit so that we can go on and begin reducing and eliminating the debt. The only way to cut spending is to cut spending; the only way to reduce the deficit is to reduce the deficit. The Penny-Kasich plan is the only one before us that actually reduces the budget deficit.

Also, I propose we shift spending that we do have toward more investments. Mr. Speaker, we will only be able to do that if we begin to be honest about what entitlement spending is doing to us in this country. The Penny-Kasich plan begins to reform entitlement spending and makes certain that those who need it get it and those who can afford to pay a bit pay a bit, so that we can have the money for the children, the education and the technology programs that we so desperately need as a Nation.

Third, I have a goal of health care reform, universal coverage, cost containment. I share the President's goal for health care reform. I believe if we begin the savings now as we are proposing to do in the Penny-Kasich plan, that we can begin moving toward health care reform more quickly.

There are difficult choices here, Mr. Speaker. We have to make difficult choices. A lot of the cuts in this Penny-Kasich plan I would ideally rather not make, but the truth of the matter is that, in order to protect those programs, preserve those opportunities for people, we need to begin cutting things that we might not like in an ideal world to cut.

This is the best chance we have had in a long, long time to truly cut the Federal budget deficit. The Presdent's plan was a good start. I voted for it. The budget deficit is going down. It is going to continue to go down under the President's plan for a few more years. But if we adopt the Penny-Kasich proposal, it will go down even more.

Mr. SOLOMON. Mr. Speaker, one of the real deficit cutters in this Congress has always been, during his career, the gentleman from California. I yield 3 minutes to the gentleman from California [Mr. COX].

Mr. COX. I thank the gentleman from New York for yielding this time to me.

Mr. Speaker, let us recall why we are here today. Just a few months ago this Congress enacted the largest tax increase in American history and at the same time in the name of deficit reduction this Congress also passed the largest deficit spending increase in American history. The numbers make it quite clear, fiscal 1993, just ended, the numbers are in: Congress spent $1.4 trillion last year, last fiscal year just ended.

Under the Clinton budget enacted by this Congress, next year's spending will rise to $1.5 trillion, a whopping increase; $1.6 trillion will be the spending called for by the budget we pass in 1996, and $1.8 trillion in 1998, collectively the largest 5-year increase in deficit spending in American history, all in the name of deficit spending.

How can this work? How can we keep cutting the deficit and yet spending increases year after year after year? The answer is, of course, that we are not cutting real money at all, we are cutting our projections of how fast spending could increase if we really cut loose.

Our colleague, Congressman RAMSTAD, from Minnesota went to the Committee on Rules and said, "Let us stop this abuse, let us end baseline budgeting and use real numbers. If we spend $100 this year and $110 next year, let us call it a 10-percent increase, not a fantastic cut." It was defeated. That is how serious the people who run this place are about cutting spending in real life.

That is what this rule is all about, preventing people from cutting spending.

Let me just give you an example of how baseline budgeting distorts the language. We talk about spending cuts as if they were real, but they are not. This is Thanksgiving.

Let us say last year at Thanksgiving you had 5 helpings of turkey and dressing and gravy and really enjoyed it. This year it was so much fun last year you want to have 10 helpings. But your friends say, "No, no, no, you can't do that, you would be a glutton." Your family physician tells you cut down on fat and cholesterol. So you settle for 7 and you say that you have reduced your turkey intake by 30 percent. That is the way it works here in Congress.

Now, some of the public might come up to you and say, "Excuse me, but the 7 helpings that you have this year represent a 40 percent increase over the turkey you ate last year." And of course if you are the Democrats in Congress, you say, "Well, you don't understand real fat and calorie reduction." But that is the way it works.

Mr. Speaker, Penny-Kasich is likely to be defeated here; I plan to vote for it. But the reason it will be defeated is that the Committee on Rules made sure that we lump all of our cuts together. Now, porkbarrel spending is parochial. If we voted one cut at a time, there would be only one district defending it here on the Congress floor, and the national interest would be vindicated. But by forcing us to vote on them all together, the barons of big spending know that they can bring this to defeat. And that is exactly what happened. That is why this rule institutionalizes deficit spending.

You know, we are promised spending cuts, but now it is the last day and the 11th hour and we say we just do not have time to consider these spending cuts one by one.

The people who are forcing this rule down the throats of the Congress have no interest in cutting deficit spending.

Mr. GORDON. Mr. Speaker, for purposes of debate only, I yield 3 minutes to the gentleman from Minnesota [Mr. SABO].

Mr. SABO. I thank the gentleman for yielding this time to me.

Mr. Speaker, I would like to pursue this question of baseline, a little bit.

Mr. Speaker, I find what the gentleman said interesting, I just want to see if I understand what he wants us to

do. Would the gentleman suggest that in Social Security that the baseline should be last year's payments to last year's number of recipients, that we should ignore law, that we should not assume that new retirees should be paid, that we should not assume that old recipients get the COLA's that current participants are promised by existing law because existing law says if you become a certain age you are eligible for benefits and if inflation was so much you get so much of a COLA. That is what baseline is. Would the gentleman suggest that we say new recipients and new COLA's have to be approved each year by Congress?

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. SABO. I would be glad to yield to the gentleman.

Mr. COX. I thank the gentleman for yielding.

Mr. Speaker, as the gentleman knows, we discussed baseline budgeting in our committee. It almost was defeated, by 1 vote.

Mr. SABO. Reclaiming my time, that was an amendment to direct the Chair to do something. It had nothing to do with baseline. If you want to change baselines, you amend Social Security, so it takes an action by Congress to pay new recipients or pay the COLA's or Medicare.

Mr. COX. If the gentleman would yield.

Mr. SABO. That is the answer.

Mr. COX. May I answer the chairman's question? As you know, baseline budgeting or its repeal, either way, does not mandate a cut or an increase in spending. It is simply a way of reporting what it is that we are doing.

When we use projections of future increases as our baseline and then cut from those, we can in fact increase spending year to year and pretend to the American taxpayers that we are cutting.

All I am talking about is when Congress chooses to increase, as the chairman and I might agree we should do with COLA's, we should say so, we should report to the American people.

Mr. SABO. So the gentleman is suggesting we change Social Security so that each year the Congress would have to act to recognize new people who reach retirement age, and COLA's should be repealed and be subject to action by Congress each year?

Mr. COX. No. What I am suggesting, Mr. Chairman, is that we be honest in what we do. For example, when we increase spending on congressional staff, rather than pretending we are cutting, we should point out that we are cutting only from a baseline of a projected future increase.

Mr. SABO. Most of the changes in baseline come from permanent law, which says this, this, this will happen. Baseline recognizes existing law. I am just curious if the gentleman wants to change that for Social Security.

Mr. COX. The only change that I would propose, Mr. Chairman, and the only change that Mr. RAMSTAD proposed in his amendment that was defeated in the Rules Committee was that if we spend $100 this year and $110 next year, that is called a 10-percent increase. If we spend $90 next year, that is called a 10-percent cut. That is being honest with the American people.

Mr. SOLOMON. Mr. Speaker, I yield myself 15 seconds in order to say that one of the amendments defeated on a party line vote up in the Committee on Rules and which we are being denied the right to vote on down here was the Ramstad amendment, which would have required all of us to score from the same set of rules. That was defeated on a party line vote. We would not have these arguments if we had had that amendment made in order.

□ 1530

Mr. STEARNS. Mr. Speaker, I rise today to highlight the fact that this House is ending this session the same way it began, with a barrage of closed rules which are designed to prevent Members from having the opportunity to vote for or against all credible proposals on the issues we debate on this floor.

Last week, for example, I went before the Rules Committee to request that the Horn budget reduction proposal be ruled in order for consideration by the full House today.

The end result was that the Rules Committee denied Members the opportunity to debate a proposal that would have offered a budget formula which would have reduced the deficit by a $144 billion over the next 5 years.

The Sabo amendment cuts the deficit by $38 billion and the Frank-Shays amendment cuts it by $51 billion. These so-called cuts really are just transfers.

Even so, the Rules Committee had a moral obligation to allow the Horn amendment with the largest deficit reduction.

The Horn proposal achieved these reductions by establishing a flexible freeze for 1994 through the year 2000.

Second, the President would have had the authority to identify specific areas to exempt from the spending caps. However, any additional spending must be offset by a real cut elsewhere in the budget.

Third, the bill would safeguard against excessive spending against mandatory programs, by requiring that the annual appropriation process be strictly followed.

After watching the contentious budget debates of 1990 and 1993, I believe this simple, yet comprehensive, approach is the only way to achieve true deficit reduction.

Trimming the fat out of the Federal budget is absolutely necessary, and I have been very active in that effort. However, without across-the-board budget limits, every $1 we cut in one program reappears as $1.50 in another.

This rule should be rejected so that all budget-cutting proposals may be brought to the floor. Vote "no" on the rule and force the leadership of this House to end the year on high note—with an open rule for deficit reduction.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. THOMAS].

Mr. THOMAS of California. Mr. Speaker, I take the floor on this rule as the ranking member of one of the standing committees of the House who was requested to review this reorganization of Government legislation in an extraordinarily brief period of time.

I also happen to be a member of the Committee on Ways and Means, and given the scope and the complexity of the request to the Ways and Means Committee, we basically threw up our hands and said that in the timeframe in which we are asked to consider this, it is impossible to do a decent job.

It was serendipity in the Committee on House Administration, however, because we just in July of this year passed on the Suspension Calendar a restructuring of the informational dissemination aspect of both the Government Printing Office and the Library of Congress.

We had a series of meetings about the question of what do we do with the Joint Committee on Printing and the dissemination of information to the Superintendent of Documents.

So in a bipartisan unanimous fashion, the Committee on House Administration passed their suggested recommendation to the reorganization of Government.

It is scored hard by the Congressional Budget Office as a savings of $262 million.

Now, let me tell you what happened. In the November 18 edition of Roll Call, the gentleman from Maryland [Mr. HOYER]: "I'm trying to figure out why it happened"—the bipartisan unanimous package in committee, HOYER said in an interview last week. "This is a major policy decision which has very broad policy ramifications" but has not been subjected to hearings.

Is that bipartisan unanimous agreement from the Committee on House Administration in the Sabo base line? Is it in the Sabo substitute? No.

What happened to it? In the shadowy recesses, back in the dimly lit back rooms, a deal was cut.

I have heard people talk about Third World governments and how they are not very democratic. A unanimous decision of a full standing committee of the House was overturned by the insiders cutting a deal in which the members of the Rules Committee did not even know it occurred.

So somewhere in the shadowy Halls, in the dimly lit rooms, in the recesses of the Capitol, you folks are cutting

deals about the reorganization of Government.

Mr. Speaker, vote down the rule.

Mr. SOLOMON. Mr. Speaker, with the understanding that the Democrat majority only has one speaker to close out, I yield the balance of our time to the gentleman from Florida [Mr. GOSS], a very distinguished member of the Committee on Rules who has fought for fairness for Democrats and Republicans up in the Rules Committee.

Mr. GOSS. Mr. Speaker, I thank the distinguished gentleman from New York [Mr. SOLOMON], my ranking member, for yielding this time to me.

Mr. Speaker, it is almost Thanksgiving. It is time to talk turkey, and this rule is a turkey.

Mr. Speaker, today's Congress Daily A.M. had it right when it said, and I quote: "The House Rules Committee adopted a cleverly structured rule Saturday night making it more difficult to support Penny-Kasich, but without placing a restriction on outright support."

That says it all. This is a ruse.

This rule that we have got graphically depicted here looks sort of like a turkey, actually, if you have a creative imagination.

I tend to think that this rule is the product of an overactive imagination that has seen one too many horror shows and it is going to take a real suspension of belief for this body to accept it.

But, Mr. Speaker, I would submit that if you cut through the smoke of this "cleverly structured rule," you will find it is not so clever after all. The Democrat Leadership has attempted to sledge-hammer a sandwich out of Penny-Kasich by squeezing it between the Sabo and Frank amendments. But, on close examination, you will find that the Sabo and Frank slices of bread are full of air holes: There is no provision that either will reduce the deficit by 1 penny, since neither lowers the existing spending caps nor mandatory spending allocations. Congress can simply take any savings from those amendments, and spend them on other things.

That is called a deficit air sandwich, and it is the same old stuff—spend, spend, spend.

This whole strategy was really telegraphed over a week ago by this headline in the November 13 Washington Post: "White House Prefers a 'Carve-and-Spend' Policy: White House Tries To Halt Budget Cuts."

Carve and spend sounds a little bit appropriate for Thanksgiving, but frankly there is more taking from the taxpayers than there is giving to the taxpayers under this turkey rule and some of these amendments that Penny-Kasich is squeezed in between.

Let me just quote from one paragraph of that story: "The administration's fiscal motto is neither 'cut the budget' nor 'tax-and-spend,' according to one White House official. Instead, he said, the message is best described as 'carve-and-spend'—fund new policies by wresting money from other programs." End quote.

I think that says it pretty well.

Mr. Speaker, this cleverly structured rule is better described as a "cleverly structured ruse." It would have you believe that you have not one, but two deficit-cutting alternatives to Penny-Kasich, when in fact you have no alternative.

The only deficit-cutting alternative is Penny-Kasich.

Do not be fooled by this ruse. I urge defeat of this rule, so that we can at least give you a second alternative that would really lower the spending caps and the deficit with it.

And if all that is not bad enough, the Rules Committee took 25 separate requests on amendment through hours of testimony, did not allow votes on matters such as repealing the retroactivity of the Clinton tax increases, repealing the Social Security and gas taxes, considering the freshmen class proposals that were made, a great deficit reduction package, and reforming the capital gains tax. Every one of those things were asked to be considered by the people of this country.

Mr. Speaker, it may be Thanksgiving, but we have not got there yet by this rule, because there is no thanks in it. I strongly urge defeat of this rule.

Mr. Speaker, I include the article referred to earlier from the Congress Daily/A.M., and the article from the Washington Post of November 13, 1993:

[From Congress Daily/A.M.]

IT'S SHOWDOWN TIME FOR PENNY-KASICH

House Democratic leaders upped the ante over the weekend in their high-stakes campaign to defeat the Penny-Kasich budget-cutting proposal, and key supporters of the plan Sunday privately predicted an uphill fight on the floor today. The maneuvering came as the House hurtled toward a pre-Thanksgiving adjournment; it is scheduled to wrap up its work for the year in a session that it expected to go through tonight and into the early morning hours of Tuesday. Besides the budget proposals, the House is scheduled to consider the campaign reform bill and conference reports on the jobless benefits extension and the Brady handgun control bill. The Senate—having acted on the North American Free Trade Agreement, the Brady Bill and other measures in a Saturday session—is scheduled to come in today, but has no more roll call votes planned for 1993.

House leaders continued a barrage of criticism of the $90 billion five-year Penny-Kasich spending cut proposal, as the Rules Committee Saturday adopted a cleverly structured rule aimed at making it more difficult to support Penny-Kasich, but without placing a restriction on outright support. In effect, the rule allows a vote for the smaller $37.1 billion savings plan sponsored by Budget Chairman Sabo, which the Democratic leadership and Clinton administration back; the Penny-Kasich proposal; and a $51.5 billion savings amendment sponsored by Reps. Barney Frank, D-Mass., and Christopher Shays, R-Conn.

[From the Washington Post, Nov. 13, 1993]

WHITE HOUSE PREFERS A "CARVE-AND-SPEND" POLICY

(By Clay Chandler)

Three months after waging a bitter congressional battle in the name of cutting the deficit, President Clinton's top economic advisers are struggling to halt efforts in Congress to further shrink the budget gap.

There is broad consensus among the President's economic team that Congress should use additional savings in federal spending to fund the President's health care plan and other initiatives rather than reducing the deficit, according to Clinton administration economic policy makers.

And, according to one adviser, the President could ask Congress to use extra savings to make good one of his top promises during the Democratic primaries—a middle-class income tax cut.

The administration's fiscal motto is neither "cut-the-budget" nor "tax-and-spend," according to one White House official. Instead, he said, the message is best described as "carve-and-spend"—fund new policies by wresting money from other programs.

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

Mr. Speaker, my friend, the gentleman from Florida, sounds like a parent who tells a child, "When I whip you, it's going to hurt me more than it is going to hurt you."

It is amazing to hear the gentleman say that this rule is a bad rule to vote for Penny-Kasich, when the gentleman from Minnesota [Mr. PENNY], the author of it, got up before this whole House and this Nation and said that it is a good rule, that he wants to go forward with it. It is hard for me to understand.

You know, my grandmother used to tell me that the proof is in the pudding. So let us talk facts for just a moment.

There have been a variety of accusations and statements here today, but I want to talk facts.

The facts are that just a few months ago this House passed the largest deficit reduction package in history. The United States Senate followed suit, and the President of the United States signed the largest deficit reduction package in history.

What does that mean? It means that just in January of this year when they made the estimate for our budget deficit for this year, we found in October that it was $60 billion less than the original estimate made in January.

For the first time in 4 years the deficit is going down, and not up.

And what has been the result? the stock market is going up. The stock market is at record highs. Interest rates are at record lows. Unemployment, still too high, is going down, construction is going up.

We are making progress. It amazes me that some people seem to want the country to go down the tubes so they can say, "I told you so."

The fact of the matter is that the country is moving forward. Deficit reduction is going forward. For the first time in 4 years the deficit is lower. The deficit is going down rather than up.

Today we have the opportunity to continue with that progress. A vote today for this rule is a vote to add additional deficit reduction to the largest deficit reduction in our country's history.

□ 1540

Mr. KASICH. Mr. Speaker, will the gentleman yield?

Mr. GORDON. I yield to the gentleman from Ohio.

Mr. KASICH. I want to just rise for a second and say that I think that the way the rule was constructed was terrible, but unfortunately I have got to vote for the rule because the only way we get a chance to vote for Penny-Kasich real deficit reduction is to pass the rule. If we defeat the rule, we yank the bill, and that is the end of Penny-Kasich, and that may make some people happy around here who want to spend more, but even though the rule is terrible, and I am put in this position, I intend to vote for the rule.

Mr. GORDON. Mr. Speaker, let me just quickly conclude by giving my compliments to the gentleman from Ohio [Mr. KASICH] and the gentleman from Minnesota [Mr. PENNY] for their hard work in bringing together this legitimate effort to try to bring forth additional deficit reduction, and finally, and in conclusion, let me once again say that a vote of yes on this rule is a vote to go forward with billions, tens of billions, of dollars in additional deficit reduction.

Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The SPEAKER pro tempore (Mr. ANDREWS of Maine). The question is on the resolution.

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

Mr. SOLOMON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 247, nays 183, not voting 3, as follows:

[Roll No. 607]

YEAS—247

Ackerman	Barrett (WI)	Bonior
Andrews (ME)	Barton	Borski
Andrews (NJ)	Becerra	Boucher
Andrews (TX)	Beilenson	Brewster
Applegate	Berman	Brooks
Bacchus (FL)	Bevill	Browder
Baesler	Bilbray	Brown (CA)
Barcia	Bishop	Brown (FL)
Barlow	Blackwell	Brown (OH)
Byrne	Hutto	Peterson (FL)
Cantwell	Inglis	Peterson (MN)
Carr	Inslee	Pickett
Chapman	Jefferson	Pickle
Clay	Johnson (GA)	Poshard
Clayton	Johnson (SD)	Price (NC)
Clement	Johnson, E. B.	Pryce (OH)
Clyburn	Johnston	Ramstad
Collins (GA)	Kanjorski	Reed
Collins (IL)	Kaptur	Regula
Collins (MI)	Kasich	Reynolds
Condit	Kennedy	Richardson
Conyers	Kennelly	Roemer
Cooper	Kildee	Rose
Coppersmith	Kim	Rowland
Costello	Kleczka	Roybal-Allard
Coyne	Klein	Rush
Cramer	Klink	Sabo
Danner	Klug	Sanders
Darden	Kopetski	Sangmeister
de la Garza	Kreidler	Sawyer
Deal	LaFalce	Saxton
DeFazio	Lambert	Schaefer
DeLauro	Lancaster	Schenk
DeLay	Lantos	Schroeder
Derrick	LaRocco	Schumer
Deutsch	Laughlin	Scott
Dicks	Levin	Serrano
Dingell	Lewis (GA)	Sharp
Dixon	Lloyd	Shays
Dooley	Long	Shepherd
Edwards (CA)	Lowey	Skaggs
Edwards (TX)	Maloney	Slattery
Engel	Mann	Slaughter
English (AZ)	Manton	Smith (IA)
Eshoo	Margolies-Mezvinsky	Smith (MI)
Evans	Markey	Stenholm
Ewing	Martinez	Stokes
Farr	Matsui	Strickland
Fawell	Mazzoli	Studds
Fazio	McCrery	Stupak
Fields (LA)	McCurdy	Swett
Filner	McDermott	Swift
Fingerhut	McHale	Synar
Flake	McInnis	Tanner
Foglietta	McKinney	Tauzin
Ford (TN)	McMillan	Taylor (MS)
Frank (MA)	McNulty	Tejeda
Frost	Meehan	Thompson
Furse	Meek	Thornton
Gejdenson	Menendez	Thurman
Gephardt	Miller (FL)	Torres
Geren	Mineta	Torricelli
Gibbons	Minge	Towns
Gingrich	Moakley	Tucker
Glickman	Montgomery	Unsoeld
Gordon	Moran	Valentine
Grandy	Murtha	Vento
Green	Nadler	Visclosky
Hall (TX)	Natcher	Volkmer
Hamburg	Neal (MA)	Walsh
Hamilton	Neal (NC)	Waters
Harman	Oberstar	Watt
Hastings	Obey	Waxman
Hayes	Olver	Wheat
Hilliard	Ortiz	Whitten
Hoagland	Orton	Williams
Hobson	Oxley	Wilson
Hochbrueckner	Pallone	Wise
Hoekstra	Pastor	Woolsey
Holden	Payne (NJ)	Wyden
Houghton	Payne (VA)	Wynn
Hoyer	Penny	Young (FL)
Hughes		

NAYS—183

Abercrombie	Bryant	Dickey
Allard	Bunning	Doolittle
Archer	Burton	Dornan
Armey	Buyer	Dreier
Bachus (AL)	Callahan	Duncan
Baker (CA)	Calvert	Dunn
Baker (LA)	Camp	Durbin
Ballenger	Canady	Emerson
Barca	Cardin	English (OK)
Barrett (NE)	Castle	Everett
Bartlett	Coble	Fields (TX)
Bateman	Coleman	Fish
Bentley	Combest	Ford (MI)
Bereuter	Cox	Fowler
Bilirakis	Crane	Franks (CT)
Blute	Crapo	Franks (NJ)
Boehlert	Cunningham	Gallegly
Boehner	Dellums	Gallo
Bonilla	Diaz-Balart	Gekas
Gilchrest	Lipinski	Ros-Lehtinen
Gillmor	Livingston	Rostenkowski
Gilman	Machtley	Roth
Gonzalez	Manzullo	Roukema
Goodlatte	McCandless	Royce
Goodling	McCloskey	Santorum
Goss	McCollum	Sarpalius
Grams	McDade	Schiff
Greenwood	McHugh	Sensenbrenner
Gunderson	McKeon	Shaw
Gutierrez	Meyers	Shuster
Hancock	Mfume	Sisisky
Hansen	Mica	Skeen
Hastert	Michel	Skelton
Hefley	Miller (CA)	Smith (NJ)
Hefner	Mink	Smith (OR)
Herger	Molinari	Smith (TX)
Hinchey	Mollohan	Snowe
Hoke	Moorhead	Solomon
Horn	Morella	Spence
Huffington	Murphy	Spratt
Hunter	Myers	Stark
Hutchinson	Nussle	Stearns
Hyde	Owens	Stump
Inhofe	Packard	Sundquist
Istook	Parker	Talent
Jacobs	Paxon	Taylor (NC)
Johnson (CT)	Pelosi	Thomas (CA)
Johnson, Sam	Petri	Thomas (WY)
King	Pombo	Torkildsen
Kingston	Pomeroy	Traficant
Knollenberg	Porter	Upton
Kolbe	Portman	Velazquez
Kyl	Quillen	Vucanovich
Lazio	Quinn	Walker
Leach	Rahall	Washington
Lehman	Rangel	Weldon
Levy	Ravenel	Wolf
Lewis (CA)	Ridge	Yates
Lewis (FL)	Roberts	Young (AK)
Lightfoot	Rogers	Zeliff
Linder	Rohrabacher	Zimmer

NOT VOTING—3

Bliley	Clinger	Hall (OH)

□ 1604

Messrs. ARCHER, MFUME, HINCHEY, and GONZALEZ changed their vote from "yea" to "nay."

Mr. NEAL of Massachusetts changed his vote from "nay" to "yea."

So the resolution was agreed to

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. ANDREWS of Maine). Pursuant to House Resolution 320 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3400.

□ 1605

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3400) to provide a more effective, efficient, and responsive government, with Mr. HUGHES in the Chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Missouri [Mr. GEPHARDT] will be recognized for 30 minutes, and the gentleman from Illinois [Mr. MICHEL] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Chairman, I yield 4 minutes to the gentleman from Maryland [Mr. HOYER], the distinguished chairman of the House Democratic caucus.

Mr. HOYER. Mr. Chairman, I thank the leader for yielding time to me.

Mr. Chairman, this is an unusual procedure that we begin this day. It is, in fact, a second revisiting of how we can bring the deficit down in this country, an issue of primary importance on both sides of the aisle, irrespective of party or philosophy.

The President, in his State of the Union address, observed that it was critical that we bring the deficit down, and he presented us a budget which, in fact, cut spending.

The Committee on the Budget of this House then reported out a budget which cut an additional almost $60 billion in addition to what the President suggested. And then, in a wrenching and tough vote for all of us, in August we passed a bill that cut the deficit over the next 5 years by $496 billion.

The President of the United States and the Vice President of the United States said, that is not enough. And in fact, the leadership of this House said to the gentleman from Minnesota [Mr. PENNY] and others, we understand that it is necessary for us to continue to visit this question. Why? Because it is morally incumbent upon us to bring our deficit down so that our children and grandchildren do not have to pay for the priorities that we determine in this Congress in our time.

The President asked the Vice President of the United States to look at how we could make government work better. The President of the United States said to the Vice President, let us see how we can make government work better and cost less.

And in September, the Vice President, on behalf of the President and himself, presented us with a document which made numerous suggestions and urged us to make government work better and cost less.

We call it the National Performance Review Report.

□ 1610

The items that we will be considering in this debate and in the three amendments that will be on this floor, pursuant to the rule just adopted, will glean from this document many suggestions. As some on the Penny-Kasich side have said, some recommendations in the so-called Sabo recommendation are the same. They come from the recommendations of the Vice President. It is right that they would be the same.

In point of fact, I would suggest to all the Members in this House that irrespective of what amendments we adopt this day, we should continue to glean from the Vice President's report additional proposals to make government cost less and work better. That is our responsibility.

In point of fact, in March 1993, the President said that:

> Our goal is to make the entire Federal Government both less expensive and more efficient, and to change the culture of our national bureaucracy away from complacency and entitlement toward initiative and empowerment. We intend to redesign, to reinvent, to reinvigorate our entire national government.

I believe that the Penny-Kasich alternative goes too far in the sense that it takes very substantial Medicare cuts, which are going to be necessary if we are going to reform health care.

Slashing another $50 billion from discretionary caps will also affect programs that this House holds dear. Head Start, drug fighting efforts, crime programs, and prison construction—all will suffer under broad-brushed reductions. When such cuts are made, they sound easy, but they can yield unproductive results. As chairman of the Treasury Subcommittee, for example, I can point out that the Penny-Kasich amendment would have a perverse effect on revenue collection.

In 1994 alone the Penny-Kasich amendment would cut the IRS appropriation by $75 million. This would mean firing 1,000 IRS agents—meaning less enforcement efforts, increased tax evasion, and an inability to collect hundreds of millions of dollars in taxes.

But I also believe in deficit reduction and that the Sabo amendment, which cuts $37 billion on top of what we have already done, is a major step forward.

I urge the rejection of Penny-Kasich, the adoption of the Sabo amendment, so we can begin the process of making government cost less and work better.

Mr. MICHEL. Mr. Chairman, I ask unanimous consent that after I have concluded my remarks, that the balance of our time on our side be given to the gentleman from Ohio [Mr. KASICH], to be allocated as he sees fit during that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MICHEL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I first would like to commend the gentleman from Ohio [Mr. KASICH], our ranking Republican member on the Committee on the Budget, for all his diligent work this year on budgetary issues and on making it clear to the American people that we remain the party of cutting spending first. Let me also take this opportunity to compliment the distinguished gentleman from Minnesota [Mr. PENNY] for his efforts and for the reputation that he has established here in the House as a real budget cutter.

Some of us, I guess, are more ripe for retirement than others. I am sorry to learn that the distinguished gentleman from Minnesota would see fit at his relatively young age to bow out of further service here in the House of Representatives, for in my opinion he is the caliber of individual we ought to have serving in this body.

Mr. Chairman, let me also compliment the gentleman from Minnesota [Mr. PENNY] on his spirit of bipartisanship, recognizing full well that when he was initially entrusted with the obligation of putting together a spending package on the Democratic side, he was willing to come over and work across the aisle with the distinguished gentleman from Ohio [Mr. KASICH]. I am quite certain that had it not been for that combination of these two Members, we would not be talking about the level of spending reductions we are talking about in Penny-Kasich. It just goes to prove that when there is a willingness to work across the aisle in a common effort, that it can be done, and with a good result.

Mr. Chairman, the so-called Penny-Kasich amendment we will vote on later today contains about 80 specific spending reduction proposals that are enforced by lowering the discretionary spending caps and by wiping clean the pay-as-you-go entitlement spending scorecard. The result is that these savings will now go toward deficit reduction, and will not be spent elsewhere. That is a very important distinction to be drawn here.

The Democratic leadership has had to scramble to put together a proposal, the so-called Sabo amendment, that took several provisions from the Penny-Kasich amendment, including the 252,000 personnel reduction, so they could claim at least some reduction in spending. Without taking from the original Penny-Kasich amendment, there would just have been a nominal amount of savings in this Sabo amendment.

The administration and the Democratic leadership now openly admit that they oppose the so-called Penny-Kasich amendment, not because they oppose the specific spending reductions, but because they are reserving those reductions to offset new spending in the future.

It is no secret that the administration has proposed over three times the total Medicare spending cuts than are in the Penny-Kasich amendment, so that they can finance new programs and program expansions relating to health care reform. They want to rearrange spending, not reduce spending.

What the so-called Penny-Kasich amendment seeks to do today is to allow Members to vote on a small down payment on the Federal deficit. As my colleague, the gentleman from Ohio [Mr. KASICH] has so aptly stated, the so-called Penny-Kasich amendment represents less than one penny out of each dollar's spending over the next 5 years.

We know that the administration and the Democratic leadership, opposes the amendment and that they have ginned

up every special interest group against the various provisions in this amendment. However, I would urge my colleagues to vote for the Penny-Kasich amendment. It represents the only opportunity in this session for the House to vote to reduce Federal spending and dedicate those cuts solely to deficit reduction.

Let us not just vote to rearrange spending, let us vote to cut spending.

Mr. GEPHARDT. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. COYNE].

Mr. COYNE. Mr. Chairman, I rise in support of the so-called Sabo amendment.

Mr. Chairman, I rise in support of the Sabo amendment to reduce Federal spending by $37.1 billion. I also want to note my strong opposition to the Penny-Kasich amendment which would endanger chances for national health care reform.

The Sabo amendment would enact into Federal law the proposal offered by the Clinton administration to reduce the Federal work force by 252,000. This proposal was made as part of Vice President GORE's reinventing Government plan that called for a Federal Government that works better and costs less. The Sabo amendment would ensure that significant savings are achieved and this would be done without threatening the hopes of Americans for much needed national health care reform.

In contrast, the Penny-Kasich amendment seeks to cut spending by $90 billion over 5 years but would do this by using savings the Clinton administration has already recommended as part of its health care reform legislation. The Congress will be working next year to meet the demands of the American people for health care security but we will only be able to act if the costs of health care reform can be paid. The Penny-Kasich amendment would cut Medicare and other entitlement programs by $50 billion, which equals over half of the amendment's total claimed savings. Enactment of Penny-Kasich would preempt any chance of paying for health care reform and would aid those who favor the status quo on health care.

In addition, Penny-Kasich is an ill-conceived attempt to rush through major changes in a large number of existing Federal programs. The problem is that this hasty approach to budget reform will hurt Americans who depend on the Federal Government the most. Penny-Kasich seeks to cut the fat but it threatens to cut the muscle out of basic social service programs. This program would hit programs that help abused women and children, the handicapped, and those most in need across this Nation.

For example, Penny-Kasich would consolidate social services grant programs and cut the grant totals by 4 percent to reflect administrative savings. Unfortunately, this approach punishes States like Pennsylvania which are more efficient than others in managing Federal social service grant programs. The Commonwealth of Pennsylvania spends only 2 percent on administrative costs so the Penny-Kasich would result in a cut in the amount of social service funds that actually get down to the people of my State.

Finally, Penny-Kasich includes a number of changes in the Federal budget process that will make future deficit-reduction efforts more difficult, if not impossible. The Congress adopted a $496 billion deficit-reduction package earlier this year that included a hard freeze on discretionary spending. The Penny-Kasich amendment would lower the caps on discretionary spending but fails to identify the specific spending reductions that would be made to reach those lower caps. Congress is being asked to approve broad cuts in Federal spending but Penny-Kasich does not tell Members or the American people where those cuts would be made.

Mr. Chairman, the Sabo amendment provides real spending cuts achieved through clear reductions in the size of the Federal work force. The Sabo amendment can be made law without endangering health care reform or taking a meat ax approach to Federal budget policy. I urge my colleagues to support the Sabo amendment and vote against the Penny-Kasich amendment.

Mr. GEPHARDT. Mr. Chairman, I yield 3 minutes to the gentleman from Bellingham, WA, Mr. SWIFT, a member of the Committee on Energy and Commerce.

Mr. SWIFT. Mr. Chairman, the so-called Penny-Kasich amendment is just simply bad policy, but it is especially bad policy as it is applied to Superfund. It severely weakens the existing clean-up standards that are designed to protect human health and the environment in the existing Superfund law. It weakens them in a way that could affect every Superfund hazardous waste site in this country.

In addition, this amendment is bad process. The amendment would severely undermine efforts that are going on right now to fashion a balanced and comprehensive rewrite of the Superfund statute. The current Superfund law includes a preference for clean-up remedies that are permanent, and its provides for treatment of hazardous waste.

Penny-Kasich, however, would eliminate that preference for permanent clean-up and instead put in institutional controls. Those are things like fences, or things like having guards stand around to keep people away from them.

It would also eliminate the need to comply with existing Federal and State clean-up standards.

The Penny-Kasich proposal is a bad idea for a lot of reasons.

One, the institutional controls that I have just described and containment do not adequately protect the human health and the environment at many sites. Fences and warnings and guards may not do a long enough job for keeping people away from contamination, and containment can fall, sometimes over time, and sometimes in the event of such things as a flood or an earthquake.

Every congressional district with an ongoing Superfund cleanup will be subject to these risks if Penny-Kasich passes.

Second, the proposal would hurt over 100 companies in over 30 States which have been working to develop innovative treatment technologies both for use here and for export.

□ 1620

Three, reliance on containment and institutional controls would create yet another unfunded mandate for the States since extensive operation and maintenance costs associated with those remedies would fail to the States.

Four, by containing waste onsite, the proposal would make it more difficult to redevelop contaminated sites, and could disproportionately affect minority communities.

Five, waste would be left in place. The cost of cleanups would simply be passed on to our children. Ultimately the overall costs of containment including failed remedies and long-term operations and maintenance may prove more expensive than the judicious use of treatment technologies now.

Delaying these changes until October of next year, as provided in the amendment, does not solve these problems. Instead, it encourages parties who should be cleaning up contaminated sites into thinking up new ways to drag out the cleanup. This is bad.

Vote against Penny-Kasich.

Mr. KASICH. Mr. Chairman, I yield such time as he shall consume to the gentleman from Georgia [Mr. GINGRICH].

Mr. GINGRICH. Mr. Chairman, may I say first of all that just a few days ago we had a bipartisan majority in this House, we had a good, healthy debate. It was at the right tone, it was the right level of substance. I hope in this bipartisan effort to cut spending we will have a similar tone and a similar effort, recognizing that there are Members on both sides of the aisle who genuinely want to cut spending.

But, I must say there is a fascinating pattern developing here. When the time came to raise taxes, promises were made about the opportunity to cut spending. I must say in all fairness, no one suggested that they would both provide the opportunity and have it happen. But the level of intensity in the last 3 or 4 days against the bipartisan Penny-Kasich effort to cut spending has been astonishing, and the scare tactics have been astonishing.

Now it is clear we are going to have to change things. Let me take the Superfund example. I believe President Clinton said recently that two-thirds of the money that was being spent on Superfund so far has gone to lawyers, that this has been a lawyer's field day, that it has not gone to engineers, it has not gone to cleanup, but it has gone to lawyers.

Now maybe the Congress will have to pass a new version of the Superfund where with more limited money we actually cleaned up the sites instead of paying off the trial lawyers. But that would be a good thing. It would be good for America. It would force us to change.

On defense, there are scare letters going around here. Let me say that I vote strongly in favor of defense. I am a hawk. I am a cheap hawk, but I am a hawk. I helped found the Military Reform caucus. I believe that Pentagon can change. But the scare tactics are ridiculous.

The bipartisan Penny-Kasich effort has specific legislative language directing in technical terms that the 602(b) allocation will not hit defense. And in addition, the key leaders of the bipartisan Penny-Kasich effort have pledged that they will not support coming out of conference a bill that does not have a strong firewall that defends the Defense Department from unnecessary cuts. So I am prepared on their word to make this same commitment. I will oppose it coming out of conference if we have not protected defense.

But, to see liberals who have gutted defense for years suddenly tell us how worried they are is just ridiculous.

Let me carry it a step further. There are less increases in Medicare and Medicaid under Penny-Kasich than there are under current services. There would have to be changes. They are increases, not cuts, increases, but they are smaller. However, the Clinton administration has proposed four times as big a change, four times as big, and they were quoted that the new Clinton administrator of the Health Finance Administration promised last week that they could make four times as big a change as Penny-Kasich, and they could do it without hurting a single senior citizens.

So we are told on the one hand that the modest changes in the Penny-Kasich bill are impossible, dangerous, terrible, frightening. But four times as big a change, good, easy to do, no problem by the same people. Now you cannot have it both ways.

Let me go a step further. There is a classic Washington Monument effect which Members are going to hear all afternoon. The Washington Monument effect occurs when the Department of the Interior at $16 billion is told you have to cut $1,000 out of your budget, and at $16 billion they say the only way to do this is to close the Washington Monument on Sundays, so tourists will not be able to see the city. We cannot slow down travel, we cannot cut out paperwork, we cannot reduce consultants, we cannot be wiser about expenditures, we cannot by attrition slow down the size of Park Department offices in cities. The only thing we can do to save that $1,000 is to close the Washington Monument. And what are we going to hear all afternoon? We are going to hear about 30,000 Washington Monuments. Every Member is going to be told if you vote for Penny-Kasich in cuts that are real that oh, it will be terrible, you will not be able to have the Corps of Engineers, and it will go to smaller than it was when Robert E. Lee was a colonel in St. Louis, which will be tragic. You will not be able to have a highway department. We will have roads that are unpaved across the country, and we will have every scare story.

Yet, the truth is, I believe I am correct in saying that even under the Penny-Kasich bipartisan proposal, the total amount of money spent in the next 5 years will be around $8 trillion, $8 trillion, and this is the smaller version, $8 trillion.

Now let me go a step further. This country is trying to tell Washington it wants change. The choice today is between change and no change.

The brilliantly designed Sabo amendment, for which I have the greatest respect as an artwork, cleverly manages to avoid noting that it does not require the money be spent for deficit reduction. It simply says we will cut it here and keep it available to spend it there. It is not a real deficit cut. All it does is temporarily provides cover for those who want to spend more money but not 'fess up to it.

Here we have $8 trillion in spending. We are talking about $90 billion out of $8 trillion. But that happens to be the most decisive, the most vital, most important, most significant dollars $90 billion. They have gone through this entire $8 trillion to find only the pieces of pain that will sound terrible in the press, leaving behind a modest $7,910,546,333,210.07, all of which will be irrelevant because the really key part of the Federal Government has all magically been hit by PENNY and KASICH in a grotesquely Frankenstein effort to destroy the American people by wiping out their entire Government, leaving behind for the appropriators a mere $7,910,546,000,000.

What has the country said? The country said in Los Angeles that we want change. The country said in New York we want change. The country said in Jersey City we want change. The country said in the New Jersey Governor's race, we want change. The country said in Virginia we want change. In every State where term limits have been on the ballot, by over 70 percent the country said we are sick of politics in Washington, we are sick of pork barrel, we want change.

Now today we have a choice. Do Members want to vote for a nice, pleasant smokescreen with no legal deficit reduction teeth? If they do, the Sabo smokescreen is terrific, but if they want to vote to cut spending, and vote for what the people have said they want, and want to vote in a serious way, and yes, maybe next year we will have to enact some implementing legislation and focus the superfund on engineers, not lawyers, or cut administrative costs and focus on poor people, and maybe we actually have to make government work, and have the same downsizing that we are seeing in General Motors, and Xerox and IBM, and maybe we would have to change things. But as for me, I would rather go home having voted for change and explain change to everybody, my senior citizens, my doctors, my trial lawyers. Everybody has to learn if America is going to prosper, America has to change.

I will say one last thing. It has been a good while since I have seen the kind of personal arm-twisting that has gone on in this building in the last 24 hours. People talk about the lobbyists outside of the door, but I have never seen members of the Appropriations Committee do things that I think are totally unacceptable on both sides of this aisle on a bipartisan basis. I say to every Member look at this proposal, look at your children, and vote your conscience. Do not let anybody browbeat, blackmail, or bully you into doing the wrong thing.

Mr. GEPHARDT. Mr. Speaker, I yield 2 minutes to the gentlewoman from New Haven, CT, Ms. DELAURO, a member of the Committee on Appropriations.

□ 1630

Ms. DELAURO. Mr. Chairman, today we make a choice. We can choose substantial budget cuts that will still allow us to forge the kind of country we want to be—a country with universal health care; a country that can educate its children for the future; a country that cares for its elderly.

Or, we can choose cuts that will make health care reform impossible, put unfair burdens on our veterans and elderly, and cripple the research and technology that will create the jobs of the future.

This summer, Congress adopted an unprecedented $500 billion 5-year deficit reduction package. We worked hard to get that legislation enacted because it was a critical step in putting our Nation's fiscal house back in order.

Today, we can make additional responsible cuts by passing the Sabo amendment which cuts $38 billion by reducing the Federal work force, cutting 1994 appropriations, and streamlining the Federal Government.

We should reject the Penny-Kasich amendment. It is not good government. It is not thoughtful government. It contains real threats to our senior citizens, veterans, the environment, and our State governments. Perhaps most ominous of all, it will seriously jeopardize our ability to enact meaningful health care reform legislation next year.

If we adopt Penny-Kasich, Medicare will be cut another $34 billion in addition to the cuts we made earlier this

year. This will significantly increase the out-of-pocket health care costs borne by senior citizens and will steal critical budget savings needed to help finance health care reform. This is unacceptable. So, too, are the cuts in veterans health care, and unfunded mandates on our State governments—$55 million in Connecticut alone.

Mr. Chairman, the easy vote would be to vote for Penny-Kasich. Cuts for the sake of cuts. The responsible vote—the vote that looks toward the future—is to vote for the Sabo amendment.

Mr. GEPHARDT. Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina [Mr. CLYBURN], a member of the Committee on Veterans' Affairs.

Mr. CLYBURN. Mr. Chairman, I rise in opposition to the Penny-Kasich amendment. While many will see this budget reduction effort only in terms of dollars and cents, I want to point out—in human terms—the effects and nonsense some of these proposals will visit on three populations.

My office has been flooded with calls from among many other health care providers in South Carolina many of whom work in home health care. They feel that if the 20 percent Medicare copayment requirement for home health care is adopted, the poorest of Medicare patients, usually women living alone, will be adversely affected. Many will be forced to seek hospitalization, and leave the comfort and security of their homes, because they cannot afford this new 20 percent Medicare copayment. This is not a savings; this is a disguised increase in spending because Medicare will be picking up the entire resulting hospital bill.

In addition to our elderly, many of our children will suffer. Child care under Penny-Kasich is slated for disguised cuts by combining child care funds with other social programs already competing for limited dollars. What we take from a child today, we pay tenfold in the years ahead.

Third, if Penny-Kasich passes, we will be forced to break faith with the men and women who have made tremendous sacrifices for the country. Penny-Kasich will deliver a devastating blow to our VA health-care system and could deny care to tens of thousands of economically disadvantaged veterans who rely on the VA for their health care. We cannot let this happen.

Mr. Chairman, Penny-Kasich will hit hardest the most vulnerable in our country; our elderly, our children, and our veterans. I urge my colleagues to join me in voting against this amendment.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the very distinguished gentleman from North Carolina [Mr. MCMILLAN].

Mr. MCMILLAN. Mr. Chairman, I thank the gentleman for yielding me this time, and I congratulate him and the gentleman from Minnesota on really doing an outstanding job on this bipartisan effort.

Not only have they given it good leadership, but we have had excellent participation by new Members on both sides of the aisle who I can assure one of the earlier speakers have given a lot of deep thought and attention to this.

I want to focus on one of the biggest criticisms of the plan, which is the Medicare cost reduction, $35 billion in this plan, not by cutting benefits, you should be fully aware, but by extending 20 percent copays to the only two programs in Medicare that do not require copayment, that is, lab tests and home health care. We only do that, by the way, for those above the 150-percent level of poverty and by asking high-income beneficiaries over $70,000 a year to pick up a little bit larger share of the subsidized premiums.

I guarantee you that any serious health care reform package will have copayments in its including the President's package.

Now, let us look a little bit at the President's package. The Clinton plan will cut $124 billion out of Medicare, not $35 billion as in our plan. But $20 billion of this are the same cuts that are in the Penny-Kasich plan, lab tests and part B premiums both. The only thing Clinton does not address is home health care. All medical care costs, wherever they are, are fungible, that is, the savings in one plan can be spent on additional things in another program all up and down the line. That is the foundation of the Clinton health care reform plan.

To say that we cannot pull anything out of this is absurd. The Clinton plan cuts Medicare $124 billion, Medicaid $65 billion, raises $90 billion of taxes, it increases Medicare expenditures by $131 billion, Medicaid and public health by $170 billion.

[In billions in dollars]

Clinton health care plan:	
Savings:	
Medicare	+124
Medicaid	+65
Tax hikes	+90
Expansion under plan:	
Medicare	+131
Medicaid	+170
Deficit-reduction	58
Cushion	45
Total	103
Penny-Kasich health care plan:	
Savings	+35
Expansions	0

It should be understood that the $65 billion included here for long-term care does not go to the elderly. It goes into disability programs. The new programs for drug assistance and long-term care require full copayments and State mandates.

Their criticism of Penny-Kasich is disingenuous and hypocritical, and if you believe their numbers after all is said and done, they have a cushion of $45 billion built into the total 5-year plan that claims deficit reduction of $58 billion.

So Penny-Kasich does not cut away from any other program or other use of savings. It simply identifies part of the savings and proposes deficit reduction and moves them slightly forward in time.

In the end if the Clinton plan is adopted, we would still have $58 billion in deficit reduction even with Penny-Kasich.

Penny-Kasich simply fixes some of it now and moves it forward into the current year to the extent of about $3 billion.

This, my colleagues, is the most commonsense, serious deficit reduction package I have seen in my 8 years in Congress. Let us not let the country down.

Mr. GEPHARDT. Mr. Chairman, I yield 3 minutes to the gentlewoman from Florida [Mrs. THURMAN], a member of the Committee on Agriculture and the Committee on Government Operations.

Mrs. THURMAN. Mr. Chairman, I would like to thank the gentleman from Missouri for yielding me this time.

Mr. Chairman, it is important to recognize Representatives PENNY and KASICH for bringing the discussion on deficit reduction so far, and I commend them for their dedication to fiscal responsibility. However, even those of us in this body who are fiscally conservative must ask whether this is the proper time to make such significant cuts to Medicare.

In the first place, these dollars are important in guaranteeing universal health care reform and in ensuring that a prescription drug benefit and long-term care are not sacrificed. Also, while the amendment cuts spending, it does not impose any cost containment measures. Can we ensure that savings will be achieved if we do not curb utilization? The Penny-Kasich bill does not address the heart of the problem, it only addresses the symptoms.

With regard to home health services, the Penny-Kasich amendment appears to be very generous by instituting a 20-percent home health care coinsurance only for seniors with incomes over 150 percent of the poverty level. But if you work the numbers, you find that the plan, in fact, does affect seniors on very tight budgets.

The U.S. Government poverty levels are $6,970 for individuals and $9,430 for couples. By doing simple mathematical calculations, we find that the coinsurance for home health services would impact individuals who only have incomes of $10,445, and couples with incomes of only $14,145. Mr. Speaker, these are low-income seniors, not the seniors with incomes of $70,000 or more.

Well, I am not going to forget about those lower-income seniors. If we do, then we remind voters in the United States that Congress is once again out of touch.

Finally, I want to stress to you that the Penny-Kasich amendment could affect seniors in my district by cutting budgets for social services by 4 percent to account for administrative savings. Because we have no guarantee that the 4 percent will come directly from administrative savings, services such as transportation for seniors, congregate dining sites, meals on wheels, home injury control, and medication management are put at risk.

On November 20, I appeared before the Rules Committee and asked them to support a proposal to strike the Medicare provisions for this plan. The amendment was not allowed.

Mr. Chairman, I am committed to deficit reduction, but not at the expense of our seniors. I cannot support a plan that makes 20 percent of the population responsible for over one-third of the savings.

I want to stress that we can vote for $35 billion in further cuts and still leave Medicare in tact with the Sabo plan.

□ 1640

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the very distinguished member of the Committee on Armed Services, the gentleman from Oklahoma [Mr. MCCURDY].

Mr. MCCURDY. I thank the gentleman for yielding this time to me.

Mr. Chairman, the opponents of the Penny-Kasich deficit-cutting amendment, including the Department of Defense, who argue that the amendment will adversely affect national security or result in huge cuts, make an argument that is not only an unlikely worse-case scenario but is disingenuous at best.

If Members buy their argument and vote against Penny-Kasich because of Defense, then we will never, never cut spending in this body. The only conceivable threat is that lowering the caps on the overall budget will require us to go deeper into Defense. There is explicit language in this amendment protecting Defense from additional cuts as a result of the caps. And if Members are still worried that Defense is threatened or cut too deeply, then they should join some of us who want to reconstruct a budget firewall for Defense in the next session. Only then will we see real protection from continued assaults on Defense.

I say to Members who are worried about anti-Defense forces making continual assaults on the Defense budget: The assaults can and will be made regardless of Penny-Kasich. The reality is that those forces will never be satisfied. But this amendment is not their vehicle. Suggesting that national security is at issue in this package is a lame attempt to divert attention from the real issue of whether or not this House and this Government mean business about cutting the deficit.

It is especially ironic that the Department of Defense now complains about this amendment, when they rolled over during the first budget deliberations that resulted in cuts amounting to $67 billion more than President Clinton campaigned on. Yet, when faced with this amendment, which is brought in the interest of lowering the deficit and which has a modest Defense reduction in such items as the MK–19 grenade launcher and a few Senate adds, there is no end to the wild charges and fear-mongering from the Department of Defense.

If Members do not want to cut the budget, then they should be honest and just say so, but they should not use Defense as an excuse. It just will not wash.

Mr. GEPHARDT. Mr. Chairman, I now yield 2 minutes to the gentlewoman from North Carolina [Mrs. CLAYTON], a member of the Committee on Agriculture and the Committee on Small Business.

Mrs. CLAYTON. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise today to speak in opposition to the amendment being offered by Representatives PENNY and KASICH. I believe their proposal to cut funding from discretionary and entitlement programs is not only unsound but unnecessary, as this Congress has already passed the largest deficit-reduction legislation in this Nation's history. Also, the administration has offered additional cuts and there is another amendment which allows reductions without disabling our Government the ability to respond to our Nation's needs.

The Penny-Kasich amendment is unsound because it does not consider the obligation this Congress has made this year for implementing NAFTA and crime control, nor does it consider the many investment programs we need to fund in order to get our Nation's economy back on its feet. Congress has passed NAFTA and we need to provide financing for it to be set in place. We need to institute worker retraining programs for displaced workers and environmental cleanup. We have recently passed far-reaching crime legislation that will require investments in our Nation's youth to keep them from harm's way and prevent them from leading lives of crime.

What causes me the greatest concern, however, is that if this amendment passes, it will rob all Americans of access to quality health care. The Penny-Kasich plan takes the savings in the Medicare and Medicaid programs the President has proposed for health care reform or the other proposed health care reform savings and puts it toward deficit reduction only. The impact of the Penny-Kasich copayments in Medicaid will cost the State of North Carolina over $126 million. I urge my colleagues to vote against this amendment, as a vote for Penny-Kasich is indeed a vote against health care reform.

I, too, am concerned about the need to control our Nation's deficit. That is why I was proud to vote in favor of the Budget Reconciliation Act earlier this year. All of the cuts we assumed in that budget bill have not as yet been specified and if we adopt what Penny-Kasich proposes, we will cut too deeply into programs that work for Americans. If we adopt the Penny-Kasich plan, we will tie Congress' hands and limit our ability to provide true worker training programs, education programs, and health care reform.

I ask my colleagues in the House of Representatives to stand up for health care reform and vote against the Penny-Kasich amendment.

Mr. KASICH. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. I thank the gentleman for yielding this time to me.

Mr. Chairman, the chairman of the Foreign Affairs Committee and I recommended a revision in the provision requiring savings based on the marine security guard program at the Department of State. That change eliminates the requirement for the Secretary of State to achieve savings specifically through reductions in the marine security guard program. The rule we just adopted contains this Hamilton-Gilman amendment as a selfexecuting provision, therefore we will not specifically discuss the change. However, this so-called budget matter does raise real concerns—that must not be ignored—about the foundation of our international security policy.

A paramount responsibility of the Secretary of State is to protect personnel and U.S. property abroad. We can all agree that we are living in an unpredictable world and the one certainty is that security standards must be maintained. This suggests that the Secretary of State should have the flexibility to find other ways to reduce spending. I think it was ill-conceived of the administration to expect to achieve $5.7 million in savings over 5 years strictly through reductions in the marine guard program for our posts overseas. Furthermore, the savings in the out years are spurious. The planned reduction of approximately 66 marine guards was planned long before the National Performance Review [NPR] came along, and some marine guards have already been recalled.

In truth, we may have to add some marines to several new diplomatic posts overseas, in places such as the new states in the former Soviet Union. The point is, we must be vigilant in our international security and antiterrorism activities.

On August 20 of this year the gentleman from New York [Mr. SOLOMON], who has long taken the lead in fighting terrorism, joined with me in writing the Secretary of State expressing our concern that we not let down our guard against international terrorism.

The shining path guerilla attack on our Embassy in Peru, following the earlier terrorist attack on the Trade Center complex in New York reawakened and elevated our concern about terrorism. We know we must be vigilant against a new and alarming threat to our national security.

In that letter Mr. SOLOMON and I noted,

Although the cold war is behind us, it is clear to all of us that the civilized world is facing a new and more dangerous wave of international terrorism . . . Prudence would dictate that our important programs for combatting this formidable menace be strengthened, particularly given the pervasiveness of this threat and the fact that Americans remain a key terrorist target domestically as well as abroad.

We are hopeful that the State Department heard our message and will not allow disproportionate cuts in those areas. The expenditures for diplomatic security and our counterterrorism efforts, which some may question in these tough budgetary times, are essential.

Our counterterrorism effort and programs help us maintain our nation's national security, and protect our American diplomats overseas. The attacks that never occur, or that are thwarted by these antiterrorism expenditures, are never in the headlines, but these counterterrorism efforts are effective and necessary.

Under leave to include extraneous matter, I submit the August 24, 1993, letter to the Secretary of State, and the September 29, 1993, response from the State Department to this letter to be entered into the RECORD as part of these proceedings.

The letters are as follows:

COMMITTEE ON FOREIGN AFFAIRS,
HOUSE OF REPRESENTATIVES,
Washington, DC, August 24, 1993.

Hon. WARREN CHRISTOPHER,
Secretary of State, Department of State, Washington, DC.

DEAR MR. SECRETARY: As advocates of a strong counterterrorism program for this country, the terrorist bombing of the American Embassy in Lima, Peru should serve as a warning that we can not let our guard down against terrorism. That attack follows on the heels of the February bombing of the World Trade Center in New York, as well as other threats to American citizens, facilities and political leaders from militant terrorists.

Although the Cold War is behind us, it is clear to all of us that the civilized world is facing a new and more dangerous wave of international terrorism. This terrorism is often religiously driven and sometimes ethnically inspired. Prudence would dictate that our important programs for combatting this formidable menace be strengthened, particularly given the pervasiveness of this threat and the fact that Americans remain a key terrorist target domestically as well as abroad.

We know that your Bureau of Diplomatic Security is charged with securing and protecting American facilities and personnel who are proudly serving our country around the world. While we realize that all agencies of our government have undertaken necessary budget reductions during this period of fiscal austerity, we want to ensure that Diplomatic Security, the Office of the Coordinator for Counterterrorism, and construction security programs are not required to take disproportionate shares of the State Department's budget reductions. We feel that this is especially important considering the current climate of international terrorist violence. We would be interested to know if any additional reductions are being proposed for the Bureau of Diplomatic Security and the other offices we have noted, beyond that of the levels of other bureaus and offices.

Given the recent Shining Path attack on our embassy in Peru, the continuing threat of international terrorism, and the ongoing targeting of Americans, the important mission of diplomatic security becomes all the more critical. It is essential that the Department of State maintain a sufficient level of security personnel to carry out its vital responsibilities, and that adequate funding be available for the important task of securint these diplomatic missions around the world. particularly those in high-threat countries. Finally, our new embassies being constructed overseas should have levels of physical security which meet the challenges of the international terrorist menace.

American diplomats are increasingly threatened by international terrorism. Today, they and our embassies are attractive targets in that they symbolize America and the values that our nation represents. We want to ensure that our government is doing everything possible to protect our diplomatic missions, and our personnel, along with their families.

Thank you for your immediate attention and prompt response to our inquiry. We look forward to your comments on this most important matter of interest and concern to us.

With best wishes.

Sincerely,

BENJAMIN A. GILMAN,
Ranking Minority Member.
GERALD B.H. SOLOMON,
Member of Congress.

U.S. DEPARTMENT OF STATE,
Washington, DC, September 29, 1993.

Hon. BENJAMIN A. GILMAN,
House of Representatives, Washington DC.

DEAR MR. GILMAN: The Secretary has asked me to respond to your August 24 letter expressing concern about the adequacy of the Department of State's global diplomatic security efforts. In particular, you asked whether the Bureau of Diplomatic Security, the Office of the Coordinator for Counterterrorism, and the construction security program are being required to take disproportionate shares of overall budget reductions.

We welcome your support as we work to maintain a strong Department of State global security program during a time of severe budget cuts. As you recall, Secretary Christopher, in his appearance before the House Foreign Affairs Committee last February, stated his determination to maintain a strong overseas security program despite overall budgetary reductions. In light of increasing terrorist activities taking place at home and abroad, I can assure you that the Bureau of Diplomatic Security, the Office of the Coordinator for Counterterrorism and the construction security program of the Office of Foreign Buildings Operations will receive sufficient resources to carry out their responsibilities of defending U.S. interests and protecting U.S. facilities.

The Department's security effort reflects a careful approach to chaging world conditions. Program priorities focus on three areas. First, we must ensure the safety of foreign affairs personnel at U.S. missions abroad. Second, we must safeguard all classified and sensitive information handled, stored and processed at these posts. Finally, we must protect our office and housing facilities at our domestic and overseas missions. To achieve an appropriate level of protection at our Foreign Service posts, the Department has developed threat-driven security standards which allow the application of resources to each specific post—especially those in countries with critical and high security threats. These security standards also mandate that our new embassy facilities constructed overseas have strong physical security against international terrorist threats.

Maintaining sufficient protection of our overseas missions at a time of severe budget retrenchment has been a challenging task. In concert with other bureaus and offices of the Department, we have been able to maintain the integrity of our security program while, at the same time, eliminating and/or reducing lower priority efforts. That will continue to be our intent in the future, assuming adequate Departmental funding.

Thank you for your interest in preserving the security programs which protect all Americans serving abroad at U.S. diplomatic missions. Please contact us if we may be of further assistance.

Sincerely,

WENDY R. SHERMAN,
Assistant Secretary, Legislative Affairs.

□ 1650

Mr. GEPHARDT. Mr. Chairman, I yield 3 minutes to the gentleman from Vermont [Mr. SANDERS], a member of the Committee on Banking, Finance and Urban Affairs.

Mr. SANDERS. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, at a time when the richest people in our country have grown much richer, and the poorest people in our country are suffering greater pain than at any time since the great depression, the Penny-Kasich amendment is an extremely mean-spirited and harmful piece of legislation which will cause significant pain for some of the most vulnerable people in our society—and which sets some very dangerous precedents for future budgetary policy.

Mr. Chairman, the very serious budget crisis which this country faces today was not caused by the elderly or by the poor. It was caused primarily by giving hundreds of billions of dollars in tax breaks to the wealthiest people in this country, and through an enormous increase in military spending. If we want to get to the root cause of our deficit

problem, now that the cold war is over let us cut military spending significantly, and let us ask the wealthy to pay their fair share of taxes. Let us not balance the budget on the backs of the elderly, the poor, and hospitalized veterans. Let us not destroy the universal aspects of Medicare—so that in years to come it will evolve into a welfare program for low-income senior citizens.

Mr. Chairman, it is cruel and unacceptable to ask a senior citizen with an income of $10,500 to pay a 20-percent coinsurance payment for all home health services. How many low-income senior citizens would simply not be able to call their visiting nurse association for help—and suffer terribly as a result. In my State of Vermont, the Central Vermont Home Health and Hospice Association estimates that this copayment would cost the average beneficiary about $850 in 1994. That's a lot of money for someone bringing in $10,500 a year.

Further, Penny-Kasich proposes to collect another 20-percent coinsurance fee, on clinical lab services currently covered under Medicare. This will result in additional direct out-of-pocket expense to senior citizens, regardless of their incomes, whenever important lab tests need to be undertaken. What a sad way, what a pathetic way to raise money.

Mr. Chairman, Penny-Kasich imposes, for the first time, a means test on Medicare which would start with elderly people with incomes of $70,000. But in 10 years, because there is no indexing, that figure will be the equivalent of today's $50,000. Most importantly, we are destroying the universality of Medicare and moving it, over a period of years, into a welfare program for low-income senior citizens.

Mr. Chairman, Penny-Kasich would cut spending for veterans medical care by a billion dollars over 5 years, at precisely the time when our VA hospitals are so very hard-pressed. And that is why Penny-Kasich has been opposed by the American Legion, the Vietnam Veterans of America, the Paralyzed Veterans of America, and other veterans' groups. I find it extremely distasteful that this Congress would consider balancing the budget on the backs of men and women who put their lives on the line and suffered physical injury defending this country.

Mr. Chairman, I have heard some of my congressional friends who are defending this amendment express the belief that this is a courageous act in moving this country forward in deficit reduction. With all due respect to my colleagues, I disagree. It is not courageous to inflict more pain on sick and elderly people and on hospitalized veterans. That is not courage.

Mr. Chairman, if we want to show some courage, then we will ask the wealthy in this country to pay their fair share of taxes. That is courageous, because the wealthy have power, and they fight hard to protect their privileges. If we want to show some courage, let's take on the military-industrial complex, and stop spending $2 billion for each spy satellite and $100 billion a year to defend Europe and Asia against a nonexistent enemy. That also requires real courage.

Mr. Chairman, let us reject Penny-Kasich, and let us support the far more sensible Frank-Shays amendment. Let us not balance the budget on some of the most vulnerable people in our society.

Mr. GEPHARDT. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. CLAY], the chairman of the Committee on Post Office and Civil Service.

Mr. CLAY. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in support of H.R. 3400 and to urge Members to defeat the Penny-Kasich amendment. Penny-Kasich includes provisions to raise the retirement age to 65 for all Federal employees hired after January 1, 1994, and to reduce the thrift savings plan Government match for such employees by 1 percent. Under the amendment, the Government will match only the first 3 percent of employee contributions to the savings plan. These changes, if adopted, will make the Federal Employees' Retirement System significantly less attractive than other public and private sector pension plans, will severely retard the ability of Government to attract qualified employees, and will impose undue hardships on new Federal employees as they reach retirement age.

In 1986, following years of extensive review, the Federal Employees' Retirement System Act was jointly developed by a Democratic House and a Republican Senate and signed into law by President Reagan. FERS is modeled on the best practices of the private sector and responsibly addresses the needs of both the Government and its employees. Costs of the system are less than 23 percent of payroll. Its enactment achieved savings of $300 million in the first year and $8.3 billion between 1987–91. All Federal employees hired after December 31, 1983, automatically became participants in FERS. Under FERS the minimum retirement age is 62 with 5 years of service, 60 with 20 years of service, and 55 to 57 after 30 years of service.

Under Penny-Kasich, no new Federal employee will be able to retire under normal conditions and receive even a reduced benefit before age 65. According to the Department of Labor:

> Virtually all of the employees participating in defined benefit pension plans could retire before normal retirement age and receive an immediate, but reduced, pension.

Ninety-nine and a half percent of all State and local employees are able to retire before age 65 and receive an immediate benefit. A majority of all State and local employees are able to retire as early as age 55 and receive an immediate, unreduced benefit. A majority of all private sector workers may retire with full benefits before 65. Sixty-eight percent of all private sector pension participants may retire as early as age 55 with an immediate annuity.

Beyond imposing wholly unreasonable restrictions on when a Federal employee may retire and receive an immediate benefit, Penny-Kasich severely undermines the likelihood that employees will be able to accumulate adequate savings for their retirement. Under the Federal Employees' Retirement System, the Government automatically contributes 1 percent of an employee's pay to the thrift savings plan. An employee may contribute up to 10 percent of his or her salary to the savings plan, and the Government matches employee contributions dollar for dollar for the first 3 percent of the employee's pay and 50 cents on the dollar for the next 2 percent of the employee's pay. Contrary to information provided by Mr. KASICH and Mr. WOLF in a November 18, 1993, "Dear Colleague" letter, the Penny-Kasich proposal eliminates the Government match for employee contributions beyond 3 percent of pay, thereby reducing the overall Government contribution by 1 percent and not by only one-half of a percent as the "Dear Colleague" states.

The thrift savings plan already is somewhat less generous than similar plans provided by private employers. Many private sector savings plans provide a greater matching contribution than FERS, while others permit employees to contribute a higher percentage of their salary to the plan. Reducing the Government match will have other serious ramifications beyond simply making FERS less attractive than other pension plans. Employee contribution rates largely correlate to matching contributions. This is especially true for employees receiving lower salaries. Seventy-one percent of FERS employees contributing at the 5-percent rate earned less than $35,000. Reducing the match limit to 3 percent is expected to reduce the percentage of pay that employees contribute to the thrift savings plan by 40 percent. The ultimate effect, then, of reducing the Government match is to create a disincentive for employees to save for their own retirement and increase the likelihood that employees will not have sufficient pension income to provide for financial security during retirement.

Penny-Kasich substantially alters FERS to make it obviously and significantly less attractive than many other

retirement plans in the country. The impact this will have on the ability of the Government to attract qualified workers will be significant. In effect, the Government will offer prospective candidates a job that, on average, pays 20 percent less than equivalent private sector jobs with a pension plan that both inhibits the accumulation of sufficient funds to meet old age needs and, unlike most plans in the country, precludes the employee from voluntarily retiring and receiving an immediate benefit anytime before the age of 65. Raising the retirement age produces no scorable savings at all and reducing the thrift plan matches produces savings of only $144,000,000 over 5 years. The real costs of the Penny-Kasich proposal are considerably dearer.

Mr. KASICH. Mr. Chairman, I yield 30 seconds to the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Mr. Chairman, I thank the gentleman for yielding this time to me.

I simply want to respond to the remarks of the committee chairman, the gentleman from Missouri [Mr. CLAY].

The gentleman talks about breaking faith with public employees by the changes we have made in the retirement program. These changes are all prospective. They take place for those who are newly hired. It will not be fully phased in for decades.

The fact is that we need to begin the process of making changes in this retirement system, because currently we have a $1 trillion unfunded liability in the public pension program because of the fear in this institution to make a change in the system.

Mr. KASICH. Mr. Chairman, I ask unanimous consent that for the rest of the day people will remember that it is "KASICH," like it rhymes with basic.

Mr. GEPHARDT. Mr. Chairman, for the purpose of a response, I yield 30 seconds to the chairman of the committee, to the gentleman from Missouri [Mr. CLAY].

Mr. CLAY. However you pronounce it, Mr. Chairman, it is still impacting adversely on 3 million Federal employees.

Let me say that this Penny-Kasich amendment has no impact whatsoever on unfunded Federal pension liabilities. The FERS we created several years ago is a fully-funded system and Penny-Kasich has no effect on the CSRS pension system.

□ 1700

Mr. KASICH. Mr. Chairman, I yield myself 20 seconds to make this perfectly clear, perfectly clear.

I want everybody to understand that we do not impact those programs. How many times are we going to go back and forth being charged with impacting those public employees? We do not impact any public employee currently working in the Federal Government. Everything is prospective. That charge is not unlike most other exaggerations as to what is in this bill.

Mr. Chairman, I yield 1 minute to the gentleman from South Carolina [Mr. INGLIS].

Mr. INGLIS. Mr. Chairman, the sky is falling. Civilization, as we know it, is about to end, and everyone should head to the hills. At least that is what one would think if they read these letters that have come to my office from every special interest in the free world telling me that Penny-Kasich will absolutely be the ruination of the United States of America.

Unfortunately, Mr. Chairman, we have heard it here on the floor today. We have heard it from the White House. They think that it is going to destroy America. We have heard it from the leadership of this old Congress, that it somehow is going to destroy American life as we know it to cut one penny out of every dollar that we spend in this country. We have heard it from these special interest groups.

But, Mr. Chairman, I would like to ask the Members here that represent a new Congress within this body whether they heard from their people at home, the people at home that are worried about their children and grandchildren facing a $4.2 trillion national debt. Those folks will say not to listen to these folks.

Vote for Penny-Kasich.

Mr. GEPHARDT. Mr. Chairman, I yield 3 minutes to the gentlewoman from Miami, FL [Mrs. MEEK], a member of the Committee on Appropriations.

Mrs. MEEK. Mr. Chairman, this is supposed to be a commonsense plan for cutting one cent on the dollar from Federal savings? I will just paraphrase an old phrase by saying, "A name, a name, a rose by any other name would smell the same."

Mr. Chairman, I am saying to my colleagues that there is little sensitivity on the part of any Congress that passes a bill which has the impact, the negative impact, of the Penny-Kasich proposal. But I will forgive them for this because I do not really think they know what they are doing.

Mr. Chairman, I think they have crunched some numbers and that they have been working on it for quite some time. But I do not think they have ever lived in an atmosphere where they had to deal with some of these problems. I do not think that they have ever been truly desperate, as some of the elderly citizens of this country are going to be if this bill passes, if this amendment passes.

I know how to pronounce "Penny-Kasich." I know what it rhymes with as well. But I am here to say to my colleagues that it is very difficult to finance health care reform if we vote for Penny-Kasich.

I say to my colleagues, "You have talked about health care, every last one of you all over this country. You did not tell the people how you are going to do it. Now you come up at the last moment, and say, 'Let's build a health care plan and take $34 billion from Medicare.'"

Mr. Chairman, that puts enormous financial burdens on the beneficiaries. Those of us who God has given a chance to live this long will understand the impact of this. Forty percent of the savings in this Penny-Kasich plan comes from Medicare. Listen to that: 40 percent. So, I ask my colleagues, How you going to balance the budget? On the backs of elderly people, many of them poor? How are you going to say to them that you want them all to stay in the hospital, to be institutionalized, or do you want them to come out of the hospital and go into home health care where people can come to them and give them adequate care? Then you're going to make them pay 20 percent more than that.

Mr. Chairman, to me this is the type of thing one does when their insensitivity has been forgotten because they are thinking more of numbers crunching.

I am opposed to it because it applies these budget tricks. It is sort of like a bait and switch. They are using money three and four times. I ask, how many times can you use the money? It is double counting the savings which has already been required by President Clinton's budget plan. It falls short of the budget reduction that it wants to get, falls short of the target. It provides no specifics, and I say to my colleagues, Many of you are sitting in here listening to this, and there are those of you who have walked the streets talking about we are going to do deficit reduction. This plan does not tell you specifically what it's going to cut. They're not telling you what it's going to cut. Is it going to cut Women, Infants and Children?

I just want to say, vote against Penny-Kasich.

I am voting against the Penny-Kasich amendment, and I strongly urge my colleagues to do the same. I am appalled that something that important is even being considered at this late hour. This is truly desperation legislation.

I am opposed to Penny-Kasich because it will make health care reform much more difficult to finance, and health care reform is absolutely necessary to improve the well-being of our people and to control the Federal deficit.

Penny-Kasich cuts $34 billion from Medicare and puts enormous financial burdens on beneficiaries.

In fact, nearly 40 percent of the savings in Penny-Kasich comes from Medicare—yet Penny-Kasich does nothing to control the real problem: escalating health care costs.

We should not balance the budget on the backs of senior citizens.

I am opposed to Penny-Kasich because it employs budget tricks and sleight-of-hand to

achieve its goals: It double counts savings already required by President Clinton's budget plan; it falls short of its deficit reduction target by about $78 billion; and it provides no specifics about what programs will be cut to make up this shortfall.

I am opposed to Penny-Kasich because we already passed a carefully thought-out deficit reduction bill—the biggest in our history—earlier this year, which will already reduce the deficit by five times as much as Penny-Kasich.

Mr. Speaker, Penny-Kasich is the deficit-cutting equivalent of a desperation "Hail Mary" pass to the end zone when there are still three quarters to play in the game.

We don't need desperation moves; we need deliberate, steady, controlled progress toward our goals: Controlling health care costs, investing in our future, and reducing spending in a reasoned way that will not jeopardize the recovery of our economy or the welfare of our people.

I urge my colleagues to join me in opposing and voting against Penny-Kasich.

Mr. KASICH. Mr. Chairman, I yield myself 20 seconds.

Mr. Chairman, I want to read this chart:

The Clinton administration has called the Penny-Kasich planned $35 billion in Medicare cuts immoral, yet Bruce Vladeck, Medicare Administrator, said the administration's $124 billion in Medicare cuts would not be putting Medicare beneficiaries at risk.

Which is it, my colleagues?

Mr. Chairman, I yield 2 minutes to the very distinguished gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Mr. Chairman, this is our last chance. After today's vote on Kasich-Penny, we will not have another opportunity this Congress to cut spending.

Once health reform is in full swing, all talk of budget cuts will come to a halt. So if Kasich-Penny is defeated in the House today, we will go into the next election with voters fuming that Congress could not bring itself to make substantial cuts in spending.

Kasich-Penny cuts $90 billion in spending over the next 5 years, and every nickel of savings is earmarked to deficit reduction, real cuts and real deficit reduction.

The Sabo amendment, on the other hand, will not reduce the deficit at all. The Sabo amendment will cut spending, but these savings will be spent on other programs. I repeat, the Sabo amendment does not cut the red ink one red cent.

Critics of Kasich-Penny have charged it will doom health care reform, undermine national security, and threaten future growth in the economy, as well as any projects in my colleagues' districts. The special interests have repeated this chorus in the piles of literature that have been sent to our offices. We know Kasich-Penny really cuts spending because the beneficiaries of government largesse have been burning the midnight oil lobbying against it.

Let us address the arguments made by critics of Kasich-Penny. They claim Kasich-Penny will doom health care reform if we cut $34 billion from Medicare. Yet the President's proposed health plan, which I call Mega-Care, contains a staggering $332 billion in net new spending. In addition, the President's plan cuts Medicare $124 billion. And we are supposed to believe a mere $34 billion will devastate health reform?

Big spenders in the administration and elsewhere also argue Kasich-Penny threatens the economic recovery. Even under Keynesian analysis, the idea that cutting next year about $6 billion out of a $1.5 trillion budget $250 billion in deficit in a $6.6 trillion economy will have a noticeable effect on economic growth is laughable.

The bottom line is that Kasich-Penny opponents are delaying because they know the window of opportunity for enacting genuine spending cuts and deficit reduction is closing. We have delayed long enough. I urge my colleagues to support this bipartisan effort to reduce this deficit. Support Kasich-Penny.

Mr. GEPHARDT. Mr. Chairman, I yield 2 minutes to the gentlewoman from Olympia, WA [Mrs. UNSOELD], a member of the Committee on Education and Labor and the Committee on Merchant Marine and Fisheries.

Mrs. UNSOELD. Mr. Chairman, I thank the majority leader for yielding this time to me, and I wish to associate myself with his remarks and the remarks of others who are opposing Penny-Kasich and to support the Sabo amendment.

Mr. Chairman, I would like to point out that there is new policy in Penny-Kasich, and it consolidates social services. Consolidation should be a good thing if we are reorganizing government. But it consolidates the government for the elderly, the senior citizens and for children into a single block grant, reduces it in size and has those children and seniors compete for the same smaller amount of money.

But, second, as my colleagues know, Penny-Kasich is described as a heroic vote because it will provide opportunity for us to set new policy, to start reducing the cost of government, to lower the taxes, to lower the debt for the American public.

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This is a sham. There is real hypocrisy when $5 billion is going to be shifted from the Federal responsibility onto State government, $5 billion of mandated, unfunded responsibility. Each State can look at what happens when Medicare is reduced and the States have to pick up those Medicaid expenses. A $5 billion hit on the States is not a hero vote, and we should oppose Penny-Kasich.

While I appreciate the efforts of my colleagues to continue the attempt to cut Federal spending, I cannot support the Penny-Kasich amendment. Like those who support the amendment, I believe that additional spending reductions can be achieved over and above the roughly $496 billion in deficit reduction which was passed in this past summer's Omnibus Budget Reconciliation Act. However, I think the Penny-Kasich amendment contains cuts which are unfair, unwarranted, and bad policy.

There are five primary reasons I will not support the Penny-Kasich amendment.

First, I am very concerned that Penny-Kasich will undermine, if not torpedo, President Clinton's critically important health care reform plan. In order to help pay for some of the provisions in the health care initiative, the President plans to use savings from Medicare and other Federal health programs. If Penny-Kasich became law, all of the savings it achieves will be dedicated solely to deficit reduction. In the absence of broad health care policy reform, this would result in massive cost-shifting, making senior citizens and other health care consumers pay more without even a promise of future benefit. I support the President's health plan because it takes a comprehensive approach to solving the health care crisis in this country. There is hardly a more important issue before the Nation than solving this crisis, and it would be disastrous if we were to sabotage the historic opportunity to institute comprehensive health care reform. If Penny-Kasich is enacted, it will be extremely difficult, if not impossible, to finance any real health care reform legislation.

Second, I am concerned about the fairness of some of the cuts included within Penny-Kasich. While it is clear that additional spending reductions can and must be achieved, I am not about to jump on a bandwagon of budget cutting simply for the sake of cutting. I am particularly concerned about the effect of Penny-Kasich on senior citizens, children, and families. One-third of the savings proposed by the Amendment would come from cuts in programs for seniors. While the cuts are aimed primarily at upper income seniors, many middle and low income seniors would be hit as well through cuts in the Medicare program.

The amendment would also cut programs that benefit children and families. By consolidating a number of programs aimed at assisting poor families, Penny-Kasich would be particularly harmful to families in need of child care services. It would also impact State unemployment programs, childhood immunizations, the Head Start program, Special Education services, and an assortment of other important programs. On another front, the Amendment would cut 10 percent from an agency that I believe is historically underfunded—the National Marine Fisheries Service. I cannot support such a reduction at the same time we are asking this agency to assume greater responsibility for such things as restoring threatened and endangered salmon.

Third, the Penny-Kasich Amendment would increase unfunded mandates on States by $5 billion over the next 5 years. The mandate would come through a new requirement that States pay 20 percent coinsurance on Medicare home health benefits for individuals up to 150 percent of the poverty line. It is estimated that in my State of Washington alone, roughly

$58 million will have to be paid by the State for this new Federal mandate. The effect of this mandate is that part of the Medicare savings that Penny-Kasich supporters hope to achieve will come only at the expense of State governments.

Fourth, I have serious reservations with the extensive number and nature of policy changes that are included within the Penny-Kasich Amendment. For example, it creates a new Department of Science which would combine science offices from several Federal agencies; it changes the retirement rules for tens of thousands of civil service and military retirees; it implements far-reaching new policies affecting the operation and morale of the armed services, including forbidding families to accompany U.S. military personnel assigned to year-long deployments in Europe; and it makes important changes in the Superfund program. This is not to say that some of these changes aren't good ideas, but I believe they should receive the benefit of a proper legislative process. All of these changes, and more, would be made through one amendment on the House floor without any scrutiny in the committee process.

Finally, I am concerned that the cuts in Penny-Kasich—which are in addition to hundreds of billions of dollars in cuts already legislated—would have a detrimental effect on the gradual economic recovery we are experiencing. I worked very hard earlier this year with the President and my colleagues in Congress to pass the President's deficit reduction and economic package. Contrary to those who say that Congress hasn't cut spending deeply, significant spending cuts have in fact been enacted this year. Medicare has already been cut by $56 billion, federal retirement has been cut by $12 billion, Medicaid by $7.1 billion, agriculture by $3 billion, and veterans programs have already been cut by $2.6 billion. Moreover, Congress has placed caps on discretionary spending that will hold spending at or below the 1993 level for the next five years. In fact, these caps are $56 billion below President Clinton's budget. This budget spending freeze is historic, ending steady increases that nearly doubled discretionary spending between 1980 and 1992.

The hard reality is that significant cuts have already been made this year simply to meet the 1994 discretionary targets—and this task will become even more difficult over the next few years. Taken together, the 1994 appropriations bills were $998 million below the discretionary funding targets set in the budget resolution. Through this year's appropriations process, Congress has voted to cut hundreds of specific programs and projects below last year's level, yielding more than $34 billion in savings. In addition, the proposed rescission bill would reduce 1994 appropriations by another $2.5 billion.

For those who doubt the seriousness of the deficit reduction which has occurred so far this year and which will continue to occur over the next five years, there is one gauge which is particularly telling and which helps put our efforts into perspective. That gauge is the amount of federal spending relative to the Gross Domestic Product (GDP). In terms of spending, as a result of the reconciliation package overall spending will average 22.5 percent of GDP over the next five years, compared to 23.3 percent for the Bush and Reagan years combined. The average of discretionary spending as a percentage of GDP will be 7.8 percent, while under Bush it was 9.2 percent and under Reagan it was 10.2 percent.

Another important measure is the deficit as a percentage of GDP. Since 1989, this percentage has been growing steadily from 2.9 percent in that year to 4 percent in 1990, 4.8 percent in 1991, and 4.9 percent in 1992. Due to the President's deficit reduction package this percentage will drop significantly. In 1993, the deficit as a percentage of GDP is estimated to be 4.3 percent and is projected to drop in each of the next five years and reach a low of 2.5 percent in 1998. In other words, rather than continuing the upward trend the deficit has been going along, the deficit as a percentage of GDP will be sliced in half over the next five years. Although this trend is often overlooked, I believe it is essential if one is to appreciate the magnitude of the efforts being taken currently to reign in the deficit and provide economic growth.

While I cannot support the Penny-Kasich Amendment for the reasons listed above, I enthusiastically support the Sabo Amendment. The Sabo Amendment will cut spending by $37.1 billion over the next five years, above and beyond the savings already enacted through the reconciliation package. The Sabo alternative includes some of the provisions the Clinton Administration offered as part of its "Reinventing Government" initiative, as well as the President's proposed rescissions of already appropriated spending. The largest part of the package is a $32.5 billion spending cut to be achieved by reducing the Federal workforce by 252,000 over the next five years. Also included are $1.9 billion of savings in rescissions, and $2.7 billion in savings through changes in programs and in how government operates. These changes—many of which were included within Vice President GORE'S National Performance Review recommendations—are intended to make the Federal Government more efficient and effective.

I support the Sabo amendment because the cuts it proposes are real and fair. The amendment is part of a much broader strategy to control the deficit while at the same time shifting away from the outdated spending priorities of the past. It will not sabotage the President's health care reform initiative and its cuts will not fall unjustly upon the poor, the elderly, and on State governments.

Not only will the cuts included in the Sabo amendment slice a significant share from previously approved spending, but they will also act as the first stage of the continuing effort to implement the Vice President's "Reinventing Government" proposals by locking some of them into law. The amendment includes cuts in program which have outlived their usefulness and no longer deserve funding such as the permanent elimination of the federal price support program for wool and mohair, and termination of the Advanced Metal Liquid Reactor Program. Most important, the amendment will produce budget savings as part of a more comprehensive plan to eliminate wasteful government spending and make the Federal Government more effective.

In many ways, this debate is about perspective. Some believe that Congress can continue to cut more and more spending and not run the risk of bringing ruin to our economy. Others believe that Congress has already cut too much too quickly and should not cut deeper. I believe that a great deal has been done so far this year to turn this Nation away from the voodoo economics of the past and honestly address the deficit and its effect on our economy. Clearly, more can be done and I will continue to support efforts to cut unnecessary spending. But I will not support proposals which jeopardize the progress we have made to strengthen our economy and to raise it above the weak level of growth characteristic of the past few years. Interest rates have continued to remain at historically low levels because the financial markets have faith in our current deficit reduction efforts. I will continue to work with my colleagues to achieve an appropriate level of spending cuts that will also allow a high level of sustained economic growth.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the very distinguished gentleman from the State of Texas [Mr. EDWARDS].

Mr. EDWARDS of Texas. Mr. Chairman, I rise in strong support of Penny-Kasich. There are a number of Members in this House who support a balanced budget amendment on the one hand, yet voted against the President's budget and tax plan because they wanted more spending cuts. I am one of those Members.

Today we get our chance to match our record with our rhetoric. Today we get what we asked for, more spending cuts. They are not painless cuts, but they are responsible cuts, nearly $100 billion in deficit reduction.

Mr. Chairman, I would ask Members, if you are undecided on Penny-Kasich, and if you supported a balanced-budget amendment and voted against the President's tax bill, I have several questions for you: First, how do you balance the budget without tax increases or spending cuts? Second, can you have it both ways, no taxes and no cuts? Third, do you really think your constituents will believe the free lunch theory of balanced budgets? That is, all gain with no pain?

Mr. Chairman, it is time for us to be honest with the American people. To suggest we can balance this budget without serious spending cuts is wishful thinking at best, and pure delusion at worst. By voting for Penny-Kasich, you have a chance to prove that "Cut spending first" is more than just a hollow rhetoric. I urge support of this amendment.

Mr. GEPHARDT. Mr. Chairman, I yield such time as she may consume to the gentlewoman from California [Ms. WOOLSEY].

Ms. WOOLSEY. Mr. Chairman, I rise today in strong opposition to the Penny-Kasich amendment.

I have had the great pleasure of working with JOHN KASICH as a member of the Budget Committee, and with

TIM PENNY on amendments to cut spending for the Trident D–5 Missile. Although we didn't win on the D–5 votes, I am committed to fight until we cut that $10 billion cold war relic.

Mr. Chairman, I want to make it clear that I believe we should cut wasteful programs—not simply make cuts for cutting sake. I support the amendment to cut over $37 billion that is being offered by Budget Committee Chairman SABO. I also support the Frank-Shays amendment because it cuts $14.4 billion more than the Sabo amendment by cutting programs that our Nation can no longer afford—the space station, spending on defense burdensharing, star wars, and the advanced liquid metal reactor. This is where we must cut—the waste.

Some of my colleagues will say that the Penny-Kasich amendment is a tough-but reasonable—deficit reduction measure that cuts excess spending. I say that this amendment makes major policy decisions that set our Nation on a dangerous course.

First, this amendment will kill health care reform. While many of us have our own view about the best way to reform the health care system, there is no doubt that reform is needed now.

This amendment, however, puts health care reform in serious jeopardy. It calls for significant Medicare savings that would be applied to deficit reduction. But these savings are not some new idea. The administration has already asked for these cuts to pay for health care reform. The authors of this amendment say they don't want to wait, and I understand that. During the Budget Committee hearing on this amendment, however, I specifically asked if they would consider putting these savings aside and reserve them for health care reform. They have not done so, and I view this as a clear and blatant attempt to kill health care, and maintain the status quo.

Second, the budget agreement already passed by Congress cuts the deficit by $500 billion, and fundamentally reorders our Nation's spending priorities. This budget imposed tough discretionary spending caps which are only beginning to take effect.

With the end of the cold war, defense spending was cut in the budget. Some of this money was used for deficit reduction, and some of it used to address important domestic issues that have been ignored for too long. These are investments in our people—education, worker retraining, and economic conversion to name a few.

It simply does not follow that if we cut defense, then we should also cut infrastructure and human investments. That is short-sighted and downright wrong. Without health care reform, without an educated workforce, without infrastructure improvements, without worker retraining programs, our Nation will lose its ability to compete in the global economy. By investing in important human programs, we can save money in the long run. Just like our mother always told you: "An ounce of prevention is worth a pound of cure."

Third, I am gravely concerned about the effect that this amendment will have on the economy.

Congress passed a deficit reduction plan that reduced the deficit by $500 billion over the next 5 years. Low interest rates are helping to reduce the drag on the economy that is triggered by a deflationary budget. So far, it appears that this has worked, and our economy is on the road to recovery.

It is unlikely that interest rates will be lowered further to counteract the slower economic growth and higher unemployment that will result from the additional spending cuts required under the Penny-Kasich amendment. It is clear that many economists fear this proposal—combined with the $500 billion in deficit reduction already passed—would be a significant drag on the economy and may lead to slower economic growth, increased unemployment, and greater deficits.

This amendment cuts programs, but not enough to meet the existing caps, and then reduces the caps by that amount. This means that we will then be required to cut into programs that are a higher priority—programs like education, WIC, health programs, AIDS, environment, and crime. This amendment is dangerous not just because of what's in it—but also because of what's not in it.

Last, this proposal uses number games. It proposes spending cuts that would not reach the discretionary spending caps already set in place by the budget; it also tries to take credit for cuts that are about to happen anyway; and it shifts costs to States as unfunded Federal mandates.

I support some of the spending cuts in this package, but there are many that I believe need substantive debate, and some that I outright disagree with. For example, Mr. Chairman, there are new tax provisions in this package that directly tax the wine and winegrape industry—which is so important to the district I represent. These and other changes have not been fully debated.

As a whole, Mr. Chairman, this amendment is bad fiscal, social, and economic policy. I urge my colleagues to oppose this amendment, and support the Sabo amendment, the Frank-Shays amendment to cut spending.

The CHAIRMAN pro tempore (Mr. VENTO). The Chair would announce that the gentleman from Missouri [Mr. GEPHARDT] has 2½ minutes remaining, and the gentleman from Ohio [Mr. KASICH] has 1 minute 50 seconds remaining.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. BAKER].

Mr. BAKER of California. Mr. Chairman, we are at a crossroads, and I would like to thank "Mr. Farthing" and "Mr. Cossack" for coming up with this brilliant plan and having the courage to put together a budget cut.

But we are at a crossroads. We all campaigned, the 110 freshmen, to come here and balance the budget. Now that we are here, how tough it is, that we are actually going to have to do it.

What are we doing? We are asking for a 1/80th, a little more than 1 percent, cut, and we cannot do it. Peter Grace was up on the Hill this week and says we are buried in debt, and if the interest rate should go up, one-half of the amount of revenue we will take in by the end of the decade will go to interest on the national debt. Is this what we want to do to our grandchildren?

This is our only opportunity this year to make meaningful cuts in Federal spending. Yet the budget analysts have been up all night. And what have they been up doing? Trying to find out how a 1/80th, or a little more than 1 percent, cut, was going to destroy Western civilization.

Do not believe it. It is tough; it is time. Vote for the Penny-Kasich plan.

Mr. KASICH. Mr. Chairman, I yield the balance of my time to the gentleman from California [Mr. CUNNINGHAM].

The CHAIRMAN. The gentleman from California is recognized for 50 seconds.

Mr. CUNNINGHAM. Mr. Chairman, several Members tout Clinton's tax package as a $50 billion deficit reduction plan. What they fail to tell you is 80 percent of those cuts come after 1996. That is not believable. Kasich-Penny cuts now. That is believable.

That is a $27 billion saving that you can cut today. That is only in the State of California. Liberals also tell you that Clinton's deficit reduction is $500 billion. How do you get that when you increase spending $500 billion, and you increase taxes $476 billion, and 80 percent of the cuts do not come until after 1996?

Mr. Chairman, the Kasich-Penny package happens now. Support it.

Mr. GEPHARDT. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Chairman, I rise in strong support of the Penny-Kasich amendment. Some have argued that the Penny-Kasich amendment represents a draconian reduction in Federal spending that will devastate the economy. Nothing could be further from the truth. At a Budget Committee hearing earlier this year, Alan Greenspan dismissed the concern that Congress may cut the deficit more than the economy could handle, stating that "I find it misplaced the fear that deficit reduction would be overdone and create an undesirable degree of 'fiscal drag.'"

We are not reducing investment programs one dime in Penny-Kasich. The entitlement

savings in the Penny-Kasich amendment are simply reductions in the rapid growth of entitlement spending. In fact, we are cutting only $37.9 billion of the $271 billion in increased entitlement spending permitted under the budget that we passed earlier this year.

I find it interesting that many of the people who are opposing this proposal are the same folks who are opposing the balanced budget amendment to the Constitution. The opponents of the balanced budget amendment insist over and over that we don't need a constitutional amendment to balance the budget, that we need to make tough choices. Today, we will see who is willing to make those tough choices.

The criticism of this proposal clearly illustrates why we need a balanced budget constitutional amendment. Over the last few weeks, we have been bombarded with calls and letters from virtually every special interest group that has a stake in maintaining the status quo of spending nearly a billion dollars a day that we don't have. I am proud to say, however, that not all of our constituents are as short-sighted and purely self-interested as their national organizations might imply. To make that point, I submit for the record a letter I received from my constituent, Mr. Bill Ulmer, CEO of Mediplex Home Health Services in Abilene, TX.

Our children and grandchildren don't have clout in the political process to match the national special interests, but they and their generation are the ones who have the most at stake in what we do here today. If we do not take action today to bring our budget deficit under control, we will mortgage the future of generations to come. Now is the time to vote to brighten the future for generations to come. Vote "yes" on Penny-Kasich for the sake of the children.

MEDIPLEX,
Abilene, TX, November 22, 1993.

Hon. CHARLES STENHOLM,
1211 Longworth, Washington, DC.

DEAR CONGRESSMAN STENHOLM: I am the chief executive for a group of home health care companies. Since 1987 our company has created 160 new jobs and successfully maintained a growth late of 100% per year. I have a vast background in the operational management of retail pharmacy, hospital pharmacy, durable medical equipment sales/rentals, home infusion therapy, hospice, and certified home health care. We utilize a "managed care" concept to deliver a vast array of health care services to one's home. For the last 3 years, we have participated in a pilot study that utilized a standard rate of reimbursement in lieu of the traditional cost based reimbursement for our home care services.

With this experience from an operational aspect, I urge you to seriously consider passage of the home care proposals contained in the Penny-Kasich Amendment scheduled for a vote on November 22, 1993.

The most crucial home care component contained in this amendment is the standard reimbursement rate set at 93% of the current cost limits and the scheduled January 1, 1994 implementation. Setting this rate would revolutionize the health care service arena by creating healthy competition.

The second crucial home care component contained in this amendment is the provision to mandate a co-pay provision to beneficiaries whose income level exceeds 150% of the federal poverty level. You will receive an intense lobbying effort from our industry in opposition to this provision. You must calm their fears. From my perspective, over 70% of our beneficaries possess a Medi-Gap Policy to cover the 20% co-pay provisions. The remaining 30% would be unaffected by the co-pay provision as they fall below the 150% poverty level trigger.

Do not allow the special interest lobbyists to influence your vote with false facts. Support the Penny-Kasich Amendment and open the door to competition in the health care system. I will gladly testify and elaborate on my position when the time presents the opportunity.

Respectfully,

BILL ULMER.

Mr. GEPHARDT. Mr. Chairman, I yield 2½ minutes, the balance of our time, to the gentleman from south Florida [Mr. DEUTSCH], a member of the Committee on Banking, Finance and Urban Affairs, and the Committee on Foreign Affairs.

Mr. DEUTSCH. Mr. Chairman, today I rise to voice my strong opposition to the Penny-Kasich amendment to the Government reform and savings bill. While I am fully supportive of efforts to reduce the deficit, we must not reduce the deficit by placing the burden of balancing the budget on our Nation's senior citizens.

It appears that once again, those who want to balance the budget attempt to do so on the backs of our Nation's senior citizens. Under the proposed Penny-Kasich amendment, America's seniors are being asked to pay for $41 billion of the $92 billion in savings—that means that 20 percent of the population will pay for 46 percent of the savings. While we all may want to reduce the deficit further, the senior citizens of our country didn't create the deficit, and they shouldn't be asked to pay for 46 percent of the proposed savings in the Penny-Kasich plan.

The Penny-Kasich plan will impose a 20-percent coinsurance payment for all home health services on seniors whose incomes are above 150 percent of the poverty level. While this may be directed only at the wealthy, in reality it hits seniors whose individual incomes are as little as $10,455 and couples whose joint incomes are as little as $14,145. Worse yet, the Penny-Kasich amendment proposes to collect another 20-percent coinsurance on clinical lab services currently covered under Medicare.

The plan also implements means testing the hospital insurance deductible and the Medicare premium part B at $70,000 for individuals and $90,000 for couples. So, in addition to making seniors pay more out-of-pocket fees for services, Penny-Kasich also intends to raise the Medicare deductibles and premiums for seniors. While this may seem like a fair option now, the means testing provisions do not provide for adjusting the thresholds for inflation—so in 10 years, middle income seniors making only $52,000 will be subject to the means testing.

It's bad enough that all these provisions hit seniors, but in a more general sense, cutting Medicare now just does not make sense. Let us not be so short-sighted as to raid Medicare now—the time to fix Medicare is during the important debate on reforming our Nation's health care system.

Just this morning Secretary of Health and Human Services Donna Shalala clearly voiced her opposition to the Penny-Kasich plan. She said, "The Penny-Kasich amendment would devastate all major proposals for comprehensive health care reform," and she also voiced her concern that most of the savings are achieved by burdening the elderly of our country.

I want to support an effort to reduce the deficit, but we cannot afford to cut the deficit on the backs of seniors and eliminate any chance for health care reform by doing so.

I urge Members to vote against the Penny-Kasich plan.

Mr. HUGHES. Mr. Chairman, I rise in support of H.R. 3400, the Government Reform and Savings Act.

I wish to commend Vice President AL GORE for the outstanding job he did in developing this reinventing Government proposal, which is long overdue.

For the first time in decades, we now have before us a credible plan to streamline the Federal work force, while improving both the efficiency and effectiveness of Government.

As the Vice President's report shows, the advent of new technology makes it possible to greatly overhaul the way in which Government operates, particularly in areas such as Federal purchasing and accounting. This will enable us to reach the goal which all Americans share: to make Government work better and cost less.

H.R. 3400 achieves significant deficit reduction through additional program cuts totaling $37.1 billion over 5 years. These cuts are not accounting gimmicks. H.R. 3400 contains real savings, which include codifying the Vice President's recommendation to reduce the Federal work force over the next 5 years by 252,000 positions for a savings of $32.5 billion; reorganizing the Department of Agriculture by consolidating field, regional, and national offices for a savings of $849 million over 5 years; and terminating the advanced metal liquid reactor program for a savings of $318 million over 5 years.

I am also very pleased to see that H.R. 3400 includes a set-aside of about $300 million over 5 years for the Social Security Administration to conduct continuing disability reviews [CDR's]. A General Accounting Office [GAO] study released in July, that I requested, reported there is a 1.1 million case backlog of CDR's with a loss of $1.4 billion to the Social Security Trust Fund. The set-aside for CDR's is an example of a modest investment which will yield huge savings by providing the resources for timely and thorough CDR's.

While I support the initiatives of H.R. 3400, I cannot support the Penny-Kasich amendment because it falsely characterizes a long-range deficit reduction for America.

The sponsors of this amendment have portrayed it as a relatively easy and painless way

to reduce the deficit by cutting 1 cent on the dollar from Federal spending over 5 years,

But, this amendment isn't nearly as simple or painless as they would have you believe, and it certainly is not a sensible way to reduce the deficit. Indeed, in some instances it will increase the deficit.

In fact, if this amendment passes the House, it will conceivably do more to damage deficit reduction in the long-term, than any short-term savings may achieve.

What's more, the short-term savings this amendment would produce would come largely at the expense of senior citizens who can least afford the cuts it would impose on health care and nutritional programs.

Mr. Speaker, not only do I understand the need to cut spending and reduce the deficit, I strongly support that effort. I also understand the desire of some Members to speed up that process, beyond the framework of the 5-year deficit reduction plan which Congress enacted earlier this year.

Unfortunately, Penny-Kasich is not good policy, fiscal or otherwise. Let me cite three reasons why I oppose this amendment.

First, it undercuts the deficit reduction mechanism which is already in place in Congress and is working well. As Members know, the 1990 budget agreement requires the Appropriations Committee to meet a specific spending target each year.

Within that overall target, each appropriations subcommittee is assigned a specific spending cap which they are not permitted to exceed.

Under this approach, the subcommittees still have the discretion to hold hearings, take testimony, set priorities, and make the basic decisions on the programs which are funded. However, total spending must stay within the ceiling.

This approach is working well. Indeed, total Federal spending has decreased every year since the 1990 agreement was enacted, and it will continue to decrease further under the 5-year deficit reduction plan which we enacted this year.

What's more, there is nothing in the budget plan which precludes the Congress from enacting additional spending cuts, as part of the individual appropriations bills.

This year alone, we have already approved more than 300 additional cuts, ranging from foreign aid to agricultural subsidies to public housing. These cuts have reduced spending by another $10 billion beyond the framework of the budget plan.

The deliberative process which the Appropriations Committee follows assures that the decision-making is fair and balanced, and that the burden of spending cuts is distributed as equitably as possible.

By comparison, the arbitrary cuts proposed by Penny-Kasich are not fair and do not represent good policy. Moreover, they would force down the annual budget caps, and limit our flexibility to make the kinds of investments we need in our infrastructure and training programs which will, over the long term, create jobs, increase productivity, improve our competitiveness, stimulate economic growth, and bring the deficit down.

Second, I am deeply troubled by some of the specific tax increases and cuts which are proposed in this amendment.

For example, Penny-Kasich would impose a 20 percent coinsurance payment on Medicare beneficiaries for clinical lab services and home health care benefits.

Such a policy will undercut the growing effort to reduce health care costs by emphasizing preventive care and the delivery of medical services in non-institutionalized settings.

If our goals are to reduce health care costs while improving the quality of life for senior citizens, then this is the wrong way to go.

The Penny-Kasich amendment would also virtually gut the Older Americans Act, which is the only Federal program that provides funding for meals on wheels, green thumb, retired senior volunteers, and other services for senior citizens.

Just this week, the House Older Americans caucus, which I chair, released the findings of a national survey which showed that more than 2.5 million, and perhaps as many as 4.9 million, older Americans are suffering from hunger and food insecurity.

How can we cut funding for senior nutrition programs, at the very time that millions of older Americans are skipping meals or going hungry because they don't have enough money to buy food?

If anything, we should be looking for ways to improve the delivery of services to these impoverished older Americans, and not adding to the misery of our Nation's neediest citizens.

Third, and perhaps most importantly, I am concerned that Penny-Kasich will increase the budget deficit in the long run, by undermining our ability to get health care costs under control.

Nearly one-third of the projected savings from this amendment would come from cuts in Medicare. That is the same source of savings which President Clinton has proposed to tap to pay for much of his national health care reform program.

As my colleagues know, health care spending is the single fastest growing part of the Federal budget. If we are really serious about deficit reduction, then we have to start by getting health care costs under control.

Penny-Kasich would make it very difficult for this effort to even get off the ground, let alone succeed, by requiring that the savings from Medicare cuts be applied to deficit reduction instead of health care reform.

In so doing, it could lock us into a fiscal straightjacket, where long-term health care spending—and the Federal deficit—will continue to skyrocket, in exchange for some limited, short-term deficit reduction. Clearly, the risks of this approach far outweigh the benefits of developing a comprehensive national health care plan, which will help get the single fastest growing area of the budget under control.

Finally, I intend to vote for the Frank-Shays amendment to cancel the Manned Space Station, increase European burdensharing, reduce spending on the Ballistic Missile Defense Program and cancel the advanced liquid metal reactor. These spending cuts will save over $14.5 billion over 5 years in outlays.

These cuts represent real savings for deficit reduction as well as good policy. Thank you.

Mrs. MORELLA. Mr. Chairman, it is both unfortunate and unwise that the leadership of this body has postponed until the last day of this session—truly, the 11th hour—a discussion of one of the most critical issues we face as a nation today: the need to reduce our staggering budget deficit. The result of this delay is that the House is left with three flawed proposals to consider, each of which has some merit but all of which contain serious problems.

First, I have serious reservations about the wisdom of the proposed 252,000 person reduction in the Federal work force and considerable doubts about both the manner in which this figure was reached and the economic assumptions behind the projected cost savings. Unfortunately, Mr. Speaker, each of the three budget proposals being considered today calls for the 252,000-person Federal work force reduction recommended by the Vice President's National Performance Review. Given these limited choices, and after much consideration, I have decided to support the Sabo amendment. Aside from the Federal work force reductions, this proposal would rescind nearly $2 billion in 1994 appropriations and would secure approximately $2.7 billion in savings from H.r. 3400, the administration's proposal to reinvent Government.

However, Mr. Speaker, I am greatly concerned by another aspect of this propsoal—the proposed elimination of the Uniformed Services University of the Health Sciences [USUHS]. Last week, I testified before the Rules Committee in support of my amendment to preserve USUHS, which has been scheduled for termination under this bill. I argued then—as I do now—that the decision to phase out USUHS is both shortsighted and misinformed.

The administration has proposed this phaseout based on its belief that it is more costly for the Federal Government to educate a military health professional at USUHS than through the Health Professionals Scholarship Program [HPSP]. However, the evidence indicates that this is simply not the case. Studies by the Congressional Budget Office and the Journal of the American Medical Association indicate that USUHS provides training that is both more cost-effective and more specialized than that which can be delivered through the HPSP Program. There is considerable evidence to indicate that USUHS represents a savings—not a drain—to the Federal Treasury, and that its contributions to our military preparedness cannot be equaled by civilian medical institutions. I am committed to working closely with my colleagues in the Senate to preserve the Uniformed Services University of the Health Sciences—our West Point of military medicine.

Mr. FRANKS of Connecticut. Mr. Speaker, the Penny-Kasich amendment is our last chance this Congress to make real and substantial spending cuts in our budget. I remember the requests of my constituents in Connecticut last summer to cut spending first. Well, despite the votes of 216 Members of the House of Representatives, taxes came first. Now the proponents of big government would like to complete the first session of this Congress with nothing to show but tax increases.

Without question there are some difficult decisions to be made today when we consider which amendment to H.R. 3400 is the best amendment for our country. First, let's examine the Sabo amendment. This amendment is derived directly from President Clinton's version of reinventing Government, which the

Congressional Budget Office showed as saving only a fraction of what the bill's proponents claim. This amendment is a flagrant attempt to mislead the public about the commitment of some Members of Congress to cut wasteful spending. There are few programs worthy of being preserved with only some bureaucratic shuffling posing as reinvention.

The Sabo amendment does not even include some of the spending cuts that the House committees reported. I cannot vote for this amendment and honestly claim that I have done my best to reduce the budget deficit.

The second choice we have today is the Frank-Shays amendment. I consider this amendment a sincere and bipartisan attempt to reduce the deficit through spending cuts. It would reduce the deficit by $15 to $20 billion over 5 years. Unfortunately, the cuts are in the wrong places. Eliminating the space station would eliminate jobs while freezing the American effort to learn more about the economic possibilities of space. Technological research projects partially funded by the Government have benefited Americans in myriad ways. It would be foolhardy to quit now.

The Frank-Shays amendment would also reduce American troops in Europe and cut funds from the ballistic missile defense system. I won't elaborate on the cliche about the world still being a dangerous place; I will just state that these cuts will not help our national security. In this context, the cuts in the Frank-Shays amendment are also unpalatable.

Finally, there is the $90 billion spending cut amendment introduced by Representatives JOHN KASICH, a Republican, and TIM PENNY, a Democrat. This bill, which has true bipartisan support, has been altered over the past week to address various Members' concerns about certain items that may be premature to change at this time. The amendment forces the spending cuts to be used for deficit reduction rather than on new spending programs. In addition, the cuts in the bill amount to a reasonable 1 cent on each dollar spent in the next 5 years. All of us in Congress know that these cuts, while mild, are real, because virtually every interest group that feeds off the taxpayer has contacted me to ask for my opposition. Yes, these cuts are real.

I do not deny that I have had to seriously consider the implications of some of the cuts in this bill. Do I support every single provision? No, there are probably few Members of Congress that support every spending cut in such a wide-ranging bill. But it is this range of spending cuts that makes the amendment a fair amendment.

This range of cuts also sparks every special interest group to oppose the bill. However, I am thinking about the economic long-term security of our Nation and the future of our children. This is why I support the Penny-Kasich amendment.

Mr. VENTO. Mr. Chairman, I rise in support of H.R. 3400, the Government Reform and Savings Act and in support of the Sabo amendment and the Frank-Shays amendment.

H.R. 3400 is part of an on-going effort to bring our deficit down to zero while ensuring that the engines of our economy do not sputter and fail—a careful balancing act, indeed. In August, we enacted a nearly $500 billion deficit reduction package with $255 billion coming from spending cuts. As a part of that package, discretionary spending levels were frozen at the fiscal year 1993 level for each of the next 5 years.

We are now considering a number of proposals to further enhance spending reductions, including rescissions for this fiscal year. Next year, I am hopeful we will complete action on comprehensive health care reform, the enactment of which most agree will be key to the long run dissipation of our deficit and the national debt.

H.R. 3400 includes many of the efforts of the reinventing government proposals recommended by Vice President GORE. This proposal as modified by the Sabo amendment, will cut Federal spending by $37.1 billion over 5 years. It is important to note that H.R. 3400 and the appropriations rescissions legislation were considered, however quickly, by the relevant committees in the House.

Most of the reductions—some $32.5 billion—in the bill today come from the reductions in the Federal work force, cutting 252,000 full-time equivalent positions by fiscal year 1998. Other provisions include actions taken by Banking Committee to facilitate section 235 mortgage refinancing and the much needed reform of FHA multifamily property disposition. The bill terminates the Advanced Metal Liquid Reactor [AMLR] program, modifies the Essential Air Services subsidies, improves financial management tools of the Federal Government and provides incentives, reorganizations and phase-outs to produce savings across other Federal departments. An additional $1.9 billion was cut by the Appropriations Committee in fiscal year 1994 outlays.

The Frank-Shays amendment will include these provisions along with specific reductions in funding for ballistic missile defense programs, eliminating the space station, and requiring European allies to pay a greater share of the cost of stationing U.S. forces in Europe. It is estimated to cut spending by $51.5 billion over 5 years when combined with the Sabo amendment and the provisions of the basic measure. I have long supported the proposed cuts in the Frank-Shays amendment and will do so again today.

I am opposed, however, to the refined and evolved Penny-Kasich amendment. The motives behind this amendment are no doubt appropriate. Nonetheless, good intentions don't necessarily make good budget policy. Many of the proposals brought to us at this time are not fully understood or adequately explained by the proponents. Furthermore, this amendment has been offered as a litmus test of who is for cutting spending and who isn't. Yet the specifics of how these cuts would be achieved are not outlined and have become more and more clouded as the measure's details have become outlined. Those which are still defined are contradictory to many major goals and initiatives now being advanced in this Congress.

In the haste to cut the deficit with this proposal, it is clear that there are more negatives than positives. Notwithstanding protestantions to the contrary, this amendment could jeopardize the passage of health care reform by acting now on $34 billion of largely undefined Medicare entitlement savings which have been assumed by all health care reform proposals to help pay for their programs. The Penny-Kasich measure seriously undermines the adoption of health care reform, threatening one of the real opportunities that the Congress will have to get the exploding federal health care deficit under control.

I am deeply concerned about the provision in the Penny-Kasich amendment that would require upper income Medicare part B users to pay 100 percent of the national average 96 percent of counties in the United States have costs less than the national average. While charging a premium reflective of actual cost has merit, charging any users more than cost is not equitable. Furthermore, on the health care funding cuts, the amendment slices $5 billion from State reimbursement for health care without a clue as to how states struggling to pay for health care today would absorb a billion dollar a year cut for each of the 5 years.

Many of the other provisions of the evolved Penny-Kasich proposal are not merely deficit cutting measures. That are basic changes in public policy that have not been reflected on, studied or considered by the relevant committee of this Congress. There may well be some ideas of merit in this plethora of policy changes. Eliminating programs, creating new Federal departments, radically changing policy paths with one vote without thoughtful dilberations by the committees, without informing the American people or examining the total impact is unwise and unfair to those adversely affected. Acting on over 80 separate proposals in a single floor amendment is always troublesome but in the manner of the Penny Kasich amendment, it is irresponsbile. Even under the rhetoric of budget cutting you cannot legitimize such arbitrary action.

Finally, Congress has already imposed strict caps in discretionery spending in the 1993 OBRA—freezing levels at or below fiscal year 1993 for 5 years without adjusting for inflation. In fact, in order to comply with these existing spending caps, Congress will need to come up with $78 billion in new, not-yet-identified cuts just to stay within existing caps as required by the act. Under the 1993 OBRA, Congress set discretionary caps $56 billion below the President's budget. In addition, the President included $22 billion in unspecified cuts, which leads to the $78 billion in total cuts. This cutting process is guaranteed to cause pain on a broad spectrum of national programs. Because the Penny-Kasich plan lowers the spending caps by most of the amount that it purports to save, were the amendment to be enacted, about $70 billion in additional cuts, not included in the plan itself, will still have to be found and implemented. Upon analysis, Penny-Kasich proposes to make the identical cuts in numerous instances already assumed in the previously enacted budget and spending cut law. In essence, this means that Penny-Kasich is counting tens of billions of dollars twice and that we have no demonstrated reduction that would illustrate the impact. Penny-Kasich is a leap in blind faith cloaked in the political rhetoric of cutting spending. The short term glory and bragging rights on this vote may be great but the effect and precision of its impact and making it work in the final analysis will lead to wholesale cuts that have not been thought out and for which the credit or blame will likely be denied by the proponents.

Mr. Speaker, Congress must continue to be at the forefront of deficit reduction efforts along with the Clinton administration. We must move responsibly and realistically to reduce our spending without endangering our precarious economic recovery or our efforts to address the human deficit. One way to make Congress irrelevant is to pass measures that are improbable if not impossible to achieve. This simply feeds public cynicism in the long run for short term political gain. We have had repeated performances and experience of following this siren's song throughout the 1980's. I urge my colleagues to support the Sabo amendment and the Frank-Shays amendment and to reject the proposals under the Penny-Kasich amendment, which is unfair, unrealistic and misunderstood.

Mr. PACKARD. Mr. Chairman, since I have served in Congress, I have been recognized for my efforts to control Federal spending. I evaluate the cost of each bill that I cosponsor, and I have consistently worked for systemic reform of our budget process, such as a line-item veto and a balanced budget amendment.

We all share in the spirit of reinventing government. In general, all of us would like to make Government a leaner, more efficient animal—one that does more with less of our constituent's tax dollars than is presently the case.

However, the spirit and the letter of the law are often quite different. H.R. 3400 is before us today, my fellow colleagues. We should examine it as the letter of the law. I know that after I examined it, I found that it fell short of the spirit of truly reinventing government.

H.R. 3400 is supposed to provide political coverage to a White House and the Democrats who voted—without a single Republican's support—to raise taxes on the American people by $275 billion, the largest tax hike in the history of the world.

However, H.R. 3400 is hardly substantive. The rescissions and reinventing government recommendations contained in this legislation amounts to $37 billion in camouflage. Why camouflage? Because, unlike the Penny-Kasich substitute, some of the savings from H.R. 3400 will be used to pay for new spending.

If the whole exercise of identifying rescissions was to identify and eliminate excessive spending why will these savings not go toward deficit reduction?

I asked myself the same thing, and came to the conclusion that I would support Penny-Kasich; a much truer representation of the spirit of truly reinventing government for the following reasons:

The bill cuts roughly $90 billion in Federal spending over the next 5 years.

The reductions are immediate—they are not promises to cut spending years later while increasing it now.

A significant share of the savings come from our most serious budget problem—$38 billion are saved from entitlements.

All savings realized in the Penny-Kasich substitute will go toward deficit reduction.

Supporting spending cuts and then not applying them to deficit reduction undermines this whole process. And yet this is precisely what H.R. 3400 does.

I urge my colleagues to support Penny-Kasich. It is the only legislative vehicle that will allow us to go back to our districts, look our constituents in the eyes and truthfully tell them we voted to cut spending and reduce the deficit. The letter of the law as written in the Penny-Kasich substitute embraces the spirit of budget savings and deficit reduction.

Mr. GOODLING. Mr. Speaker, as the ranking Republican of the Education and Labor Committee I would like to comment on today's spending cuts/reinventing government proposals, and how they may, or may not, affect programs before my committee.

First of all I must register my strong objections to section 16701 H.R. 3400, which would index all civil penalties, except those under the Internal Revenue Code, to inflation. Penalty levels would be increased by September 1994 to reflect past inflation, then indexed to inflation thereafter. Hundreds of provisions in existing law would be affected. Ironically, this is in a bill advertised as a budget cutter and as one to reinvent government to better serve the public. This provision does neither; it raises revenue for the government, to the tune of $64 million to $129 million over 5 years, and is going to look like just another tax to the businesses in this country.

Despite the sweeping nature of this provision, there have been no hearings, nor has it, or any other provision in the bill for that matter, been given serious consideration. The bill, as a whole, has been rushed through the House, introduced only a few weeks ago—on October 28. The Republican members on the Education and Labor Committee requested a markup of H.R. 3400 and were denied that chance to get the issues on the table for public examination. I then went to the Rules Committee with an amendment to strike section 16701, thinking we could get some debate on the floor. Guess what? The Rules Committee decided not to permit the amendment to be brought up. I know I should no longer be surprised, I suppose, at how undemocratic the Democrats can be, but I feel a particular sense of frustration, even outrage, in this instance.

No one should think this is an unimportant, technical issue. Civil penalties under OSHA were recently increased seven-fold, from $10,000 to $70,000. Quick math will show that, assuming a 3.5 percent inflation rate, that penalty will be close to $100,000 in 10 years under this provision and will continue to climb, compounding forever. What would the amounts be if inflation was at the double-digit levels of the Carter years? Apply that calculation to any of the hundreds of penalties on the books and see what you come up with. And it will all be done automatically, by the Federal agencies, without any examination of the merits, or demerits, of the underlying law. What will be the effect on businesses or enforcement? We have no idea. And, of course, there is no guarantee in the law or otherwise that the income of businesses will also increase, lock step, with the rate of inflation. In fact, history has taught us otherwise.

Well, I wish we could have had a discussion of this issue, but the Rules Committee saw fit to preclude that. I assume, however, that my colleagues who support tying penalties to an automatic escalator driven by inflation will support my future efforts to similarly tie to inflation the monetary thresholds exempting small business under certain laws. If not, I look forward to hearing how they will draw a distinction.

Beyond the point of the civil penalties portion of this legislation, I would also like to note that H.R. 3400 falls far short of actually reinventing government. On September 7, with much fanfare, Vice President GORE released the long awaited report of the National Performance Review [NPR] entitled "From Red Tape to Results: Creating a Government That Works Better & Costs Less." Vice President GORE's report called for an impressive list of 21 reform initiatives related to the Department of Labor. But, as with past attempts to substantially reform the Federal Government programs, a cabal of lobbyists and special interest representatives fanned out across the various agencies and Congress and put the kibosh on the full implementation of the Gore report. As a result, H.R. 3400 omits many of the labor reform proposals.

It is extremely disappointing that the administration failed to act upon all of the Gore report's recommendations, especially those in the labor area. Despite the pressure of the many lobbyists and special interests who labored to slow down the implementation of the Gore report's recommendations, many Republican and Democrat Members of Congress enthusiastically endorsed the reform plan. In fact, 13 Republican members of the Committee on Education and Labor wrote Vice President GORE offering our support for many of the education and labor reforms.

In particular, we voiced our support for the NPR's recommendation to allow employers the option of using third parties or in-house programs to certify the safety of the workplace, and to create incentives in the OSHA program to encourage employers to have good safety records. This very important OSHA reform proposal was completely excluded from H.R. 3400. Moreover, we also embraced the NPR's proposal to raise the current Davis-Bacon Act threshold from $2,000 to $100,000, and to substantially overhaul the McNamara-O'Hara Service Contract Act of 1965. In both cases, the NPR's original recommendations were vitally important in a necessary effort to modernize these two antiquated statutes. With regard to the Davis-Bacon and Service Contract Acts, H.R. 3400 merely tinkers with the periphery of the statutes and sidesteps the more important substantive changes recommended by the NPR.

Let me also add, Mr. Speaker, that I am very disappointed to see that H.R. 3400 fails to include any of the education recommendations made by the Vice President in the National Performance Review. The Vice President recommended consolidation or elimination of over 40 education programs—H.R. 3400 does nothing on this front. In addition, there are a number of good Government provisions that could have been added to the bill dealing with education programs ranging from Head Start to higher education and beyond, had we been given the opportunity to review this bill at the committee level. These proposals would both make Government work more efficiently and save money—which is what the NPR was all about. It is too bad, at least as education is concerned, that administration's legislation does not match its rhetoric.

Further, I am also extremely disappointed that the process used by the administration to

first develop the Gore report's recommendations, and second prepare a legislative package which was cloaked in secrecy. At the time of the NPR's release, the administration stated that full working group monographs and agency management cluster group reports would be released before a legislative package was developed. As of today, this promise has not been kept. As a result of the administration's failure to keep its promise, I would simply ask that the administration release all pertinent monographs and cluster group reports. This request is especially important for those recommendations that will be implemented in the future. The administration's failure to make all pertinent background material available for congressional consumption risks preempting the type of debate which would lead to meaningful and wide-sweeping Government reform.

Beyond H.R. 3400, Mr. Speaker, I also would like to state that from an Education and Labor Committee perspective I also have some concerns about the Penny-Kasich amendment.

I am concerned about the proposal in the Penny-Kasich amendment which would eliminate Pell grants for incarcerated individuals. I believe that these individuals must be educated and rehabilitated if they are going to contribute to society once they are released from prison. Eliminating Pell grants for all incarcerated individuals will reduce the chances that they will become educated and contribute to society once they serve their prison sentence.

I also am concerned with their proposal to consolidate several social service programs into one large block grant to the States. I applaud them generally for their effort to consolidate programs, because as we all know the Federal Government has too many programs that do the same thing, which leads to a large waste of money to feed the bloated bureaucracy. My concern with this proposal, however, is that the programs slated for consolidation are, by-and-large, targeted for separate and distinct populations with unique needs. For example, one of the programs provides nutrition and social services for the elderly, while another one provides funding for low-income child care; obviously, two very different groups of people. If the Penny-Kasich amendment is enacted, I would urge my colleagues to examine ways to ensure that funds under this new giant block grant program could be targeted to these different and unique groups in the same proportion they now enjoy, while reaping the administrative cost savings that will result from the consolidation.

Mr. Speaker, I definitely support the concepts of reducing Federal spending and reinventing government, but the way in which this whole process has unfolded leaves many question marks from the perspective of the Education and Labor Committee, which I wanted to bring to the attention of my colleagues.

Mr. SKAGGS. Mr. Chairman, the House has before it today three choices on deficit reduction.

The first alternative is the measure put together by the House's committees, which would reduce spending by $37.1 billion. The bill is a good, important, and unprecedented mid-year deficit reduction package. It includes $3 billion more than recommended by the administration, and reflects the strong desire in this institution to get serious about reducing the deficit. But I think we can do better.

The second alternative, the amendment to Representatives BARNEY FRANK and CHRISTOPHER SHAYS, would cut Federal spending by a total of $51.4 billion—$16.7 billion more than originally recommended by the administration, and $14.4 billion more than in the bill prepared by the committees. Although it has one problematic component, I support this alternative, and urge my colleagues to vote for this more aggressive deficit-reduction package.

The third alternative, the amendment by Representatives TIMOTHY J. PENNY and JOHN R. KASICH, would make $90.4 billion in spending cuts—but in doing so would cause more problems than it solves.

Just to cite, for now, one example, it would preclude the resources needed for reforming our health-care system. I urge my colleagues to vote against this ill-advised alternative.

To begin with, it's helpful to remember why it is that we are even debating these alternative deficit-reduction measures today. When the Congress passed the President's budget proposal in August, we embarked upon a historic journey. With that bill, we made a significant down payment on deficit reduction, reducing future deficits by 40 percent over the next 5 years. That will be achieved in large part by $225 billion in spending cuts, the largest real spending cuts were approved by Congress.

But for many of us, these spending cuts were not large enough. That resolve is real, and is already reflected in decisions to go beyond our deficit-reduction goals for this fiscal year. In putting together the 13 appropriations bills for this year, those of us on the Appropriations Committee recommended, and the full Congress approved, another $1 billion in cuts beyond the $10.4 billion that was required to meet the deficit-reduction goal we established in August. I, and many of my colleagues, also proposed additional cuts, which unfortunately were not adopted.

The congressional determination to make additional spending cuts is also behind the very idea of the legislation we are considering today. It was only to satisfy a strong congressional determination for more spending cuts that the administration recommended to Congress a bill rescinding $1.9 billion in previously appropriated funds and making additional savings by adopting recommendations of Vice President GORE's National Performance Review Task Force.

The bill before us, one put together by 11 committees and being managed by the chairman of the Budget Committee [Representative MARTIN OLAV SABO] goes further than the original administration recommendation. And that, I believe, is to the credit of Congress.

The part of this bill that was prepared by those of us on the Appropriations Committee would rescind $2.6 billion, 37 percent more than the amount recommended by the administration.

Another part of the bill would write into law a mandate to reduce the Federal civilian work force by a quarter of a million people, as recommended by Vice President GORE's task force. This will reduce Federal spending by $32.5 billion over 5 years.

A third major part of the bill would reform many specific governmental operations in ways that will produce additional spending cuts. The specific "reinventing government" reforms proposed by the administration that require legislation would save $300 million. The changes put together by the committees of the House, again, go much further, and would save a total of $2 billion.

So, altogether, the bill put together by the House's committees would reduce spending by $37.1 billion over the next 5 years, or $3 billion more than recommended by the administration.

This would be our second major deficit-reduction bill of 1993, and would be unprecedented for being the first ever considered outside of the normal budgetary process.

But I'm convinced we can go further. I urge my colleagues to support the Frank-Shays amendment to cut an additional $14.4 billion, by eliminating or severely curtailing programs that can't be justified as priorities in light of our current deficit.

First, it would cancel the space station. At its present scale, this is an expensive undertaking which is sapping limited resources from other NASA programs, such as the space science and applications program. In our zero-sum budget environment, it also poses a threat to other science programs outside NASA. This would save $7.7 billion over the next 5 years.

Next, it would require our European allies to share a larger portion of the costs of basing U.S. troops in Europe. I actually have some problem with this part of the Frank-Shays proposal, because I think it is in our own national interest to maintain a presence in Europe. But I'm willing to push our European allies to pay more of the costs. The amendment establishes a gradually increased schedule of contributions, which would require them to pay 75 percent of the costs by the end of 1997. This would save $4.9 billion over the next 5 years.

Third, it would cut funding for the ballistic missile defense program (the old "Star Wars" program), but leave in place adequate funds to meet today's threat. While development of a missile defense will move still forward, these cuts will scale back these efforts in light of the many military threats we face, and don't face, in the wake of the collapse of the Soviet Union. Over 5 years, this will yield a savings of $1.85 billion.

By making these three major additional cuts, the Frank-Shays amendment would move us an important $14.4 billion further down the road toward deficit reduction and fiscal sanity without sacrificing any essential programs.

By contrast, the third deficit-reduction alternative, the Penny-Kasich amendment, would do more harm than good.

Some of my colleagues may find it tough to vote against the alternative that reduces the deficit the most. The American people are quite justifiably incensed about the burden of governmental debt that's been imposed on them, and we all are trying to respond to our constituents. But, we should not cut spending at any cost. And make no mistake about it, the Penny-Kasich proposal cuts spending recklessly.

The major difference between the Penny-Kasich approach and the other two approaches is over health care. The other two

approaches leave health-care savings to be dealt with in the context of comprehensive health-care reform that will be considered next year. That's essential if you believe, as I do, that health care reform will require us to find some savings in the budget to offset the expenses associated with universal coverage.

Penny-Kasich achieves 88 percent of its $39 billion in cuts beyond Frank-Shays through cuts in Federal Medicaid spending—savings that are made unavailable by law for funding health care reform. The way Penny-Kasich cuts Medicare makes it more than just a deficit-reduction alternative, it makes it a de facto health-care reform alternative as well. We can pass the Penny-Kasich amendment today, or comprehensive health-care reform next year, but we can't do both.

Though it doesn't say so, the Penny-Kasich cut in the Medicare program has to be based on the assumption that there won't be comprehensive health-care reform. More to the point, these cuts would guarantee that outcome. The Penny-Kasich amendment would "use-up" critical elements of savings the President has proposed to fund reform and expand coverage. Passing health-care reform would then require an accompanying $34.2 billion in new taxes. We all know that's not going to happen.

And Penny-Kasich doesn't even attempt to achieve its Medicare savings through intelligent reform. It would merely shift costs the Federal Government now pays to Medicare beneficiaries and to State governments. That's right—the program wouldn't be reformed, benefits wouldn't be expanded, administrative costs wouldn't be reduced, and just as much money would be spent as before, only by different people. That's not the health-care reform America wants.

How about the other cuts in Penny-Kasich?

The first thing that strikes me about the rest of Penny-Kasich is what it doesn't cut. It doesn't cut the space station, and it doesn't cut the ballistic missile defense program—the old Star Wars program. It preserves these programs, at the expense of other programs—some other quite valuable programs, such as low-income housing, energy, research, hurricane detection,and acquisition of lands for national parks and wildlife refuges. Better, I say, to eliminate the space station and curtail Star Wars-type research.

The second thing that strikes me about the Penny-Kasich cuts is that they could be so deep and immediate as to send a fragile economy into another tail spin. The $496 billion packages of deficit reduction that was approved in August was designed with one eye on what the economy could stand without being pushed back into recession. Since that package was passed, there have been additional signs of economic recovery, but the recovery is still uneven and uncertain. Under these circumstances, there's only so much contraction through reduced spending that the economy can sustain and still grow. Going too far too fast could produce the ironic effect of a larger deficit, as income taxes decreased and countercyclical expenditures increased in a renewed recession.

The Penny-Kasich amendment would also make some most peculiar policy changes, changes that carry some profound consequences but have not had the benefit of careful examination through the usual hearings process.

The amendment would change the "Superfund" law to stop cleaning up areas contaminated with hazardous wastes, and instead start putting fences around them. Rather than having "permanent treatment" be the preferred course in dealing with toxic wastes, "land use and containment" methods would be. Sure, in the next few years, at least, this would save money, particularly when it comes to federally owned Superfund sites. But the people of Colorado want Rocky Flats and the Rocky Mountain Arsenal cleaned up, not locked up. They know that the long-term environmental and public health costs of toxic wastes can be greater than the short-term costs of cleanup. And the same is true with respect to Superfund sites all across the country. To rewrite the Superfund law as proposed in the Penny-Kasich amendment, without discussion, scrutiny, or review, would be irresponsible.

Finally, believe it or not, the amendment would actually create an entire new federal department, the Department of Science. This idea, which also has not been the subject of any serious congressional or public debate, is a most astonishing proposal to find in an amendment that is being sold as a cost savings measure. Even if it might end up being a good idea, this is hardly a thoughtful way to go about it.

Yes, the Penny-Kasich proposal has superficial appeal. But the devil, as they say, is in the details. And Penny-Kasich has too many devilish details for me.

So, of the deficit-reduction alternatives before us, I support the committee bill and the Frank-Shays amendment. Together, they will save $51.5 billion. They will do so by focusing, appropriately, on Government programs that are not as essential as others. They will do so without killing health-care reform. They will do so without setting up new federal departments or making ill-advised changes in important laws. They move us toward greater fiscal sanity, and I urge the House to pass both.

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

Pursuant to the rule, in lieu of the committee amendments now printed in the bill, the amendment in the nature of a substitute printed in Part 1 of House Report 103–403 is adopted and the bill, as amended, is considered as an original bill for the purpose of amendment and is considered as read.

The text of the bill, H.R. 3400, as amended by the amendment in the nature of a substitute and made in order as original text, is as follows:

H.R. 3400

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

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Government Reform and Savings Act of 1993".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title and table of contents.

TITLE I—DEPARTMENT OF AGRICULTURE

Subtitle A—Department of Agriculture Reorganization

Sec. 1001. Department of Agriculture reorganization.

Subtitle B—Eliminating Federal Support for Honey

Sec. 1101. Amendments to section 207 of the Agricultural Act of 1949.
Sec. 1102. Amendment to section 405 of the Agricultural Act of 1949.
Sec. 1103. Amendments to section 405A of the Agricultural Act of 1949.
Sec. 1104. Savings provision.

TITLE II—DEPARTMENT OF COMMERCE

Sec. 2001. Polar satellite convergence.

TITLE III—DEPARTMENT OF DEFENSE

Sec. 3001. Use of proceeds from the sale of recyclable materials at military installations.
Sec. 3002. Closure of the Uniformed Services University of the Health Sciences.
Sec. 3003. Streamlining and reorganization of the Corps of Engineers.

TITLE IV—DEPARTMENT OF ENERGY

Subtitle A—Alaska Power Administration Sale Authorization

Sec. 4001. Short title.
Sec. 4002. Sale of Snettisham and Eklutna hydroelectric projects.
Sec. 4003. Assessment of alternative options.

Subtitle B—Federal-Private Cogeneration of Electricity

Sec. 4101. Federal-private cogeneration of electricity.

Subtitle C—Power Marketing Administrations

Sec. 4201. Power Marketing Administrations refinancing study.
Sec. 4202. Bonneville Power Administration refinancing study.

Subtitle D—Termination of Advanced Liquid Metal Reactor Program

Sec. 4301. Termination of advanced liquid metal reactor program.

TITLE V—DEPARTMENT OF HEALTH AND HUMAN SERVICES

Sec. 5001. Study of methods to increase flexibility in contracting for Medicare claims processing.
Sec. 5002. Workers' compensation data exchange pilot projects.
Sec. 5003. Federal clearinghouse on death information.
Sec. 5004. Continuing disability reviews.

TITLE VI—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Sec. 6001. Multifamily property disposition.
Sec. 6002. Section 235 mortgage refinancing.
Sec. 6003. Use of emergency assistance funds for residency in multifamily housing disposition projects.
Sec. 6004. Additional employees to facilitate disposition of FHA inventory properties.
Sec. 6005. HUD streamlining.

TITLE VII—DEPARTMENT OF THE INTERIOR

Sec. 7001. Improvement of Minerals Management Service royalty collection.
Sec. 7002. Phase out of Mineral Institute program.
Sec. 7003. Reorganization study of Bureau of Indian Affairs.
Sec. 7004. Termination of annual direct grant assistance

TITLE VIII—MISCELLANEOUS PROVISIONS
Sec. 8001. Limitation on certain annual pay adjustments.
Sec. 8002. Reduction of Federal full-time equivalent positions.
TITLE IX—DEPARTMENT OF LABOR
Sec. 9001. Deterrence of fraud and abuse in FECA program.
Sec. 9002. Enhancement of reemployment programs for Federal employees disabled in the performance of duty.
Sec. 9003. Wage determinations.
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TITLE X—DEPARTMENT OF STATE AND UNITED STATES INFORMATION AGENCY
Sec. 10001. Improvement of efficiency of State Department activities.
Sec. 10002. Improvement of efficiency of USIA public diplomacy activities.
TITLE XI—DEPARTMENT OF TRANSPORTATION
Sec. 11001. Reemployment rights for certain merchant seamen.
Sec. 11002. Reform of essential air service program.
Sec. 11003. Airway science program.
Sec. 11004. Collegiate training initiative.
TITLE XII—DEPARTMENT OF VETERANS AFFAIRS
Subtitle A—Administrative Improvements
Sec. 12001. Elimination of hospital and nursing home bed capacity requirements.
Sec. 12002. Elimination of requirement for minimum number of personnel in the Office of Inspector General.
Sec. 12003. Modification of administrative reorganization authority.
Sec. 12004. Elimination of requirement for certain services in the Veterans Health Administration.
Sec. 12005. Modification of physician requirement for certain senior Veterans Health Administration officials.
Sec. 12006. Use of funds recovered from third parties.
Subtitle B—Closure of Certain Facilities
Sec. 12101. Closure of supply depots.
Sec. 12102. Waiver of other provisions.
Subtitle C—Provision of Information From the Medicare and Medicaid Coverage Data Bank to the Department of Veterans Affairs
Sec. 12201. Provision of data bank information to Department of Veterans Affairs.
Subtitle D—Veterans' Appeals Improvements
Sec. 12301. Board of Veterans' Appeals.
Sec. 12302. Decisions by the Board.
Sec. 12303. Technical correction.
Sec. 12304. Hearings.
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TITLE XIII—HUMAN RESOURCE MANAGEMENT
Sec. 13001. Federal workforce training.
Sec. 13002. SES annual leave accumulation.
TITLE XIV—REINVENTING SUPPORT SERVICES
Sec. 14001. Short title.
Sec. 14002. Transfer of functions.
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Sec. 14004. Inventory and furnishing of Government publications.
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Sec. 15001. Authority to increase efficiency in reporting to Congress.
TITLE XVI—FINANCIAL MANAGEMENT
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Sec. 16003. Franchise funds and innovation funds.
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Subtitle E—Department of the Interior and Related Agencies
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Subtitle J—Treasury, Postal Service, and General Government
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TITLE I—DEPARTMENT OF AGRICULTURE

Subtitle A—Department of Agriculture Reorganization

SEC. 1001. DEPARTMENT OF AGRICULTURE REORGANIZATION.

(a) IN GENERAL.—The Secretary of Agriculture shall (1) consolidate field, regional, and national offices within the Department of Agriculture and (2) reduce personnel by not less than 7,500 staff years, so as to achieve a reduction in expenditures by the Department of not less than $1,640,000,000 during the period fiscal years 1995 through 1999.

(b) AUTHORITIES.—In consolidating offices and reducing personnel as required by subsection (a), the Secretary shall take such action on the basis of the powers vested in the Secretary under other laws.

Subtitle B—Eliminating Federal Support for Honey

SEC. 1101. AMENDMENTS TO SECTION 207 OF THE AGRICULTURAL ACT OF 1949.

(a) Section 207(a) of the Agricultural Act of 1949 is amended to read as follows:

"(a) IN GENERAL.—For each of the 1991 through 1995 crops of honey, the price of honey shall be supported through loans, purchases, or other operations, except that for the 1994 and 1995 crops, the price of honey shall be supported through recourse loans.

"(1) For the 1991 through 1993 crop years, the rate of support shall be not less than 53.8 cents per pound.

"(2) For the 1994 and 1995 crop years, the Secretary shall provide recourse loans to producers at such a rate that minimizes costs and forfeitures, except that such rate shall not be less than 44 cents a pound. Section 407 shall not be applicable to honey forfeited to the Commodity Credit Corporation under loans made under this paragraph.

"(3) A producer who fails to repay a loan made under paragraph (2) by the end of the crop year following the crop year for which such loan was made shall be ineligible for a loan under this section for subsequent crop years, except that the Secretary may waive this provision in any case where in which the Secretary determines that the failure to repay the loan was due to hardship conditions or circumstances beyond the control of the producer.".

(b) Section 207(b) of the Agricultural Act of 1949 is amended by striking "for a crop" and inserting "for the 1991 through 1993 crops".

(c) Section 207(c) of the Agricultural Act of 1949 is amended by striking "1998" and inserting "1993".

(d) Section 207(e) of the Agricultural Act of 1949 is amended by—

(1) striking subparagraphs (D) through (G);

(2) inserting "and" after the semicolon following subparagraph (B); and

(3) changing the semicolon following subparagraph (C) to a period.

(e) Section 207(j) of the Agricultural Act of 1949 is amended by striking "1998" and inserting "1995".

SEC. 1102. AMENDMENT TO SECTION 405 OF THE AGRICULTURAL ACT OF 1949.

Section 405(a) of the Agricultural Act of 1949 is amended by striking in the first sentence "section 405A" and inserting "sections 207 and 405A".

SEC. 1103. AMENDMENTS TO SECTION 405A OF THE AGRICULTURAL ACT OF 1949.

Section 405A(a) of the Agricultural Act of 1949 is amended by striking all that follows "1992 crop year," and inserting "and $150,000 in the 1993 crop year.".

SEC. 1104. SAVINGS PROVISION.

A provision of this subtitle may not affect the liability of any person under any provision of law as in effect before the effective date of the provision.

TITLE II—DEPARTMENT OF COMMERCE

SEC. 2001. POLAR SATELLITE CONVERGENCE.

The Departments of Commerce and Defense and the National Aeronautics and Space Administration shall propose a single operational polar environmental and weather satellite system, which meets national needs. It is the sense of Congress that such a proposed system, contingent on the provision of adequate resources to fully meet the national security interests of the United States, shall be operated as a civil system by the Department of Commerce. A detailed implementation plan shall be submitted to Congress by the Director of the Office of Science and Technology Policy, in consultation with the Departments of Commerce and Defense and the National Aeronautics and Space Administration, by April 30, 1994. The plan shall be designed to result in savings of up to $300 million in budget authority and up to $251 million in outlays between fiscal

years 1994 and 1999. The National Aeronautics and Space Administration and the National Oceanic and Atmospheric Administration shall jointly develop a plan to implement a program modelled after the Operational Satellite Improvement Program for the purpose of making incremental enhancements in operational weather satellite systems. The goal of the plan shall be to achieve these enhancements in a cost effective manner by implementing procedures aimed at avoiding duplication of effort, cost overruns, and schedule delays. The Administrators of the National Aeronautics and Space Administration and the National Oceanic and Atmospheric Administration shall submit to Congress no later than April 30, 1994, a report detailing the elements of the plan and outlining savings in budget authority and budget outlays projected through fiscal year 1999.

TITLE III—DEPARTMENT OF DEFENSE

SEC. 3001. USE OF PROCEEDS FROM THE SALE OF RECYCLABLE MATERIALS AT MILITARY INSTALLATIONS.

Section 2577 of title 10, United States Code, is amended by striking out subsections (b) and (c) and inserting in lieu thereof the following:

"(b) Proceeds from the sale of recyclable materials at an installation shall be credited—

"(1) to funds available for operations and maintenance at that installation; and

"(2) at the discretion of the commander of the installation and if a balance remains available after such funds are credited, to the nonappropriated morale and welfare account of the installation to be used for any morale or welfare activity.".

SEC. 3002. CLOSURE OF THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES.

(a) CLOSURE REQUIRED.—Section 2112 of title 10, United States Code, is amended—

(1) in subsection (c)—

(A) by inserting "and the closure" after "The development"; and

(B) by striking out "subsection (a)" and inserting in lieu thereof "subsections (a) and (b)"; and

(2) by striking out subsection (b) and inserting in lieu thereof the following new subsection:

"(b)(1) Not later than September 30, 1998, the Secretary of Defense shall close the University. To achieve the closure of the University by that date, the Secretary shall begin to terminate the operations of the University beginning in fiscal year 1995. On account of the required closure of the University under this subsection, no students may be admitted to begin studies in the University after September 30, 1994.

"(2) Section 2687 of this title and any other provision of law establishing preconditions to the closure of any activity of the Department of Defense shall not apply with regard to the termination of the operations of the University or to the closure of the University pursuant to this subsection.".

(b) FINAL GRADUATION OF STUDENTS.—Section 2112(a) of such title is amended—

(1) in the second sentence, by striking out ", with the first class graduating not later than September 21, 1982." and inserting in lieu thereof ", except that no students may be awarded degrees by the University after September 30, 1998."; and

(2) by adding at the end the following new sentence: "On a case-by-case basis, the Secretary of Defense may provide for the continued education of a person who, immediately before the closure of the University under subsection (b), was a student in the University and completed substantially all requirements necessary to graduate from the University.".

(c) TERMINATION OF UNIVERSITY BOARD OF REGENTS.—Section 2113 of such title is amended by adding at the end the following new subsection:

"(k) The Board shall terminate on September 30, 1998, except that the Secretary of Defense may terminate the Board before that date as part of the termination of the operations of the University under section 2112(b) of this title.".

(d) PROHIBITION ON RECIPROCAL AGREEMENTS.—Section 2114(e)(1) of such title is amended by adding at the end the following new sentence: "No agreement may be entered into under this subsection after September 30, 1994, and all such agreements shall terminate not later than September 30, 1998.".

(e) CONFORMING AMENDMENTS.—(1) Section 178 of such title, relating to the Henry M. Jackson Foundation for the Advancement of Military Medicine, is amended—

(A) in subsection (b), by inserting after "Uniformed Services University of the Health Sciences," the following: "or after the closure of the University, with the Department of Defense,";

(B) in subsection (c)(1)(B), by striking out "the Dean of the Uniformed Services University of the Health Sciences" and inserting in lieu thereof "a person designated by the Secretary of Defense"; and

(C) in subsection (g)(1), by inserting after "Uniformed Services University of the Health Sciences," the following: "or after the closure of the University, the Secretary of Defense".

(2) Section 466(a)(1)(B) of the Public Health Service Act (42 U.S.C. 286a(a)(1)(B)), relating to the Board of Regents of the National Library of Medicine, is amended by striking out "the Dean of the Uniformed Services University of the Health Sciences,".

(f) CLERICAL AMENDMENTS.—(1) The heading of section 2112 of title 10, United States Code, is amended to read to read as follows:

"§ 2112. Establishment and closure of University".

(2) The item relating to such section in the table of sections at the beginning of chapter 104 of such title is amended to read as follows:

"2112. Establishment and closure of University.".

SEC. 3003. STREAMLINING AND REORGANIZATION OF CORPS OF ENGINEERS.

(a) DEVELOPMENT OF PLAN.—The Secretary of the Army shall develop a plan to reorganize the United States Army Corps of Engineers by reorganizing the headquarters offices, reducing the number of division offices, and restructuring the district functions so as to increase the efficiency of the United States Army Corps of Engineers and reduce staff and costs, with the goal of achieving approximately $50 million in net annual savings by fiscal year 1998.

(b) TRANSMITTAL AND APPROVAL OF PLAN.—The Secretary of the Army shall transmit to Congress the plan developed under subsection (a) for approval. The Secretary shall not implement such plan until it is approved by Congress.

TITLE IV—DEPARTMENT OF ENERGY

Subtitle A—Alaska Power Administration Sale Authorization

SEC. 4001. SHORT TITLE.

This subtitle may be cited as the "Alaska Power Administration Sale Authorization Act".

SEC. 4002. SALE OF SNETTISHAM AND EKLUTNA HYDROELECTRIC PROJECTS.

(a) The Secretary of Energy may sell the Snettisham Hydroelectric Project (referred to in this subtitle as "Snettisham") to the State of Alaska Power Authority (now known as the Alaska Industrial Development and Export Authority, and referred to in this subtitle as the "Authority"), or its successor, in accordance with the February 10, 1989, Snettisham Purchase Agreement between the Alaska Power Administration of the United States Department of Energy and the Authority.

(b) The Secretary of Energy may sell the Eklutna Hydroelectric Project (referred to in this subtitle as "Eklutna") to the Municipality of Anchorage doing business as Municipal Light and Power, the Chugach Electric Association, Inc., and the Matanuska Electric Association, Inc. (referred to in this subtitle as "Eklutna Purchasers") in accordance with the August 2, 1989, Eklutna Purchase Agreement between the United States Department of Energy and the Eklutna Purchasers.

(c) The heads of other affected Federal departments and agencies, including the Secretary of the Interior, shall assist the Secretary of Energy in implementing the sales authorized by this Act.

(d) The Secretary of Energy shall deposit sale proceeds in the Treasury of the United States to the credit of miscellaneous receipts.

(e) There are authorized to be appropriated such sums as are necessary to prepare or acquire Eklutna and Snettisham assets for sale and conveyance, such preparations to provide sufficient title to ensure the beneficial use, enjoyment, and occupancy to the purchasers of the assets to be sold.

(f) No later than one year after both of the sales authorized in section 4002 have occurred, as measured by the Transaction Dates stipulated in the Purchase Agreements, the Secretary of Energy shall—

(1) complete the business of, and close out, the Alaska Power Administration; and

(2) prepare and submit to Congress a report documenting the sales.

SEC. 4003. ASSESSMENT OF ALTERNATIVE OPTIONS.

Before taking any action authorized in section 4002, the Secretary shall assess the feasibility of alternative options for maximizing the return to the Treasury from the sale of the Alaska Power Marketing Administration.

Subtitle B—Federal-Private Cogeneration of Electricity

SEC. 4101. FEDERAL-PRIVATE COGENERATION OF ELECTRICITY.

Section 804(2)(B) of the National Energy Conservation Policy Act (42 U.S.C. 8287c(2)(B)) is amended by striking ", excluding any cogeneration process for other than a federally owned building or buildings or other federally owned facilities.".

Subtitle C—Power Marketing Administrations

SEC. 4201. POWER MARKETING ADMINISTRATIONS REFINANCING STUDY.

The Administrators of the Southeastern, Southwestern and Western Area Power Administrations, in consultation with their respective firm power contractors and other interested parties (including, where applicable, the Bureau of Reclamation), shall study refinancing options, including modifications to existing financial and accounting practices that may be required to effectively and efficiently issue and manage revenue bonds. Such refinancing options shall, for each of

the power systems they administer, satisfy their respective repayment obligations to the United States Treasury without causing any increase in their respective firm power rates beyond the rates that would otherwise result under rate-setting policies and practices in effect on October 1, 1993. The results of such studies shall be submitted no later than May 1, 1994, to the Speaker of the House of Representatives and the President of the Senate. Such studies shall be made within the limits of existing funding, or, if necessary, with funds contributed by firm power contractors.

SEC. 4202. BONNEVILLE POWER ADMINISTRATION REFINANCING STUDY.

The Administrator of the Bonneville Power Administration, in consultation with his customers and constituents, shall study options, including an open market buyout, a Treasury buyout, or any other reasonable alternative that would lead to a permanent resolution of the repayment reform initiative directed at Bonneville's appropriation investment repayment obligation. Such refinancing options shall satisfy the outstanding appropriated investment repayment obligation, without increasing rates beyond the rates that would otherwise result under rate-setting policies and practices in effect on October 1, 1993. The result of this study shall be submitted to the Speaker of the House of Representatives and the President of the Senate no later than March 1, 1994.

Subtitle D—Termination of Advanced Liquid Metal Reactor Program

SEC. 4301. TERMINATION OF ADVANCED LIQUID METAL REACTOR PROGRAM.

(a) IN GENERAL.—No amount of funds provided for any fiscal year may be obligated by the Secretary of Energy after the date of the enactment of this Act for the civilian portion of the advanced liquid metal reactor program, including—

(1) the program's promotion of the use of such reactors for the disposal of high-level radioactive waste; and

(2) Department of Energy support for regulatory applications to the Nuclear Regulatory Commission for design certification for advanced liquid metal reactors or related licensed facilities.

(b) PROHIBITION OF OTHER USES.—The amount of funds available on the date of the enactment of this Act for obligation for the program described in subsection (a) shall not be available for obligation by the Secretary of Energy after such date for any other purpose.

(c) EXCEPTION.—Subsections (a) and (b) shall not apply to obligations required to be incurred in terminating the program described in subsection (a).

TITLE V—DEPARTMENT OF HEALTH AND HUMAN SERVICES

SEC. 5001. STUDY OF METHODS TO INCREASE FLEXIBILITY IN CONTRACTING FOR MEDICARE CLAIMS PROCESSING.

(a) STUDY.—The Secretary of Health and Human Services shall conduct a study of methods to increase flexibility in contracting for claims processing under the medicare program and to otherwise simplify the administration of program, and shall include in the study an analysis of the feasibility and desirability of carrying out the following changes to the program:

(1) Permitting entities other than insurance companies to serve as carriers under part B of the program.

(2) Eliminating the requirement that fiscal intermediaries under part A of the program be nominated by a group or association of providers of services under such part.

(3) Increasing the Secretary's flexibility in assigning particular functions to fiscal intermediaries and carriers.

(4) Expanding the circumstances and standards under which the Secretary may terminate a contract with a fiscal intermediary or a carrier.

(5) Permitting the Secretary to require that a fiscal intermediary or a carrier meet data matching requirements for purposes of identifying situations in which medicare is a secondary payer.

(6) Eliminating the requirements that the Secretary make an additional payment to fiscal intermediaries and carriers for administrative costs.

(7) Eliminating the requirement that the Secretary enter into an agreement with a separate carrier for purposes of administering part B with respect to individuals entitled to benefits as qualified railroad retirement beneficiaries.

(b) REPORT.—Not later than April 30, 1994, the Secretary shall submit a report to the Committees on Energy and Commerce and Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the study conducted under subsection (a), together with any recommendations of the Secretary for statutory revisions to increase flexibility and reduce costs in the administration of the medicare program.

SEC. 5002. WORKERS' COMPENSATION DATA EXCHANGE PILOT PROJECTS.

(a) IN GENERAL.—The Secretary is authorized to conduct pilot projects with not more than three States for the purpose of studying various means of obtaining on a timely and accurate basis such information relating to benefits paid on account of total or partial disability under the States' workers' compensation plan as the Secretary may require for the purpose of carrying out section 224 of the Social Security Act.

(b) REIMBURSEMENT OF STATE COSTS.—A State that participates in a project conducted pursuant to subsection (a) may be paid by the Secretary, from amounts available pursuant to subsection (e), the reasonable costs of such participation.

(c) EVALUATION.—The Secretary shall evaluate each project conducted pursuant to subsection (a) and shall apply the findings, as appropriate, to agreements negotiated pursuant to subsection (h)(2) of such section 224.

(d) DEADLINE FOR COMMENCEMENT OF PROJECTS.—No pilot project authorized by subsection (a) may be commenced after the expiration of the 5-year period beginning on the date of enactment of this section.

(e) FUNDING.—Expenditures for pilot projects conducted pursuant to subsection (a) may be made from the Federal Disability Insurance Trust Fund and the Old-Age and Survivors Insurance Trust Fund, as determined appropriate by the Secretary.

(f) EFFECTIVE DATE.—This section shall be effective upon enactment.

SEC. 5003. FEDERAL CLEARINGHOUSE ON DEATH INFORMATION.

(a) CLEARINGHOUSE DESIGNATION.—The heading for section 205(r) of the Social Security Act is amended to read as follows: "Clearinghouse on Death Information".

(b) ACQUISITION OF DISCLOSABLE DEATH INFORMATION FROM STATES.—

(1) Section 205(r)(1)(A) of the Social Security Act is amended by striking "to furnish the Secretary periodically with" and inserting "to furnish periodically to the Secretary, for use in carrying out subparagraph (B) and paragraphs (3) and (4),".

(2)(A) Notwithstanding clause (ii) of section 6103(d)(4)(B) of the Internal Revenue Code of 1986 (as added by section 13444(a) of the Omnibus Budget Reconciliation Act of 1993 (Public Law 103–66)), in order for a contract requiring a State to furnish the Secretary of Health and Human Services information concerning individuals with respect to whom death certificates (or equivalent documents maintained by the State or any subdivision thereof) have been officially filed with it to meet the requirements of such section 6103(d)(4)(B), such contract shall authorize the Secretary to use such information and to redisclose such information to any Federal agency or any agency of a State or political subdivision in accordance with section 205(r) of the Social Security Act.

(B) The provisions of subparagraph (A) of this paragraph and, notwithstanding subparagraph (C) of section 6103(d)(4) of the Internal Revenue Code of 1986 (as added by section 13444(a) of the Omnibus Budget Reconciliation Act of 1993 (Public Law 103–66)), the provisions of subparagraphs (A) and (B) of such section 6103(d)(4) shall apply to all States, regardless of whether they were, on July 1, 1993, pursuant to a contract, furnishing the Secretary of Health and Human Services information concerning individuals with respect to whom death certificates (or equivalent documents maintained by the State or any subdivision thereof) have been officially filed with it.

(C) Subparagraphs (A) and (B) of this paragraph shall take effect at the same time as the amendment made by section 13444(a) of the Omnibus Budget Reconciliation Act of 1993 takes effect.

(D) For the purpose of applying the special rule contained in section 13444(b)(2) of the Omnibus Budget Reconciliation Act of 1993, the reference in such section to section 6103(d)(4)(B) of the Internal Revenue Code of 1986 shall be deemed to include a reference to subparagraph (A) of this paragraph.

(c) PAYMENT TO STATES FOR DEATH INFORMATION.—Section 205(r)(2) of the Social Security Act is amended—

(1) by striking "the reasonable costs" and inserting "a reasonable amount"; and

(2) by striking "transcribing and transmitting" and inserting "furnishing".

(d) FEE FOR CLEARINGHOUSE INFORMATION.—

(1) Section 205(r)(3) of the Social Security Act is amended by striking out "if" and all that follows, and inserting ", provided that such agency agrees to pay the fees set by the Secretary pursuant to paragraph (8).".

(2) Section 205(r)(4) of the Social Security Act is amended—

(A) by inserting "and political subdivisions" after "States" the first place such term appears;

(B) by striking "the States" and inserting "any State, political subdivision, or combination thereof"; and

(C) by striking "if" and all that follows and inserting "provided such States and political subdivisions agree to pay the fees set by the Secretary pursuant to paragraph (8).".

(3) Section 205(r) of the Social Security Act is amended by adding at the end a new paragraph as follows: "(8) The Secretary shall establish fees for the disclosure of information pursuant to this subsection. Such fees shall be in amounts sufficient to cover all costs (including indirect costs) associated with the Secretary's responsibilities under this subsection. Fees collected pursuant to this paragraph shall remain available, without fiscal year limitation, to the Secretary to cover the administrative costs of carrying out this subsection.".

(e) TECHNICAL ASSISTANCE.—Section 205(r) of the Social Security Act is amended by

adding at the end (after the paragraph added by subsection (d)(3)) the following new paragraph:

"(9) The Secretary may provide to any Federal or State agency that provides Federally funded benefits, upon the request of such agency, technical assistance on the effective collection, dissemination, and use of death information available under this subsection for the purpose of ensuring that such benefits are not erroneously paid to deceased individuals.".

(f) TECHNICAL AMENDMENT.—Section 205(r) of the Social Security Act is amended by adding at the end (after the paragraph added by subsection (e)) the following new paragraph:

"(10) For purposes of this subsection, the term 'Federally funded benefit' means any payment funded in whole or in part by the Federal Government.".

(g) EFFECTIVE DATE.—Except as otherwise provided, the amendments made by this section shall take effect upon their enactment.

SEC. 5004. CONTINUING DISABILITY REVIEWS.

Section 201(g)(1)(A) of the Social Security Act is amended by adding at the end of the paragraph the following sentence: "From funds provided pursuant to this subparagraph for the following fiscal years, not less than the following amounts shall be available only for conducting continuing disability reviews and related workloads: for fiscal year 1994, $46 million; for fiscal year 1995, $47,200,000; for fiscal year 1996, $48,500,000; for fiscal year 1997, $49,800,000; for fiscal year 1998, $51,100,000; and for fiscal year 1999, $52,500,000.".

TITLE VI—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SEC. 6001. MULTIFAMILY PROPERTY DISPOSITION.

(a) FINDINGS.—The Congress finds that—

(1) the portfolio of multifamily housing project mortgages insured by the FHA is severely troubled and at risk of default, requiring the Secretary to increase loss reserves from $5,500,000,000 in 1991 to $11,900,000,000 in 1992 to cover estimated future losses;

(2) the inventory of multifamily housing projects owned by the Secretary has more than tripled since 1989, and, by the end of 1993, may exceed 75,000 units;

(3) the cost to the Federal Government of owning and maintaining multifamily housing projects escalated to approximately $250,000,000 in fiscal year 1992;

(4) the inventory of multifamily housing projects subject to mortgages held by the Secretary has increased dramatically, to more than 2,400 mortgages, and approximately half of these mortgages, with over 230,000 units, are delinquent;

(5) the inventory of insured and formerly insured multifamily housing projects is rapidly deteriorating, endangering tenants and neighborhoods;

(6) over 5 million families today have a critical need for housing that is affordable and habitable; and

(7) the current statutory framework governing the disposition of multifamily housing projects effectively impedes the Government's ability to dispose of properties, protect tenants, and ensure that projects are maintained over time.

(b) MANAGEMENT AND DISPOSITION OF MULTIFAMILY HOUSING PROJECTS.—Section 203 of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z-11) is amended to read as follows:

"SEC. 203. MANAGEMENT AND DISPOSITION OF MULTIFAMILY HOUSING PROJECTS.

"(a) GOALS.—The Secretary of Housing and Urban Development shall manage or dispose of multifamily housing projects that are owned by the Secretary or that are subject to a mortgage held by the Secretary in a manner that—

"(1) is consistent with the National Housing Act and this section;

"(2) will protect the financial interests of the Federal Government; and

"(3) will, in the least costly fashion among reasonable available alternatives, further the goals of—

"(A) preserving housing so that it can remain available to and affordable by low-income persons;

"(B) preserving and revitalizing residential neighborhoods;

"(C) maintaining existing housing stock in a decent, safe, and sanitary condition;

"(D) minimizing the involuntary displacement of tenants;

"(E) maintaining housing for the purpose of providing rental housing, cooperative housing, and homeownership opportunities for low-income persons; and

"(F) minimizing the need to demolish multifamily housing projects.

The Secretary, in determining the manner in which a project is to be managed or disposed of, may balance competing goals relating to individual projects in a manner that will further the purposes of this section.

"(b) DEFINITIONS.—For purposes of this section:

"(1) MULTIFAMILY HOUSING PROJECT.—The term 'multifamily housing project' means any multifamily rental housing project which is, or prior to acquisition by the Secretary was, assisted or insured under the National Housing Act, or was subject to a loan under section 202 of the Housing Act of 1959.

"(2) SUBSIDIZED PROJECT.—The term 'subsidized project' means a multifamily housing project that, immediately prior to the assignment of the mortgage on such project to, or the acquisition of such mortgage by, the Secretary, was receiving any of the following types of assistance:

"(A) Below market interest rate mortgage insurance under the proviso of section 221(d)(5) of the National Housing Act.

"(B) Interest reduction payments made in connection with mortgages insured under section 236 of the National Housing Act.

"(C) Direct loans made under section 202 of the Housing Act of 1959.

"(D) Assistance in the form of—

"(i) rent supplement payments under section 101 of the Housing and Urban Development Act of 1965,

"(ii) additional assistance payments under section 236(f)(2) of the National Housing Act,

"(iii) housing assistance payments made under section 23 of the United States Housing Act of 1937 (as in effect before January 1, 1975), or

"(iv) housing assistance payments made under section 8 of the United States Housing Act of 1937 (excluding payments made for tenant-based assistance under section 8),

if (except for purposes of section 183(c) of the Housing and Community Development Act of 1987) such assistance payments are made to more than 50 percent of the units in the project.

"(3) FORMERLY SUBSIDIZED PROJECT.—The term 'formerly subsidized project' means a multifamily housing project owned by the Secretary that was a subsidized project immediately prior to its acquisition by the Secretary.

"(4) UNSUBSIDIZED PROJECT.—The term 'unsubsidized project' means a multifamily housing project owned by the Secretary that is not a subsidized project or a formerly subsidized project.

"(5) AFFORDABLE.—A unit shall be considered affordable if—

"(A) for units occupied—

"(i) by very low-income families, the rent does not exceed 30 percent of 50 percent of the area median income, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish the rent based on an amount higher or lower than 50 percent of the median for the area on the basis of the Secretary's findings that such variation is necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes; and

"(ii) by low-income families other than very low-income families, the rent does not exceed 30 percent of 80 percent of the area median income, as determined by the Secretary, except that the Secretary may establish the rent based on an amount higher or lower than 80 percent of the median for the area on the basis of the Secretary's findings that such variation is necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes; or

"(B) the unit, or the family residing in the unit, is receiving assistance under section 8 of the United States Housing Act of 1937.

"(6) LOW-INCOME FAMILIES AND VERY LOW-INCOME FAMILIES.—The terms 'low-income families' and 'very low-income families' shall have the meanings given the terms in section 3(b) of the United States Housing Act of 1937.

"(7) PREEXISTING TENANT.—The term 'preexisting tenant' means, with respect to a multifamily housing project, a family that—

"(A) resides in a unit in the project; and

"(B) immediately before foreclosure or acquisition of the project by the Secretary, was residing in a unit in the project.

"(8) MARKET AREA.—The term 'market area' means a market area determined by the Secretary for purposes of establishing fair market rentals under section 8(c) of the United States Housing Act of 1937.

"(9) SECRETARY.—The term 'Secretary' means the Secretary of Housing and Urban Development.

"(c) MANAGEMENT OR DISPOSITION OF PROPERTY.—

"(1) DISPOSITION TO PURCHASERS.—The Secretary may, in carrying out this section, dispose of a multifamily housing project owned by the Secretary on a negotiated, competitive bid, or other basis, on such terms as the Secretary deems appropriate considering the low-income character of the project and the market area in which the project is located and the requirements of subsection (a), to a purchaser determined by the Secretary to be capable of—

"(A) satisfying the conditions of the disposition;

"(B) implementing a sound financial and physical management program that is designed to enable the project to meet anticipated operating and repair expenses to ensure that the project will remain in decent, safe, and sanitary condition;

"(C) responding to the needs of the tenants and working cooperatively with tenant organizations;

"(D) providing adequate organizational, staff, and financial resources to the project; and

"(E) meeting such other requirements as the Secretary may determine.

"(2) CONTRACTING FOR MANAGEMENT SERVICES.—The Secretary may, in carrying out this section—

"(A) contract for management services for a multifamily housing project that is owned

by the Secretary (or for which the Secretary is mortgagee in possession), on a negotiated, competitive bid, or other basis at a price determined by the Secretary to be reasonable, with a manager the Secretary has determined is capable of—

"(i) implementing a sound financial and physical management program that is designed to enable the project to meet anticipated operating and maintenance expenses to ensure that the project will remain in decent, safe, and sanitary condition;

"(ii) responding to the needs of the tenants and working cooperatively with tenant organizations;

"(iii) providing adequate organizational, staff, and other resources to implement a management program determined by the Secretary; and

"(iv) meeting such other requirements as the Secretary may determine;

"(B) require the owner of a multifamily housing project that is subject to a mortgage held by the Secretary to contract for management services for the project in the manner described in subparagraph (A); and

"(C) contract for management of such properties with nonprofit organizations and public agencies, including public housing authorities.

"(d) MAINTENANCE OF HOUSING PROJECTS.—

"(1) HOUSING PROJECTS OWNED BY THE SECRETARY.—In the case of multifamily housing projects that are owned by the Secretary (or for which the Secretary is mortgagee in possession), the Secretary shall—

"(A) to the greatest extent possible, maintain all such occupied projects in a decent, safe, and sanitary condition;

"(B) to the greatest extent possible, maintain full occupancy in all such projects; and

"(C) maintain all such projects for purposes of providing rental or cooperative housing.

"(2) HOUSING PROJECTS SUBJECT TO A MORTGAGE HELD BY SECRETARY.—In the case of any multifamily housing project that is subject to a mortgage held by the Secretary, the Secretary shall require the owner of the project to carry out the requirements of paragraph (1).

"(3) HOUSING STANDARDS.—In disposing of any multifamily housing project under this section, the Secretary shall enter into an agreement with the purchaser under which the purchaser agrees that the project will be rehabilitated so that it is in compliance with, and will be maintained in compliance with, any standards under applicable State or local laws, rules, ordinances, or regulations relating to the physical condition of the housing and any such standards established by the Secretary.

"(e) REQUIRED ASSISTANCE.—In disposing of any multifamily housing property under this section, the Secretary shall take, separately or in combination, one or more of the following actions:

"(1) CONTRACT WITH OWNER FOR PROJECT-BASED ASSISTANCE.—In the case of multifamily housing projects that are acquired by a purchaser other than the Secretary at foreclosure or after sale by the Secretary, the Secretary may enter into contracts under section 8 of the United States Housing Act of 1937 (to the extent budget authority is available) with owners of the projects, subject to the following requirements:

"(A) SUBSIDIZED OR FORMERLY SUBSIDIZED PROJECTS RECEIVING MORTGAGE-RELATED ASSISTANCE.—In the case of a subsidized or formerly subsidized project referred to in subparagraphs (A) through (C) of subsection (b)(2)—

"(i) the contract shall be sufficient to assist at least all units covered by an assistance contract under any of the authorities referred to in subsection (b)(2)(D) before acquisition, unless the Secretary acts pursuant to the provisions of subparagraph (C);

"(ii) the contract shall provide that, when a vacancy occurs in any unit in the project requiring project-based rental assistance pursuant to this subparagraph that is occupied by a family who is not eligible for assistance under such section 8, the owner shall lease the available unit to a family eligible for assistance under such section 8; and

"(iii) the Secretary shall take actions to ensure that any unit in any such project that does not otherwise receive project-based assistance under this subparagraph remains available and affordable for the remaining useful life of the project, as defined by the Secretary; to carry out this clause, the Secretary may require purchasers to establish use or rent restrictions maintaining the affordability of such units.

"(B) SUBSIDIZED OR FORMERLY SUBSIDIZED PROJECTS RECEIVING RENTAL ASSISTANCE.—In the case of a subsidized or formerly subsidized project referred to in subsection (b)(2)(D) that is not subject to subparagraph (A)—

"(i) the contract shall be sufficient to assist at least all units in the project that are covered, or were covered immediately before foreclosure on or acquisition of the project by the Secretary, by an assistance contract under any of the provisions referred to in such subsection, unless the Secretary acts pursuant to provisions of subparagraph (C); and

"(ii) the contract shall provide that, when a vacancy occurs in any unit in the project requiring project-based rental assistance pursuant to this subparagraph that is occupied by a family who is not eligible for assistance under such section 8, the owner shall lease the available unit to a family eligible for assistance under such section 8.

"(C) EXCEPTIONS.—In lieu of providing project-based assistance under subparagraph (A)(i) or (B)(i) for a project, the Secretary may require certain units in unsubsidized projects to contain use restrictions providing that such units will be available to and affordable by very low-income families for the remaining useful life of the project, as defined by the Secretary, if—

"(i) the Secretary provides an increase in project-based assistance for very low-income persons for units within unsubsidized projects located within the same market area as the project otherwise required to be assisted with project-based assistance under subparagraph (A) or (B) that is at least equivalent to the units otherwise required to be so assisted; and

"(ii) upon disposition of the project, low-income families residing in units otherwise required to be assisted with project-based assistance under subparagraph (A) or (B) receive tenant-based assistance under such section 8.

"(D) UNSUBSIDIZED PROJECTS.—Notwithstanding actions taken pursuant to subparagraph (C), in the case of unsubsidized projects, the contract shall be sufficient to provide—

"(i) project-based rental assistance for all units that are covered, or were covered immediately before foreclosure or acquisition, by an assistance contract under—

"(I) the new construction and substantial rehabilitation program under section 8(b)(2) of the United States Housing Act of 1937 (as in effect before October 1, 1983);

"(II) the property disposition program under section 8(b) of such Act;

"(III) the project-based certificate program under section 8 of such Act;

"(IV) the moderate rehabilitation program under section 8(e)(2) of such Act;

"(V) section 23 of such Act (as in effect before January 1, 1975);

"(VI) the rent supplement program under section 101 of the Housing and Urban Development Act of 1965; or

"(VII) section 8 of the United States Housing Act of 1937, following conversion from assistance under section 101 of the Housing and Urban Development Act of 1965; and

"(ii) tenant-based assistance under section 8 of the United States Housing Act of 1937 for families that are preexisting tenants of the project in units that, immediately before foreclosure or acquisition of the project by the Secretary, were covered by an assistance contract under the loan management set-aside program under section 8(b) of the United States Housing Act of 1937 at such time.

"(2) ANNUAL CONTRIBUTION CONTRACTS FOR TENANT-BASED ASSISTANCE.—In the case of multifamily housing projects that are acquired by a purchaser other than the Secretary at foreclosure or after sale by the Secretary, the Secretary may enter into annual contribution contracts with public housing agencies to provide tenant-based assistance under section 8 of the United States Housing Act of 1937 on behalf of all low-income families who, on the date that the project is acquired by the purchaser, reside in the project and are eligible for such assistance, subject to the following requirements:

"(A) REQUIREMENT OF SUFFICIENT AFFORDABLE HOUSING IN AREA.—The Secretary may not take action under this paragraph unless the Secretary determines that there is available in the area an adequate supply of habitable, affordable housing for very low-income families and other low-income families.

"(B) LIMITATION FOR SUBSIDIZED AND FORMERLY SUBSIDIZED PROJECTS.—The Secretary may not take actions under this paragraph in connection with units in subsidized or formerly subsidized projects for more than 10 percent of the aggregate number of units in such projects disposed of by the Secretary annually.

"(C) PROVISION OF PROJECT-BASED ASSISTANCE UNDER CHANGED CIRCUMSTANCES.—The Secretary shall, to the extent such amounts are available, provide project-based assistance under section 8 of the United States Housing Act of 1937 for any units in a project for which the Secretary has provided tenant-based assistance under this paragraph if, and only to the extent that, the owner demonstrates to the satisfaction of the Secretary within 24 months after the date of acquisition by the owner that—

"(i) the provision of such project-based assistance (I) is necessary to maintain the financial viability of the project because of changes occurring after such acquisition that are beyond the control of the owner, and (II) may reasonably be expected to maintain such financial viability; or

"(ii) sufficient habitable, affordable housing for very low-income families and other low-income families is not available in the market area in which the project is located. Assistance provided pursuant to this subparagraph shall have a term of not more than 5 years.

"(3) OTHER ASSISTANCE.—

"(A) IN GENERAL.—In accordance with the authority provided under the National Housing Act, the Secretary may reduce the selling price, apply use or rent restrictions on

certain units, or provide other financial assistance to the owners of multifamily housing projects that are acquired by a purchaser other than the Secretary at foreclosure, or after sale by the Secretary, on terms that ensure that—

"(i) at least the units in the project otherwise required to receive project-based assistance pursuant to subparagraphs (A), (B), or (D) of paragraph (1) are available to and affordable by low-income persons; and

"(ii) for the remaining useful life of the project, as defined by the Secretary, there shall be in force such use or rent restrictions as the Secretary may prescribe.

"(B) VERY LOW-INCOME TENANTS.—If, as a result of actions taken pursuant to this paragraph, the rents charged to any very low-income families residing in the project who are otherwise required (pursuant to subparagraph (A), (B), or (D) of paragraph (1)) to receive project-based assistance under section 8 of the United States Housing Act of 1937 exceed the amount payable as rent under section 3(a) of the United States Housing Act of 1937, the Secretary shall provide assistance under section 8 of such Act to such families.

"(4) TRANSFER FOR USE UNDER OTHER PROGRAMS OF SECRETARY.—

"(A) IN GENERAL.—The Secretary may transfer a multifamily housing project—

"(i) to a public housing agency for use of the project as public housing; or

"(ii) to an entity eligible to own or operate housing under assisted section 202 of the Housing Act of 1959 or under section 811 of the Cranston-Gonzalez National Affordable Housing Act for use as supportive housing under either of such sections.

"(B) REQUIREMENTS FOR AGREEMENT.—An agreement providing for the transfer of a project described in subparagraph (A) shall—

"(i) contain such terms, conditions, and limitations as the Secretary determines appropriate, including requirements to ensure use of the project as public housing, supportive housing under section 202 of the Housing Act of 1959, or supportive housing under section 811 of the Cranston-Gonzalez National Affordable Housing Act, as applicable; and

"(ii) ensure that no tenant of the project will be displaced as a result of actions taken under this paragraph.

"(f) DISCRETIONARY ASSISTANCE.—In addition to the actions taken under subsection (e) for a multifamily housing project, the Secretary may take any of the following actions:

"(1) SHORT-TERM LOANS.—The Secretary may provide a short-term loan to facilitate the sale of a multifamily housing project to a nonprofit organization or a public agency if—

"(A) authority for such loans is provided in advance in an appropriation Act;

"(B) such loan has a term of not more than 5 years;

"(C) the Secretary determines, based upon documentation provided to the Secretary, that the borrower has obtained a commitment of permanent financing to replace the short-term loan from a lender who meets standards established by the Secretary; and

"(D) the terms of such loan is consistent with prevailing practices in the marketplace or the provision of such loan results in no cost to the Government, as defined in section 502 of the Congressional Budget Act of 1974.

"(2) TENANT-BASED ASSISTANCE.—The Secretary may make available tenant-based assistance under section 8 of the United States Housing Act of 1937 to very low-income families residing in a multifamily housing project that do not otherwise qualify for project-based assistance.

"(3) ALTERNATIVE USES.—

"(A) IN GENERAL.—Notwithstanding any other provision of law, after providing notice to and an opportunity to comment by existing tenants, the Secretary may allow not more than—

"(i) 10 percent of the total number of units in multifamily housing projects that are disposed of by the Secretary during any 1-year period to be made available for uses other than rental or cooperative uses, including low-income homeownership opportunities, or in any particular project, community space, office space for tenant or housing-related service providers or security programs, or small business uses, if such uses benefit the tenants of the project; and

"(ii) 5 percent of the total number of units in multifamily housing projects that are disposed of by the Secretary during any 1-year period to be used in any manner, if the Secretary and the unit of general local government or area-wide governing body determine that such use will further fair housing, community development, or neighborhood revitalization goals.

"(B) DISPLACEMENT PROTECTION.—The Secretary may take actions under subparagraph (A) only if—

"(i) tenant-based rental assistance under section 8 of the United States Housing Act of 1937 is made available to each eligible family residing in the project that is displaced as a result of such actions; and

"(ii) the Secretary determines that sufficient habitable, affordable rental housing is available in the market area in which the project is located to allow use of such assistance.

"(g) REQUIRED ASSISTANCE FOR CERTAIN PROJECTS.—In disposing under this section of multifamily housing projects, the Secretary shall, to the extent that such assistance is available—

"(1) in the case of any project located in a market area in which habitable, affordable rental housing for very low-income families is not sufficiently available, provide tenant-based or project-based rental assistance under section 8 of the United States Housing Act of 1937 (depending on the circumstances of the family) to very low-income families who are preexisting tenants of the project and do not otherwise qualify for project-based assistance; and

"(2) provide project-based assistance for very low-income families who are preexisting tenants of the project to the extent that such assistance is necessary to maintain the financial viability of the project and is reasonably expected to maintain such financial viability.

"(h) RENT RESTRICTIONS.—

"(1) AUTHORITY FOR USE IN UNSUBSIDIZED PROJECTS.—In carrying out the goals specified in subsection (a), the Secretary may require certain units in unsubsidized projects to be subject to use or rent restrictions providing that such units will be available to and affordable by very low-income persons for the remaining useful life of the property, as defined by the Secretary.

"(2) REQUIREMENT REGARDING SUBSIDIZED AND FORMERLY SUBSIDIZED PROJECTS.—In disposing under this section of any subsidized or formerly subsidized multifamily housing project, the Secretary shall require rent restrictions providing that any unassisted very low-income family who resides in a unit in the project on the date of disposition may not pay as rent for the unit an amount in excess of 30 percent of the adjusted income of the family at any time during the period beginning upon such disposition and ending upon the earlier of—

"(A) 15 years after such disposition; or

"(B) the time at which the family first fails to qualify as a very low-income family.

"(3) REQUIREMENT REGARDING UNSUBSIDIZED PROJECTS.— Unless the Secretary determines that the applicability of rent restrictions under this paragraph to a project would unreasonably impede the disposition of the project, in disposing under this section of any unsubsidized multifamily housing project the Secretary shall require rent restrictions providing that any unassisted very low-income family who resides in a unit in the project on the date of disposition may not pay as rent for the unit an amount in excess of 30 percent of the adjusted income of the family at any time during the period beginning upon such disposition and ending upon the earlier of—

"(A) 15 years after such disposition; or

"(B) the time at which the family first fails to qualify as a very low-income family.

"(4) PHASE-IN OF RENT INCREASES.—If the disposition under this section of any multifamily housing project results in any rent increases for any very low-income families who are preexisting tenants of the project and are paying less than 30 percent of the adjusted income of the family for rent, the Secretary shall provide that such rent increases shall be phased in equally over a period of not less than 3 years.

"(5) DEFINITION OF 'UNASSISTED VERY LOW-INCOME FAMILY'.—For purposes of this subsection, the term 'unassisted very low-income family' means a very low-income family who resides in a unit that is not assisted with project-based assistance under section 8 of the United States Housing Act of 1937 and on whose behalf tenant-based assistance under such section is not provided.

"(i) CONTRACT REQUIREMENTS.—Contracts for project-based rental assistance under section 8 of the United States Housing Act of 1937 provided pursuant to this section shall be subject to the following requirements:

"(1) CONTRACT TERM.—The contract shall have a term of 15 years, except that—

"(A) the term may be less than 15 years to the extent that the Secretary finds that, based on the rental charges and financing for the multifamily housing project to which the contract relates, the financial viability of the project can be maintained under a contract having such a term;

"(B) to the extent that units receive project-based assistance for a contract term of less than 15 years, the Secretary shall require that the amount of rent payable by tenants of the project for such units shall not exceed the amount payable for rent under section 3(a) of the United States Housing Act of 1937 for a period of at least 15 years; and

"(C) the term may be less than 15 years if such assistance is provided—

"(i) under a contract authorized under section 6 of the HUD Demonstration Act of 1993; and

"(ii) pursuant to a disposition plan under this section for a project that is determined by the Secretary to be otherwise in compliance with this section.

"(2) CONTRACT RENT.—

"(A) IN GENERAL.—The Secretary shall establish contract rents for section 8 project-based rental contracts issued under this section at levels that provide sufficient amounts for the necessary costs of rehabilitating and operating the multifamily housing project and do not exceed 144 percent of

the existing housing fair market rentals for the market area in which the project assisted under the contract is located.

"(B) UP-FRONT GRANTS AND LOANS.—If the Secretary determines that action under this subparagraph is more cost-effective, the Secretary may utilize the budget authority provided for contracts issued under this section for project-based assistance under section 8 of the United States Housing Act of 1937 to (in addition to providing project-based section 8 rental assistance)—

"(i) provide up-front grants to nonprofit organizations or public housing agencies for the necessary cost of rehabilitation; or

"(ii) pay any cost to the Government, as defined in section 502 of the Congressional Budget Act of 1974, for loans made pursuant to subsection (f)(1).

"(j) DISPOSITION PLAN.—

"(1) IN GENERAL.—Prior to the sale of a multifamily housing project that is owned by the Secretary, the Secretary shall develop an initial disposition plan for the project that specifies the minimum terms and conditions of the Secretary for disposition of the project, the initial sales price that is acceptable to the Secretary, and the assistance that the Secretary plans to make available to a prospective purchaser in accordance with this section. The initial sales price shall be reasonably related to the intended use of the property after sale, any rehabilitation requirements for the project, the rents for units in the project that can be supported by the market, the amount of rental assistance available for the project under section 8 of the United States Housing Act of 1937, and the occupancy profile of the project.

"(2) COMMUNITY AND TENANT INPUT.—In carrying out this section, the Secretary shall develop procedures—

"(A) to obtain appropriate and timely input into disposition plans from officials of the unit of general local government affected, the community in which the project is situated, and the tenants of the project; and

"(B) to facilitate, where feasible and appropriate, the sale of multifamily housing projects to existing tenant organizations with demonstrated capacity, to public or nonprofit entities that represent or are affiliated with existing tenant organizations, or to other public or nonprofit entities.

"(3) TECHNICAL ASSISTANCE.—To carry out the procedures developed under paragraph (2), the Secretary may provide technical assistance, directly or indirectly, and may use amounts available for technical assistance under the Emergency Low Income Housing Preservation Act of 1987, subtitle C of the Low-Income Housing Preservation and Resident Homeownership Act of 1990, subtitle B of title IV of the Cranston-Gonzalez National Affordable Housing Act, or this section, for the provision of technical assistance under this paragraph. Recipients of technical assistance funding under the provisions referred to in this paragraph shall be permitted to provide technical assistance to the extent of such funding under any of such provisions or under this paragraph, notwithstanding the source of the funding.

"(k) RIGHT OF FIRST REFUSAL FOR LOCAL AND STATE GOVERNMENT AGENCIES.—

"(1) NOTIFICATION OF ACQUISITION OF TITLE.—Not later than 30 days after acquiring title to a multifamily housing project, the Secretary shall notify the unit of general local government (which, for purposes of this subsection, shall include any public housing agency) for the area in which the project is located and the State agency or agencies designated by the Governor of the State in which the project is located of such acquisition.

"(2) RIGHT OF FIRST REFUSAL.—During the period beginning upon acquisition of title to a multifamily housing project and ending 45 days after completion of notification under paragraph (1), the Secretary may offer to sell and may sell the project only to the unit of general local government or the designated State agency.

"(3) EXPRESSION OF INTEREST.—The unit of general local government or designated State agency may submit to the Secretary a preliminary expression of interest in a project not later than 45 days after receiving notification from the Secretary under paragraph (1) regarding the project. The Secretary may take such actions as may be necessary to require the unit of general local government or designated State agency to substantiate such interest.

"(4) TIMELY EXPRESSION OF INTEREST.—If the unit of general local government or designated State agency has submitted an expression of interest in a project before the expiration of the 45-day period referred to in paragraph (3) and has substantiated such interest if requested, the Secretary, upon approval of a disposition plan for the project, shall—

"(A) notify the unit of general local government and designated State agency of the terms and conditions of the disposition plan; and

"(B) provide that, for 90 days after the date of such notification, only the unit of general local government or designated State agency may make an offer to purchase the project.

"(5) FAILURE TO TIMELY EXPRESS INTEREST.—If the unit of general local government or designated State agency does not timely express and, if requested, substantiate interest in a project as provided in paragraph (4), the Secretary may offer the project for sale to any interested person or entity upon approval of the disposition plan for the project.

"(6) ACCEPTANCE OF OFFERS.—If the unit of general local government or designated State agency timely expresses and, if requested, substantiates interest in a project as provided in paragraph (4), the Secretary shall accept an offer made by the unit of general local government or designated State agency during the 90-day period for the project under paragraph (4)(B) that complies with the terms and conditions of the disposition plan for the project. The Secretary may accept an offer that does not comply with the terms and conditions of the disposition plan if the Secretary determines that the offer will further the goals specified in subsection (a) by actions that include extension of the duration of low-income affordability restrictions or otherwise restructuring the transaction in a manner that enhances the long-term affordability for low-income persons. The Secretary may reduce the initial sales price in exchange for the extension of low-income affordability restrictions beyond the period of assistance contemplated by the attachment of assistance pursuant to subsection (i)(1) and in order to facilitate affordable rents.

"(7) FAILURE TO SELL TO LOCAL OR STATE GOVERNMENT AGENCY.—If the Secretary and the unit of general local government or designated State agency cannot reach agreement on an offer for purchase of a project within the 90-day period for the project under paragraph (4)(B), the Secretary may offer the project for sale to the general public.

"(8) PURCHASE BY UNIT OF GENERAL LOCAL GOVERNMENT OR DESIGNATED STATE AGENCY.—Notwithstanding any other provision of law, a unit of general local government (including a public housing agency) or designated State agency may purchase a subsidized or formerly subsidized project in accordance with this subsection.

"(9) APPLICABILITY.—This subsection shall apply to projects that are acquired on or after the effective date of this subsection. With respect to projects acquired before such effective date, the Secretary may apply—

"(A) the requirements of paragraphs (2) and (3) of section 203(e) (as in effect immediately before the effective date of this subsection); or

"(B) the requirements of paragraphs (1) through (7) of this subsection, if—

"(i) the Secretary gives the unit of general local government or designated State agency 45 days to express interest in the project; and

"(ii) the unit of general local government or designated State agency expresses interest in the project before the expiration of the 45-day period, and substantiates such interest if requested, within 90 days from the date of notification of the terms and conditions of the disposition plan to make an offer to purchase the project.

"(10) TRANSFER BY LOCAL OR STATE GOVERNMENT AGENCY PURCHASERS.—The Secretary shall permit units of general local government and designated State agencies to transfer multifamily housing projects acquired under the right of first refusal under this subsection to a private entity, but only if the local government or State agency clearly identifies its intention to transfer the project in the offer to purchase the property accepted by the Secretary under this subsection.

"(l) DISPLACEMENT OF TENANTS AND RELOCATION ASSISTANCE.—

"(1) IN GENERAL.—Whenever tenants will be displaced as a result of the disposition of, or repairs to, a multifamily housing project that is owned by the Secretary (or for which the Secretary is mortgagee in possession), the Secretary shall identify tenants who will be displaced and shall notify all such tenants of their pending displacement and of any relocation assistance that may be available. In the case of the disposition of tenants of a multifamily housing project that is not owned by the Secretary (and for which the Secretary is not mortgagee in possession), the Secretary shall require the owner of the project to carry out the requirements of this paragraph.

"(2) RIGHTS OF DISPLACED TENANTS.—The Secretary shall ensure for any such tenant (who continues to meet applicable qualification standards) the right—

"(A) to return, whenever possible, to a repaired unit;

"(B) to occupy a unit in another multifamily housing project owned by the Secretary;

"(C) to obtain housing assistance under the United States Housing Act of 1937; or

"(D) to receive any other available relocation assistance as the Secretary determines to be appropriate.

"(m) MORTGAGE AND PROJECT SALES.—

"(1) IN GENERAL.—The Secretary may not approve the sale of any loan or mortgage held by the Secretary (including any loan or mortgage owned by the Government National Mortgage Association) on any subsidized project or formerly subsidized project, unless such sale is made as part of a transaction that will ensure that such project will continue to operate at least until the maturity date of such loan or mortgage, in a manner that will provide rental housing on terms at least as advantageous to

existing and future tenants as the terms required by the program under which the loan or mortgage was made or insured prior to the assignment of the loan or mortgage on such project to the Secretary.

"(2) SALE OF CERTAIN PROJECTS.—The Secretary may not approve the sale of any subsidized project—

"(A) that is subject to a mortgage held by the Secretary, or

"(B) if the sale transaction involves the provision of any additional subsidy funds by the Secretary or a recasting of the mortgage,

unless such sale is made as part of a transaction that will ensure that the project will continue to operate, at least until the maturity date of the loan or mortgage, in a manner that will provide rental housing on terms at least as advantageous to existing and future tenants as the terms required by the program under which the loan or mortgage was made or insured prior to the proposed sale of the project.

"(3) MORTGAGE SALES TO STATE AND LOCAL GOVERNMENTS.—Notwithstanding any provision of law that requires competitive sales or bidding, the Secretary may carry out negotiated sales of subsidized or formerly subsidized mortgages held by the Secretary, without the competitive selection of purchasers or intermediaries, to units of general local government or State agencies, or groups of investors that include at least one such unit of general local government or State agency, if the negotiations are conducted with such agencies, except that—

"(A) the terms of any such sale shall include the agreement of the purchasing agency or unit of local government or State agency to act as mortgagee or owner of a beneficial interest in such mortgages, in a manner consistent with maintaining the projects that are subject to such mortgages for occupancy by the general tenant group intended to be served by the applicable mortgage insurance program, including, to the extent the Secretary determines appropriate, authorizing such unit of local government or State agency to enforce the provisions of any regulatory agreement or other program requirements applicable to the related projects; and

"(B) the sales prices for such mortgages shall be, in the determination of the Secretary, the best prices that may be obtained for such mortgages from a unit of general local government or State agency, consistent with the expectation and intention that the projects financed will be retained for use under the applicable mortgage insurance program for the life of the initial mortgage insurance contract.

"(4) SALE OF MORTGAGES COVERING UNSUBSIDIZED PROJECTS.—Notwithstanding any other provision of law, the Secretary may sell mortgages held on unsubsidized projects on such terms and conditions as the Secretary may prescribe.

"(n) REPORT TO CONGRESS.—Not later than June 1 of each year, the Secretary shall submit to the Congress a report describing the status of multifamily housing projects owned by or subject to mortgages held by the Secretary. The report shall include—

"(1) the name, address, and size of each project;

"(2) the nature and date of assignment of each project;

"(3) the status of the mortgage for each project;

"(4) the physical condition of each project;

"(5) for each subsidized or formerly subsidized project, an occupancy profile of the project, stating the income, family size, race, and ethnic origin of current residents and the rents paid by such residents;

"(6) the proportion of units in each project that are vacant;

"(7) the date on which the Secretary became mortgagee in possession of each project, if applicable;

"(8) the date and conditions of any foreclosure sale for a project;

"(9) the date of acquisition of each project by the Secretary, if applicable;

"(10) the date and conditions of any property disposition sale for a project;

"(11) a description of actions undertaken pursuant to this section, including a description of the effectiveness of such actions and any impediments to the disposition or management of multifamily housing projects;

"(12) a description of any of the functions performed in connection with this section that are contracted out to public or private entities or to States; and

"(13) a description of the activities carried out under subsection (k) during the preceding year.".

(c) CLARIFICATION OF FEDERAL PREFERENCES.—

(1) PUBLIC HOUSING TENANCY.—Section 6(c)(4)(A)(i) of the United States Housing Act of 1937 (42 U.S.C. 1437d(c)(4)(A)(i)) is amended by inserting after "displaced" the following: "(including displacement because of disposition of a multifamily housing project under section 203 of the Housing and Community Development Amendments of 1978)".

(2) SECTION 8 ASSISTANCE.—Section 8(d)(1)(A)(i) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(1)(A)(i)) is amended by inserting after "displaced" the following: "(including displacement because of disposition of a multifamily housing project under section 203 of the Housing and Community Development Amendments of 1978)".

(d) DEFINITION OF OWNER.—Section 8(f)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437f(f)(1)) is amended by inserting "an agency of the Federal Government," after "cooperative,".

(e) AMENDMENT TO NATIONAL HOUSING ACT.—Title V of the National Housing Act (12 U.S.C. 1731a et seq.) is amended by adding at the end the following new section:

"PARTIAL PAYMENT OF CLAIMS ON MULTIFAMILY HOUSING PROJECTS

"SEC. 541. (a) AUTHORITY.—Notwithstanding any other provision of law, if the Secretary is requested to accept assignment of a mortgage insured by the Secretary that covers a multifamily housing project (as such term is defined in section 203(b) of the Housing and Community Development Amendments of 1978) and the Secretary determines that partial payment would be less costly to the Federal Government than other reasonable alternatives for maintaining the low-income character of the project, the Secretary may request the mortgagee, in lieu of assignment, to—

"(1) accept partial payment of the claim under the mortgage insurance contract; and

"(2) recast the mortgage, under such terms and conditions as the Secretary may determine.

"(b) REPAYMENT.—As a condition to a partial claim payment under this section, the mortgagor shall agree to repay to the Secretary the amount of such payment and such obligation shall be secured by a second mortgage on the property on such terms and conditions as the Secretary may determine.".

(f) EFFECTIVE DATE.—The Secretary shall issue interim regulations necessary to implement the amendments made by subsections (b) through (d) not later than 90 days after the date of the enactment of this Act. Such interim regulations shall take effect upon issuance and invite public comment on the interim regulations. The Secretary shall issue final regulations to implement such amendments after opportunity for such public comment, but not later than 12 months after the date of issuance of such interim regulations.

SEC. 6002. SECTION 235 MORTGAGE REFINANCING.

Section 235(r) of the National Housing Act is amended—

(1) in paragraph (2)(C), by inserting after "refinanced" the following: ", plus the costs incurred in connection with the refinancing as described in paragraph (4)(B) to the extent that the amount for those costs is not otherwise included in the interest rate as permitted by subparagraph (E) or paid by the Secretary as authorized by paragraph (4)(B)";

(2) in paragraph (4)—

(A) in the matter preceding subparagraph (A), by inserting after "otherwise)" the following: "and the mortgagee (with respect to the amount described in subparagraph (A))"; and

(B) in subparagraph (A), by inserting after "mortgagor" the following: "and the mortgagee"; and

(3) by amending paragraph (5) to read as follows:

"(5) The Secretary shall use amounts of budget authority recaptured from assistance payments contracts relating to mortgages that are being refinanced for assistance payments contracts with respect to mortgages insured under this subsection. The Secretary may also make such recaptured amounts available for incentives under paragraph (4)(A) and the costs incurred in connection with the refinancing under paragraph (4)(B). For purposes of subsection (c)(3)(A), the amount of recaptured budget authority that the Secretary commits for assistance payment contracts relating to mortgages insured under this subsection and for amounts paid under paragraph (4) shall not be construed as unused.".

SEC. 6003. USE OF EMERGENCY ASSISTANCE FUNDS FOR RESIDENCY IN MULTIFAMILY HOUSING DISPOSITION PROJECTS.

Section 203(f) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z–11), as amended by section 6001 of this Act, is further amended by adding at the end the following new paragraph:

"(4) EMERGENCY ASSISTANCE FUNDS.—The Secretary may make arrangements with State agencies and units of general local government of States receiving emergency assistance under part A of title IV of the Social Security Act for the provision of assistance under such Act on behalf of eligible families who would reside in any multifamily housing projects.".

SEC. 6004. ADDITIONAL EMPLOYEES TO FACILITATE DISPOSITION OF FHA INVENTORY PROPERTIES.

Notwithstanding any other provision of law, during fiscal years 1993, 1994, and 1995 amounts in the various funds of the Federal Housing Administration otherwise available to the Secretary of Housing and Urban Development for non-overhead expenses associated with processing, accounting, loan servicing, asset management, and disposition services may be used by the Secretary for personnel compensation and benefits for temporary employees of the Department of Housing and Urban Development employed to manage, service, and dispose of single family and multifamily properties insured

by, assigned to, or owned by the Secretary. The Secretary may employ not more than 400 temporary employees at any one time using amounts made available pursuant to this section, no such employee may be employed in a temporary position pursuant to this section for a period in excess of 2 years, and such employees shall not be considered for purposes of any personnel ceiling applicable to the Department of Housing and Urban Development or any unit therein or any personnel ceiling applicable to temporary employees of the Federal Government.

SEC. 6005. HUD STREAMLINING.

The Secretary of Housing and Urban Development shall carry out the recommendation of the Report of the National Performance Review, issued on September 7, 1993, that the Department streamline its headquarters, regional, and field office structure and consolidate and reduce its size, without regard to the requirements of section 7(p) of the Department of Housing and Urban Development Act.

TITLE VII—DEPARTMENT OF THE INTERIOR

SEC. 7001. IMPROVEMENT OF MINERALS MANAGEMENT SERVICE ROYALTY COLLECTION.

(a) The Secretary of the Interior shall, by fiscal year 1995, direct the Minerals Management Service, Royalty Management Program, to develop and implement (1) an automated business information system to provide to its auditors a lease history that includes reference, royalty, production, financial, compliance history, pricing and valuation, and other information; (2) the optimum methods to identify and resolve anomalies and to verify that royalties are paid correctly; (3) a more efficient and cost-effective royalty collection process by instituting new compliance and enforcement measures, including assessments and penalties for erroneous reporting and underreporting; (4) pilot projects under which a State may assume mineral receipt collections on Federal lands within the State and where the State assumes 50 percent of the cost of such pilot project; and (5) such other actions as may be necessary to reduce royalty underpayment and increase revenue to the U.S. Treasury by an estimated total of $28 million by fiscal year 1999.

(b) The Federal Oil and Gas Royalty Management Act of 1982 (Public Law No. 97-451, 30 U.S.C. 1701 et seq.) is amended by adding a new subsection 111(h) as follows:

"PENALTY ASSESSMENT FOR SUBSTANTIAL UNDERREPORTING OF ROYALTY"

"SEC. 111. (h)(1) If there is any underreporting of royalty owed on production from any lease issued or administered by the Secretary for the production of oil, gas, coal, any other mineral, or geothermal steam, from any Federal or Indian lands or the Outer Continental Shelf, for any production month, by any person who is responsible for paying royalty, the Secretary may assess a penalty of 10 percent of the amount of that underreporting.

"(2) If there is a substantial underreporting of royalty owed on production from any lease issued or administered by the Secretary for the production of oil, gas, coal, any other mineral, or geothermal steam, from any Federal or Indian lands or the Outer Continental Shelf, for any production month, by any person who is responsible for paying royalty, the Secretary may assess a penalty of 20 percent of the amount of that substantial underreporting.

"(3) For purposes of this section, the term 'underreporting' means the difference between the royalty on the value of the production which should have been reported and the royalty on the value of the production which was reported, if the value of the production which should have been reported is greater than the value of the production which was reported. An underreporting constitutes a 'substantial underreporting' if such difference exceeds 10 percent of the royalty on the value of the production which should have been reported.

"(4) The Secretary shall not impose the assessment provided in paragraphs (1) or (2) if the person corrects the underreporting before the date the person receives notice from the Secretary that an underreporting may have occurred, or before 90 days after the date of enactment of this section, whichever is later.

"(5) The Secretary shall waive any portion of an assessment provided in paragraphs (1) or (2) attributable to that portion of the underreporting for which the person demonstrates that—

"(i) the person had written authorization from the Secretary to report royalty on the value of the production on the basis on which it was reported, or

"(ii) the person had substantial authority for reporting royalty on the value of the production on the basis on which it was reported, or

"(iii) the person previously had notified the Secretary, in such manner as the Secretary may by rule prescribe, of relevant reasons or facts affecting the royalty treatment of specific production which led to the underreporting, or

"(iv) the person meets any other exception which the Secretary may, by rule, establish.

"(6) All penalties collected under this subsection shall be deposited to the same accounts in the Treasury or paid to the same recipients in the same manner as the royalty with respect to which such penalty is paid.".

SEC. 7002. PHASE OUT OF MINERAL INSTITUTE PROGRAM.

The Secretary of the Interior, beginning in fiscal year 1995, shall take action to phase out the Mining and Mineral Resources Research Institute Act of 1984, Public Law 98-409, as amended (98 Stat. 1536 through 1541 and 102 Stat. 2339 through 2341, 30 U.S.C. 1221 through 1230). There are hereby authorized to be appropriated under the Act the following amounts: fiscal year 1995—$6.5 million; fiscal year 1996—$5 million; fiscal year 1997—$3 million; and fiscal year 1998—$1.5 million. No further appropriations for this Act are authorized after September 30, 1998.

SEC. 7003. REORGANIZATION STUDY OF BUREAU OF INDIAN AFFAIRS.

(a) GENERAL AUTHORITY.—The Secretary of the Interior, with the active participation of Indian tribes, shall conduct a study of the reorganization of the Bureau of Indian Affairs.

(b) CONTENT.—The study conducted under subsection (a) shall include (but shall not be limited to)—

(1) an examination of the current structure of the Bureau of Indian Affairs and recommendations for structural changes to improve the implementation of Federal trust responsibilities toward Indian tribes;

(2) an examination of the current roles of the Central, Area, and Agency offices of the Bureau of Indian Affairs and recommendations to improve efficiency of the Bureau through reorganization;

(3) an examination of the efficiency of the Bureau of Indian Affairs in comparison with other Bureaus of the Department of the Interior;

(4) an examination of the barriers to the implementation of the 1988 amendments to the Indian Self-Determination and Education Assistance Act throughout the Department of the Interior and a proposed plan for effective implementation; and

(5) recommendations for the transfer of personnel and resources from the Central, Area, and Agency offices of the Bureau of Indian Affairs to Indian tribes.

(c) REPORT.—The Secretary shall complete the study conducted pursuant to this section and shall submit such study, together with recommendations and draft legislation to implement such recommendations, to the Congress within one year after the date of enactment of this Act.

SEC. 7004. TERMINATION OF ANNUAL DIRECT GRANT ASSISTANCE

(a) TERMINATION.—Pursuant to section 704(d) of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America (48 U.S.C. 1681 note), the annual payments under section 702 of the Covenant shall terminate as of September 30, 1993.

(b) REPEAL.—Sections 3 and 4 of the Act of March 24, 1976 (Public Law 94-241; 48 U.S.C. 1681 note), as amended, are repealed, effective October 1, 1993.

TITLE VIII—MISCELLANEOUS PROVISIONS

SEC. 8001. LIMITATION ON CERTAIN ANNUAL PAY ADJUSTMENTS.

Effective as of December 31, 1994—

(1) section 601(a)(2) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31(2)) is amended—

(A) by striking "(2) Effective" and inserting "(2)(A) Subject to subparagraph (B), effective"; and

(B) by adding at the end the following:

"(B) In no event shall the percentage adjustment taking effect under subparagraph (A) in any calendar year (before rounding), in any rate of pay, exceed the percentage adjustment taking effect in such calendar year under section 5303 of title 5, United States Code, in the rates of pay under the General Schedule.";

(2) section 104 of title 3, United States Code, is amended—

(A) in the first sentence by inserting "(a)" before "The";

(B) in the second sentence by striking "Effective" and inserting "Subject to subsection (b), effective"; and

(C) by adding at the end the following:

"(b) In no event shall the percentage adjustment taking effect under the second and third sentences of subsection (a) in any calendar year (before rounding) exceed the percentage adjustment taking effect in such calendar year under section 5303 of title 5 in the rates of pay under the General Schedule.";

(3) section 5318 of title 5, United States Code, is amended—

(A) in the first sentence by striking "Effective" and inserting "(a) Subject to subsection (b), effective"; and

(B) by adding at the end the following:

"(b) In no event shall the percentage adjustment taking effect under subsection (a) in any calendar year (before rounding), in any rate of pay, exceed the percentage adjustment taking effect in such calendar year under section 5303 in the rates of pay under the General Schedule."; and

(4) section 461(a) of title 28, United States Code, is amended—

(A) by striking "(a) Effective" and inserting "(a)(1) Subject to paragraph (2), effective"; and

(B) by adding at the end the following:

"(2) In no event shall the percentage adjustment taking effect under paragraph (1) in

any calendar year (before rounding), in any salary rate, exceed the percentage adjustment taking effect in such calendar year under section 5303 of title 5 in the rates of pay under the General Schedule.".

SEC. 8002. REDUCTION OF FEDERAL FULL-TIME EQUIVALENT POSITIONS.

(a) DEFINITION.—For purposes of this section, the term "agency" means an Executive agency as defined under section 105 of title 5, United States Code, but does not include the General Accounting Office.

(b) LIMITATIONS ON FULL-TIME EQUIVALENT POSITIONS.—The President, through the Office of Management and Budget (in consultation with the Office of Personnel Management), shall ensure that the total number of full-time equivalent positions in all agencies shall not exceed—

(1) 2,053,600 during fiscal year 1994;
(2) 1,999,600 during fiscal year 1995;
(3) 1,945,600 during fiscal year 1996;
(4) 1,895,600 during fiscal year 1997; and
(5) 1,851,600 during fiscal year 1998.

(c) MONITORING AND NOTIFICATION.—The Office of Management and Budget, after consultation with the Office of Personnel Management, shall—

(1) continuously monitor all agencies and make a determination on the first date of each quarter of each applicable fiscal year of whether the requirements under subsection (b) are met; and

(2) notify the President and the Congress on the first date of each quarter of each applicable fiscal year of any determination that any requirement of subsection (b) is not met.

(d) COMPLIANCE.—If at any time during a fiscal year, the Office of Management and Budget notifies the President and the Congress that any requirement under subsection (b) is not met, no agency may hire any employee for any position in such agency until the Office of Management and Budget notifies the President and the Congress that the total number of full-time equivalent positions for all agencies equals or is less than the applicable number required under subsection (b).

(e) WAIVER.—

(1) EMERGENCIES.—Any provision of this section may be waived upon a determination by the President that—

(A) the existence of a state of war or other national security concern so requires; or

(B) the existence of an extraordinary emergency threatening life, health, safety, property, or the environment so requires.

(2) AGENCY EFFICIENCY OR CRITICAL MISSION.—

(A) Subsection (d) may be waived, in the case of a particular position or category of positions in an agency, upon a determination of the President that the efficiency of the agency or the performance of a critical agency mission so requires.

(B) Whenever the President grants a waiver pursuant to subparagraph (A), the President shall take all necessary actions to ensure that the overall limitations set forth in subsection (b) are not exceeded.

TITLE IX—DEPARTMENT OF LABOR

SEC. 9001. DETERRENCE OF FRAUD AND ABUSE IN FECA PROGRAM.

(a) Section 8102 of title 5, United States Code, is amended to redesignate subsection (b) as subsection (c), and to add the following new subsection (b):

"(b) An individual convicted of a violation of 18 U.S.C. 1920, as amended, or of any other fraud related to the application for or receipt of benefits under subchapter I or III of chapter 81 of title 5, shall forfeit, as of the date of the conviction, all entitlement to any prospective benefits provided by subchapter I or III for any injury occurring on or before the date of the conviction. Such a forfeiture of benefits shall be in addition to any action the Secretary may take under section 8106 or 8129 of title 5, United States Code.".

(b) Section 8116 of title 5, United States Code, is amended by adding the following new subsection (e):

"(e) Notwithstanding any other provision of this title, no benefits under sections 8105 or 8106 of this subchapter shall be paid or provided to any individual during any period during which such individual is confined in a jail, prison, or other penal institution or correctional facility, pursuant to that individual's conviction of an offense that constituted a felony under applicable law, except where such individual has one or more dependents within the meaning of section 8110 of this subchapter, in which case the Secretary may, during the period of incarceration, pay to such dependents a percentage of the benefits that would have been payable to such individual computed according to the percentages set forth in section 8133(a)(1)–(5) of this subchapter.".

(c) Section 8116 of title 5, United States Code, is further amended by adding the following new subsection (f):

"(f) Notwithstanding the provisions of section 552a of this title, or any other provision of Federal or State law, any agency of the United States Government or of any State (or political subdivision thereof) shall make available to the Secretary, upon written request, the names and Social Security account numbers of individuals who are confined in a jail, prison or other penal institution or correctional facility under the jurisdiction of such agency, pursuant to such individuals' conviction of an offense that constituted a felony under applicable law, which the Secretary may require to carry out the provisions of this subsection.".

(d) Section 1920 of title 18, United States Code, is amended to read as follows: "Whoever knowingly and willfully falsifies, conceals, or covers up a material fact, or makes a false, fictitious, or fraudulent statement or representation, or makes or uses a false statement or report knowing the same to contain any false, fictitious or fraudulent statement or entry in connection with the application for or receipt of compensation or other benefit or payment under subchapter I or III of chapter 81 of title 5, United States Code, shall be punished by a fine of not more than $250,000, or by imprisonment for not more than five years, or both.".

(e) Except as otherwise provided in this section, the amendments made by this section shall be effective on the date of enactment and shall apply to actions taken on or after the date of enactment both with respect to claims filed before the day of enactment and with respect to claims filed after such date.

(f) The amendments made by subsections (a), (b), and (c) of this section shall be effective on the date of enactment and shall apply to any person convicted or imprisoned on or after the date of enactment.

(g) The amendment made by subsection (d) of this section shall be effective on the date of enactment and shall apply to any claim, statement, representation, report, or other written document made or submitted in connection with a claim filed under subchapter I or III of chapter 81 of title 5, United States Code.

SEC. 9002. ENHANCEMENT OF REEMPLOYMENT PROGRAMS FOR FEDERAL EMPLOYEES DISABLED IN THE PERFORMANCE OF DUTY.

(a) Section 8104 of title 5, United States Code, is amended—

(1) by striking the comma after "employment" and by striking "other than employment undertaken pursuant to such rehabilitation" from subsection (b); and

(2) by adding the following new subsection (c):

"(c) The Secretary of Labor, as part of the vocational rehabilitation effort, may assist permanently disabled individuals in seeking and/or obtaining employment. The Secretary may reimburse an employer (including a Federal employer), who was not the employer at the time of injury and who agrees to employ a disabled beneficiary, for portions of the salary paid by such employer to the reemployed, disabled beneficiary. Any such sums shall be paid from the Employees' Compensation Fund.".

(b) The Secretary of Labor is authorized to expand the Federal Employees' Compensation Act Periodic Roll Management Project to all offices of the Office of Workers' Compensation Program of the Department of Labor.

(c) The provisions of, and amendments made by, subsections (a) and (b) of this section shall be effective on the date of enactment.

SEC. 9003. WAGE DETERMINATIONS.

(a) The McNamara-O'Hara Service Contract Act, as amended (41 U.S.C. 351 et seq.) is amended by adding at the end the following new section:

"SEC. 11. To more effectively implement wage determination procedures, the Secretary of Labor is authorized to develop and implement an electronic data interchange system to request and obtain wage determinations required under the Act.".

(b) The Davis-Bacon Act, as amended (41 U.S.C. 276a et seq.) is amended by adding at the end the following new section:

"SEC. 8. To more effectively implement wage determination procedures, the Secretary of Labor is authorized to develop and implement an electronic data interchange system to request and obtain wage determinations required under the Act.".

(c) The amendments made by subsections (a) and (b) of this section shall be effective on the date of enactment.

SEC. 9004. ELIMINATION OF FILING REQUIREMENTS.

(a) Section 101(b) of the Employee Retirement Income Security Act of 1974 (ERISA) (29 U.S.C. 1021(b)) is amended by striking paragraphs (1), (2) and (3) and by redesignating paragraphs (4) and (5) as paragraphs (1) and (2), respectively.

(b) Section 102 of ERISA (29 U.S.C. 1022) is amended by striking paragraph (a)(2) and redesignating paragraph (a)(1) as subsection (a).

(c) Section 104(a)(1) of ERISA (29 U.S.C. 1024(a)(1)) is amended to read as follows:

"SEC. 104. (a)(1) The administrator of any employee benefit plan subject to this part shall file with the Secretary the annual report for a plan year within 210 days after the close of such year (or within such time as may be required by regulations promulgated by the Secretary in order to reduce duplicative filing). The Secretary shall make copies of such annual reports available for inspection in the public document room of the Department of Labor. The administrator shall also furnish to the Secretary, upon request, any documents relating to the employee benefit plan including but not limited to the

summary plan description, description of material modifications to the plan, bargaining agreement, trust agreement, contract, or other instrument under which the plan is established or operated.".

(d) Section 104(b) of ERISA (29 U.S.C. 1024(b)) is amended by adding at the end the following new paragraph:

"(5) The Secretary shall, upon written request of any participant or beneficiary of a plan for a copy of any documents described in paragraph (4), make a written request to the plan administrator for copies of such documents. The plan administrator shall comply with such request from the Secretary. Upon obtaining such copies from the plan administrator, the Secretary shall provide them to the requesting participant or beneficiary. In making a request under this paragraph to the plan administrator, the Secretary shall not disclose to the plan administrator the identity of the participant or beneficiary. The administrator may make a reasonable charge to cover the cost of furnishing such complete copies consistent with any regulations issued by the Secretary pursuant to paragraph (4). The Secretary may require the participant or beneficiary to reimburse the Secretary for such charges before the participant receives the requested copies.".

(e) Section 106(a) of ERISA (29 U.S.C. 1026(a)) is amended by striking "descriptions,".

(f) Section 107 of ERISA (29 U.S.C. 1027) is amended by striking "description or".

(g) Section 108 of ERISA (29 U.S.C. 1028) is amended by striking "(B) after publishing or filing the plan description, annual reports," and inserting "(B) after publishing the plan description, or after publishing or filing the annual reports,".

(h) Section 109(b) of ERISA (29 U.S.C. 1029(b)) is amended to read as follows:

"(b) The financial statement and opinion required to be prepared by an independent qualified public accountant pursuant to section 103(a)(3)(A) and the actuarial statement required to be prepared by an enrolled actuary pursuant to section 103(a)(4)(A) shall not be required to be submitted on forms.".

(i) Section 502(c) of ERISA is amended by adding at the end the following new paragraph:

"(4) The Secretary may assess a civil penalty against any plan administrator of up to $100 per day from the date of such plan administrator's failure or refusal to comply with a request for documents which such administrator is required to furnish to the Secretary (unless such failure or refusal results from matters reasonably beyond the control of the administrator) pursuant to section 104(b)(5) by mailing the material requested to the address provided by the Secretary within 30 days after such request.".

(j) EFFECTIVE DATE.—The provisions of this section shall take effect on the date of enactment of this Act.

TITLE X—DEPARTMENT OF STATE AND UNITED STATES INFORMATION AGENCY

SEC. 10001. IMPROVEMENT OF EFFICIENCY OF STATE DEPARTMENT ACTIVITIES.

The Secretary of State shall take action to improve the efficiency of the activities of the Department of State and save a total of $5,700,000 by the end of fiscal year 1999.

SEC. 10002. IMPROVEMENT OF EFFICIENCY OF USIA PUBLIC DIPLOMACY ACTIVITIES.

The Director of the United States Information Agency (USIA) shall take action to improve the efficiency of USIA's public diplomacy activities and save a total of $15,000,000 by the end of fiscal year 1999.

TITLE XI—DEPARTMENT OF TRANSPORTATION

SEC. 11001. REEMPLOYMENT RIGHTS FOR CERTAIN MERCHANT SEAMEN.

(a) IN GENERAL.—Title III of the Merchant Marine Act, 1936 (46 App. U.S.C. 1131) is amended by inserting after section 301 the following new section:

"SEC. 302. (a) An individual who is certified by the Secretary of Transportation under subsection (c) shall be entitled to reemployment rights and other benefits substantially equivalent to the rights and benefits provided for by chapter 43 of title 38, United States Code, for any member of a Reserve component of the Armed Forces of the United States who is ordered to active duty.

"(b) An individual may submit an application for certification under subsection (c) to the Secretary of Transportation not later than 45 days after the date the individual completes a period of employment described in subsection (c)(1)(A) with respect to which the application is submitted.

"(c) Not later than 20 days after the date the Secretary of Transportation receives from an individual an application for certification under this subsection, the Secretary shall—

"(1) determine whether or not the individual—

"(A) was employed in the activation or operation of a vessel—

"(i) in the National Defense Reserve Fleet maintained under section 11 of the Merchant Ship Sales Act of 1946, in a period in which that vessel was in use or being activated for use under subsection (b) of that section;

"(ii) that is requisitioned or purchased under section 902 of this Act; or

"(iii) that is owned, chartered, or controlled by the United States and used by the United States for a war, armed conflict, national emergency, or maritime mobilization need (including for training purposes or testing for readiness and suitability for mission performance); and

"(B) during the period of that employment, possessed a valid license, certificate of registry, or merchant mariner's document issued under chapter 71 or chapter 73 (as applicable) of title 46, United States Code; and

"(2) if the Secretary makes affirmative determinations under paragraph (1) (A) and (B), certify that individual under this subsection.

"(d) For purposes of reemployment rights and benefits provided by this section, a certification under subsection (c) shall be considered to be the equivalent of a certificate referred to in clause (1) of section 4301(a) of title 38, United States Code.".

(b) APPLICATION.—The amendment made by subsection (a) shall apply to employment described in section 302(c)(1)(A) of the Merchant Marine Act, 1936, as amended by subsection (a), occurring after August 2, 1990.

(c) EMPLOYMENT ENDING BEFORE ENACTMENT.—Notwithstanding subsection (b) of section 302 of the Merchant Marine Act, 1936, as amended by this Act, an individual who, in the period beginning August 2, 1990, and ending on the date of the enactment of this Act, completed a period of employment described in subsection (c)(1)(A) of that section may submit an application for certification under subsection (c) of that section with respect to that employment not later than 45 days after the date of the enactment of this Act.

(d) REGULATIONS.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Transportation shall issue regulations implementing this section.

SEC. 11102. REFORM OF ESSENTIAL AIR SERVICE PROGRAM.

Section 419 of the Federal Aviation Act of 1958 (49 App. U.S.C. 1389) is amended—

(1) in subsection (a) by striking paragraph (2) and inserting the following:

"(2) RESTRICTIONS ON QUALIFICATIONS AS AN ELIGIBLE POINT.—To qualify as an eligible point in the 48 contiguous states, Hawaii, and Puerto Rico for purposes of fiscal year 1995 and thereafter, a point described in paragraph (1) must not require a rate of subsidy per passenger in excess of $200 unless such point is more than 210 miles from the nearest large or medium hub airport and may not be located fewer than 70 highway miles from the nearest large or medium hub airport;" and

(2) in subsection (l) by striking paragraph (2) and inserting the following:

"(2) AMOUNTS AVAILABLE.—There shall be available to the Secretary from the Airport and Airway Trust Fund to incur obligations under this section $33,423,077 per fiscal year for each of fiscal years 1994 through 1999. Such amounts shall remain available until expended. Unobligated balances that remain available as of September 30, 1994, are rescinded.".

SEC. 11003. AIRWAY SCIENCE PROGRAM.

(a) REPEAL.—All authority for—

(1) the Secretary of Transportation to enter into grant agreements with universities or colleges having an airway science curriculum recognized by the Federal Aviation Administration, to conduct demonstration projects in the development, advancement, or expansion of airway science programs; and

(2) the Federal Aviation Administration to enter into competitive grant agreements with institutions of higher education having airway science curricula, and all authorizations to appropriate for such purposes, as enacted under the head, "Federal Aviation Administration, Facilities and Equipment", in the Department of Transportation and Related Agencies Appropriations Acts for fiscal years ending before October 1, 1993;

is repealed.

(b) LIMITATION.—Subsection (a) shall not affect the authority of the Secretary to enter into grant agreements with universities, colleges, or institutions of higher education to obligate funds appropriated for fiscal years ending before October 1, 1993, which have not been rescinded.

SEC. 11004. COLLEGIATE TRAINING INITIATIVE.

(a) IN GENERAL.—Section 313(d) of the Federal Aviation Act of 1958 (49 U.S.C. App. 1354(d)) is amended—

(1) by striking the subsection heading and all that follows through "The Administrator" and inserting the following:

"(d) TRAINING SCHOOLS.—

"(1) IN GENERAL.—The Administrator";

(2) by moving the text of paragraph (1), as so designated, 2 ems to the right; and

(3) by adding at the end the following:

"(2) COLLEGIATE TRAINING INITIATIVE.—

"(A) CONTINUATION.—The Administrator of the Federal Aviation Administration may continue the Collegiate Training Initiative program, by entering into new agreements, with post-secondary institutions, as defined by the Administrator, whereby such institutions, without cost to the Federal Aviation Administration, prepare students for the position of air traffic controller with the Department of Transportation, as defined in section 2109 of title 5, United States Code.

"(B) STANDARDS.—The Administrator may establish standards for the entry of institutions into such program and for their continued participation in it.

"(C) APPOINTMENT IN EXCEPTED SERVICE.—The Administrator may appoint persons who have successfully completed a course of training in such program to the position of air traffic controller noncompetitively in the excepted service, as defined in section 2103 of title 5, United States Code. Persons so appointed shall serve at the pleasure of the Administrator, subject to section 7511 of such title (pertaining to adverse actions). However, an appointment under this subparagraph may be converted from one in the excepted service to a career conditional or career appointment in the competitive civil service, as defined in section 2102 of such title when the incumbent achieves full performance level air traffic controller status, as determined by the Administrator. The authority conferred by this subparagraph to make new appointments in the excepted service shall expire at the end of 5 years from the date of the enactment of this subparagraph; except that the Administrator may determine to extend such authority for 1 or more successive 1-year periods thereafter.".

(b) CONFORMING AMENDMENT.—Section 362 of the Department of Transportation and Related Agencies Appropriations Act, 1993 (106 Stat. 1560) is repealed.

(c) LIMITATION.—The repeal and the amendments made by this section shall not prohibit the expenditure of funds appropriated for fiscal years ending before October 1, 1994.

TITLE XII—DEPARTMENT OF VETERANS AFFAIRS

Subtitle A—Administrative Improvements

SEC. 12001. ELIMINATION OF HOSPITAL AND NURSING HOME BED CAPACITY REQUIREMENTS.

(a) Section 8110(a)(1) of title 38, United States Code, is amended—

(1) by striking "at not more than 125,000 and not less than 100,000"; and

(2) by striking the third and fourth sentences.

(b) Section 8111(a) of such title is amended by striking out "result (1)" and all that follows through "maintained or".

SEC. 12002. ELIMINATION OF REQUIREMENT FOR MINIMUM NUMBER OF PERSONNEL IN THE OFFICE OF INSPECTOR GENERAL.

Subsection (b) of section 312 of title 38, United States Code, is amended to read as follows:

"(b) Whenever the Secretary proposes to reduce the authorized number of full-time equivalent employees assigned to the Office of Inspector General, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report providing notice of the proposed reduction and a detailed explanation for the proposed reduction. No action to carry out the proposed reduction may be taken after the submission of such report until the end of a 45-day period of continuous session of Congress (determined in the same manner as specified in the last sentence of section 510(b) of this title) following the date of the submission of the report.".

SEC. 12003. MODIFICATION OF ADMINISTRATIVE REORGANIZATION AUTHORITY.

(a) MODIFICATION OF REQUIREMENT TO REPORT TO CONGRESS.—Section 510 of title 38, United States Code, is amended by striking out "90-day" both places it appears in subsection (b) and inserting in lieu thereof "45-day".

(b) AUTHORITY TO REORGANIZE OFFICES IN EVENT OF EMERGENCY.—Such section is further amended by striking out subsection (d) and inserting the following:

"(d)(1) The limitation in subsection (b) does not apply with respect to an administrative reorganization at a medical facility if the Secretary determines that the reorganization is necessary to respond to an emergency situation at that facility. The Secretary may determine that there is an emergency situation at a medical facility for purposes of this subsection only in a case in which there would be an immediate danger to patients and employees at that facility without the reorganization. In the case of a facility at which officials of the Department are considering whether to implement an administrative reorganization before the event or occurrence which leads to an initial finding that such an emergency exists, the Secretary may not make such a determination.

"(2) Whenever the Secretary determines under paragraph (1) that it is necessary to carry out an administrative reorganization at a medical facility without regard to the limitation in subsection (b), the Secretary shall submit a report on that determination to the Committees on Veterans' Affairs of the Senate and House of Representatives. The report shall provide the same information as is provided in a detailed plan and justification in the case of an administrative reorganization subject to subsection (b). The Secretary shall include in the report an explanation of the alternatives to the proposed administrative reorganization that were considered and each factor that was considered in the decision to reject each such alternative.".

SEC. 12004. ELIMINATION OF REQUIREMENT FOR CERTAIN SERVICES IN THE VETERANS HEALTH ADMINISTRATION.

(a) Section 7305 of title 38, United States Code, is repealed.

(b) The table of sections at the beginning of chapter 73 of such title is amended by striking the item relating to section 7305.

SEC. 12005. MODIFICATION OF PHYSICIAN REQUIREMENT FOR CERTAIN SENIOR VETERANS HEALTH ADMINISTRATION OFFICIALS.

(a) UNDER SECRETARY.—Section 305 of title 38, United States Code, is amended—

(1) in subsection (a)(2), by striking out "shall be a doctor of medicine and shall be" and inserting in lieu thereof "shall (except as provided in subsection (d)(1)) be a doctor of medicine. The Under Secretary shall be";

(2) in subsection (d)—

(A) by adding at the end of paragraph (1) the following: "If at the time such a commission is established both the position of Deputy Under Secretary for Health and the position of Associate Deputy Under Secretary for Health are held by individuals who are doctors of medicine, the individual appointed by the President as Under Secretary for Health may be someone who is not a doctor of medicine. In any case, the Secretary shall develop, and shall furnish to the commission, specific criteria which the commission shall use in evaluating individuals for recommendations under paragraph (3).";

(B) by redesignating paragraph (4) as paragraph (5);

(C) by inserting after the first sentence of paragraph (3) the following: "In a case in which, pursuant to paragraph (1), the individual to be appointed as Under Secretary does not have to be a doctor of medicine, the commission may make recommendations without regard to the requirement in subsection (a)(2)(A) that the Under Secretary be appointed on the basis of demonstrated ability in the medical profession, but in such a case the commission shall accord a priority to the selection of a doctor of medicine over an individual who is not a doctor of medicine."; and

(D) by designating the last two sentences of paragraph (3) as paragraph (4).

(b) DEPUTY AND ASSOCIATE DEPUTY UNDER SECRETARY.—Section 7306 of such title is amended—

(1) in subsection (a)—

(A) by striking out "of the following:" in the matter preceding paragraph (1) and inserting in lieu thereof "such personnel as may be considered necessary for the purposes of this chapter. In appointing persons to positions in the Office, the Under Secretary shall consider the different types of health care services provided to veterans by the Veterans Health Administration and shall seek to ensure that appointments in the Office are made in such a manner that the Office is staffed so as to provide the Under Secretary with appropriate expertise in those services. The Office shall include the following:";

(B) by inserting "(except as provided in subsection (c))" in paragraphs (1) and (2) after "and who shall";

(C) by striking out each paragraph after paragraph (2);

(2) by striking out subsection (b);

(3) by redesignating subsection (c) as subsection (b) and striking out "In the case of" in the second sentence and all that follows through "such appointments" and inserting in lieu thereof "Such appointments"; and

(4) by inserting after subsection (b), as so redesignated, the following new subsection (c):

"(c)(1) If at the time of the appointment of the Deputy Under Secretary for Health under subsection (a)(1), both the position of Under Secretary for Health and the position of Associate Deputy Under Secretary for Health are held by individuals who are doctors of medicine, the individual appointed as Deputy Under Secretary for Health may be someone who is not a doctor of medicine.

"(2) If at the time of the appointment of the Associate Deputy Under Secretary for Health under subsection (a)(2), both the position of Under Secretary for Health and the position of Deputy Under Secretary for Health are held by individuals who are doctors of medicine, the individual appointed as Associate Deputy Under Secretary for Health may be someone who is not a doctor of medicine.".

SEC. 12006. USE OF FUNDS RECOVERED FROM THIRD PARTIES.

(a) AUTHORIZED USES.—Section 1729(g) of title 38, United States Code, is amended by adding at the end of paragraph (3) the following new subparagraph:

"(C) Payments for (i) the purchase of needed medical equipment, and (ii) such other purposes as may be specifically authorized by law.".

(b) AVAILABILITY OF FUNDS.—Such section is further amended by striking out paragraph (4) and inserting the following:

"(4)(A) Not later than December 1 of each year, there shall be set aside within the Fund a reserve to be used for the purposes described in paragraph (3)(C). The amount placed into the reserve each year shall be determined under subparagraph (B). No funds may be obligated under paragraph (3)(C) in excess of the funds in the reserve. The reserve shall remain available for obligation until expended.

"(B)(i) On December 1, 1993, the amount set aside for the reserve under subparagraph (A) shall be the amount by which—

"(I) the unobligated balance remaining in the Fund at the close of business on September 30, 1993, minus any part of such balance that the Secretary determines is necessary

to defray, the expenses, payments, and costs described in paragraph (3), exceeds

"(II) $538,600,000.

"(ii) On December 1, 1994, the amount set aside for the reserve under subparagraph (A) shall be the amount by which—

"(I) the unobligated balance remaining in the Fund at the close of business on September 30, 1994, minus any part of such balance that the Secretary determines is necessary to defray, the expenses, payments, and costs described in paragraph (3), exceeds

"(II) $590,500,000.

"(iii) On December 1, 1995, the amount set aside for the reserve under subparagraph (A) shall be the amount by which—

"(I) the unobligated balance remaining in the Fund at the close of business on September 30, 1995, minus any part of such balance that the Secretary determines is necessary to defray, the expenses, payments, and costs described in paragraph (3), exceeds

"(II) $646,000,000.

"(iv) On December 1, 1996, the amount set aside for the reserve under subparagraph (A) shall be the amount by which—

"(I) the unobligated balance remaining in the Fund at the close of business on September 30, 1996, minus any part of such balance that the Secretary determines is necessary to defray, the expenses, payments, and costs described in paragraph (3), exceeds

"(II) $698,100,000.

"(v) On December 1, 1997, the amount set aside for the reserve under subparagraph (A) shall be the amount by which—

"(I) the unobligated balance remaining in the Fund at the close of business on September 30, 1997, minus any part of such balance that the Secretary determines is necessary to defray, the expenses, payments, and costs described in paragraph (3), exceeds

"(II) $753,500,000.

"(C) If the amount to be set aside for the reserve for any year, as calculated under subparagraph (B), is less than zero, the amount added to the reserve for that year shall be zero.

"(5) Not later than January 1 of each year, there shall be deposited into the Treasury as miscellaneous receipts an amount equal to the amount of the unobligated balance remaining in the Fund at the close of business on September 30 of the preceding year minus any part of such balance that the Secretary determines is necessary in order to enable the Secretary to defray, during the fiscal year in which the deposit is made, the expenses, payments, and costs described in paragraph (3), and the amount in the reserve described in paragraph (4).

"(6) The Secretary shall prescribe regulations for the allocation of amounts in the reserve under paragraph (4) to the medical centers of the Department for the purposes stated in paragraph (3)(C). Those regulations shall be designed to provide incentives to directors of medical centers to increase the recoveries and collections under this section by requiring that 20 percent of those amounts be made available each year directly to the medical centers at which such recoveries and collections have been at above average levels. The remaining 80 percent of those funds shall be allocated as the Secretary considers appropriate.".

Subtitle B—Closure of Certain Facilities

SEC. 12101. CLOSURE OF SUPPLY DEPOTS.

(a) IN GENERAL.—The Secretary of Veterans Affairs shall close the Department of Veterans Affairs' supply depots specified in subsection (b).

(b) COVERED DEPOTS.—Subsection (a) applies to the supply depots of the Department of Veterans Affairs at the following locations:

(1) Somerville, New Jersey.

(2) Hines, Illinois.

(3) Bell, California.

(c) DEADLINE.—The Secretary shall complete the actions required by subsection (a) not later than September 30, 1995.

SEC. 12102. WAIVER OF OTHER PROVISIONS.

Sections 510(b) and 8121 of title 38, United States Code, do not apply to the actions required under this subtitle.

Subtitle C—Provision of Information From the Medicare and Medicaid Coverage Data Bank to the Department of Veterans Affairs

SEC. 12201. PROVISION OF DATA BANK INFORMATION TO DEPARTMENT OF VETERANS AFFAIRS.

(a) ADDITIONAL PURPOSE OF DATA BANK.—

(1) The heading to section 1144 of the Social Security Act is amended by striking "**medicare and medicaid**" and inserting "**Health care**".

(2) Subsection (a) of that section is amended—

(A) in the matter preceding paragraph (1), by striking "Medicare and Medicaid" and inserting "Health Care";

(B) by striking "and" at the end of paragraph (1);

(C) by substituting ", and" for the period at the end of paragraph (2); and

(D) by adding at the end the following:

"(3) assist in the identification of, and the collection from, third parties responsible for payment for health care items and services furnished to veterans under chapter 17 of title 38, United States Code.".

(b) DISCLOSURE OF DATA BANK INFORMATION TO SECRETARY OF VETERANS AFFAIRS.—Subsection (b)(2)(B) of that section is amended by inserting "to the Secretary of Veterans Affairs and" after "Data Bank".

Subtitle D—Veterans' Appeals Improvements

SEC. 12301. BOARD OF VETERANS' APPEALS.

(a) BOARD MEMBERS AND PERSONNEL.—Section 7101(a) of title 38, United States Code, is amended to read as follows:

"(a)(1) There is in the Department a Board of Veterans' Appeals (hereinafter in this chapter referred to as the 'Board'). The Board is under the administrative control and supervision of a Chairman directly responsible to the Secretary.

"(2) The members of the Board shall be the Chairman, a Vice Chairman, such number of Deputy Vice Chairmen as the Chairman may designate under subsection (b)(4), and such number of other members as may be found necessary to conduct hearings and consider and dispose of matters properly before the Board in a timely manner. The Board shall have such other professional, administrative, clerical, and stenographic personnel as are necessary to conduct hearings and consider and dispose of matters properly before the Board in a timely manner.".

(b) ETHICAL AND LEGAL LIMITATIONS ON CHAIRMAN.—Section 7101(b)(1) of such title is amended by inserting after the first sentence the following: "The Chairman shall be subject to the same ethical and legal limitations and restrictions concerning involvement in partisan political activities as apply to judges of the United States Court of Veterans Appeals.".

(c) APPOINTMENT AND REMOVAL OF BOARD MEMBERS.—Section 7101(b) of such title is further amended—

(1) in paragraph (2)(A) by striking "other members of the Board (including the Vice Chairman)" and inserting "Board members other than the Chairman";

(2) in paragraph (2)(B) by striking "paragraph" and inserting "subparagraph"; and

(3) by striking paragraph (4) and inserting the following:

"(4) The Secretary shall designate one Board member as Vice Chairman based upon recommendations of the Chairman. The Chairman may designate one or more Board members as Deputy Vice Chairmen. The Vice Chairman and any Deputy Vice Chairman shall perform such functions as the Chairman may specify. The Vice Chairman shall serve as Vice Chairman at the pleasure of the Secretary. Any Deputy Vice Chairman shall serve as Deputy Vice Chairman at the pleasure of the Chairman.".

(d) ACTING BOARD MEMBERS.—Section 7101(c) of such title is amended—

(1) by striking paragraph (1) and inserting the following:

"(1) The Chairman may from time to time designate one or more employees of the Department to serve as acting Board members.";

(2) by striking paragraph (2); and

(3) by redesignating paragraph (3) as paragraph (2) and in that paragraph by—

(A) striking "temporary Board members designated under this subsection and the number of"; and

(B) striking "section 7102(a)(2)(A)(ii) of this title" and inserting "paragraph (1)".

(e) CHAIRMAN'S ANNUAL REPORT.—Section 7101(d)(2) of such title is amended—

(1) by striking out "and" at the end of subparagraph (D);

(2) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof "; and"; and

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

"(F) the names of those employees of the Department designated under subsection (c)(1) to serve as acting Board members during that year and the number of cases each such acting Board member participated in during that year.".

(e) CONFORMING AMENDMENTS.—Section 7101 of such title is further amended—

(1) in subsection (d)(3)(B), by striking "section 7103(d)" and inserting "section 7101(a)(2)"; and

(2) in subsection (e), by striking "a temporary or" and inserting "an"

SEC. 12302. DECISIONS BY THE BOARD.

(a) ACTION BY BVA THROUGH SECTIONS.—Sections 7102 and 7103 of title 38, United States Code, are amended to read as follows:

"§ 7102. Decisions by the Board

"A proceeding instituted before the Board shall be assigned to an individual member or a panel of members of the Board (other than the Chairman). A member or panel of members who are assigned a proceeding shall render a decision thereon, including any motion filed in connection therewith. The member or panel of members shall make a report under section 7104(d) of this title on any such determination, which report shall constitute the Board's final disposition of the proceeding. Decisions by a panel shall be made by a majority of the members of the panel.

"§ 7103. Reconsideration; correction of obvious errors

"(a) The decision of a member or panel of the Board under section 7102 of this title is final unless the Chairman orders reconsideration of the case. Such an order may be made on the Chairman's initiative or upon motion of the claimant.

"(b)(1) If the Chairman orders reconsideration in a case decided by a single member, the matter shall be referred to a panel of not

less than three Board members, not including the member who rendered the initial decision, which shall render its decision after reviewing the entire record before the Board. Such decisions shall be made by a majority vote of the members of the panel and shall constitute the final decision of the Board.

"(2) If the Chairman orders reconsideration in a case decided by a panel of members, the matter shall be referred to an enlarged panel, not including the members of the panel which rendered the initial decision, which shall render its decision after reviewing the entire record before the Board. Such decisions shall be made by a majority vote of the members of the expanded panel and shall constitute the final decision of the Board.

"(c) The Board on its own motion may correct an obvious error in the record, without regard to whether there has been a motion or order for reconsideration.".

(b) CLERICAL AMENDMENT.—The items relating to sections 7102 and 7103 in the table of sections at the beginning of chapter 71 are amended to read as follows:

"7102. Decisions by the Board.
"7103. Reconsideration; correction of obvious errors.".

SEC. 12303. TECHNICAL CORRECTION.

Section 7104(a) of title 38, United States Code, is amended by striking out "211(a)" and inserting in lieu thereof "511(a)".

SEC. 12304. HEARINGS.

(a) IN GENERAL.—Section 7110 of title 38, United States Code, is amended to read as follows:

"§ 7110. Hearings

"(a) The Board shall decide any appeal only after affording the appellant an opportunity for a hearing.

"(b) A hearing docket shall be maintained and formal recorded hearings shall be held by such member or members of the Board as the Chairman may designate. Such member or members designated by the Chairman to conduct the hearing will participate in making the final determination in the claim.

"(c)(1) An appellant may request a hearing before the Board at either its principal location or at a regional office of the Department. A hearing held at a regional office shall (except as provided in paragraph (2)) be scheduled for hearing in the order in which the requests for hearing in that area are received by the Department at the place specified by the Department for the filing of requests for those hearings.

"(2) In a case in which the Secretary is aware that the appellant is seriously ill or is under severe financial hardship, a hearing may be scheduled at a time earlier than would be provided under paragraph (1).

"(d) At the request of the Chairman, the Secretary may provide suitable facilities and equipment to the Board or other components of the Department to enable an appellant located at a facility within the area served by a regional office to participate, through voice transmission, or picture and voice transmission, by electronic or other means, in a hearing with a Board member or members sitting at the Board's principal location. When such facilities and equipment are available, the Chairman may afford the appellant an opportunity to participate in a hearing before the Board through the use of such facilities and equipment in lieu of a hearing held by personally appearing before a Board member or members as provided in subsection (c). Any such hearing shall be conducted in the same manner as, and shall be considered the equivalent of, a personal hearing. If the appellant declines to participate in a hearing through the use of such facilities and equipment, the opportunity of the appellant to a hearing as provided in subsection (c) shall not be affected.".

(b) CLERICAL AMENDMENT.—The item relating to section 7110 in the table of sections at the beginning of chapter 71 of such title is amended to read as follows:

"7110. Hearings.".

SEC. 12305. ELIMINATION OF REQUIREMENT FOR ANNUAL INCOME QUESTIONNAIRES.

Section 1506 of title 38, United States Code, is amended—

(1) in paragraph (2), by striking out "shall" and inserting in lieu thereof "may"; and

(2) in paragraph (3), by striking out "file a revised report" and inserting in lieu thereof "notify the Secretary".

TITLE XIII—HUMAN RESOURCE MANAGEMENT

SEC. 13001. FEDERAL WORKFORCE TRAINING.

(a) IN GENERAL.—Chapter 41 of title 5, United States Code, is amended—

(1) in section 4101(4) by striking "fields" and all that follows through the semicolon and inserting "fields which will improve individual and organizational performance and assist in achieving the agency's mission and performance goals;";

(2) in section 4103—

(A) in subsection (a)—

(i) by striking "In" and all that follows through "maintain" and inserting "In order to assist in achieving an agency's mission and performance goals by improving employee and organizational performance, the head of each agency, in conformity with this chapter, shall establish, operate, maintain, and evaluate";

(ii) by striking "and" at the end of paragraph (2);

(iii) by redesignating paragraph (3) as paragraph (4); and

(iv) by inserting after paragraph (2) the following:

"(3) provide that information concerning the selection and assignment of employees for training and the applicable training limitations and restrictions be made available to employees of the agency; and"; and

(B) in subsection (b)—

(i) in paragraph (1) by striking "determines" and all that follows through the period and inserting "determines that such training would be in the interests of the Government."; and

(ii) by striking paragraph (2) and redesignating paragraph (3) as paragraph (2);

(3) in section 4105—

(A) in subsection (a) by striking "(a)"; and

(B) by striking subsections (b) and (c);

(4) by repealing section 4106;

(5) in section 4107—

(A) by amending the catchline to read as follows:

"§ 4107. Restriction on degree training";

(B) by striking subsections (a) and (b) and redesignating subsections (c) and (d) as subsections (a) and (b), respectively;

(C) by amending subsection (a) (as so redesignated)—

(i) by striking "subsection (d)" and inserting "subsection (b)"; and

(ii) by striking "by, in, or through a non-Government facility"; and

(D) by amending paragraph (1) of subsection (b) (as so redesignated) by striking "subsection (c)" and inserting "subsection (a)";

(6) in section 4108(a) by striking "by, in, or through a non-Government facility under this chapter" and inserting "for more than a minimum period prescribed by the head of the agency";

(7) in section 4113(b)—

(A) in the first sentence by striking "annually to the Office," and inserting "to the Office, at least once every 3 years, and"; and

(B) by striking the matter following the first sentence and inserting the following: "The report shall set forth—

"(1) information needed to determine that training is being provided in a manner which is in compliance with applicable laws intended to protect or promote equal employment opportunity; and

"(2) information concerning the expenditures of the agency in connection with training and such other information as the Office considers appropriate.";

(8) by repealing section 4114; and

(9) in section 4118—

(A) in subsection (a)(7) by striking "by, in, and through non-Government facilities";

(B) by striking subsection (b); and

(C) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Title 5, United States Code, is amended—

(1) in section 3381(e) by striking "4105(a)," and inserting "4105,"; and

(2) in the analysis for chapter 41—

(A) by repealing the items relating to sections 4106 and 4114; and

(B) by amending the item relating to section 4107 to read as follows:

"4107. Restriction on degree training.".

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective on the date of enactment of this Act.

SEC. 13002. SES ANNUAL LEAVE ACCUMULATION.

(a) Effective on the last day of the last applicable pay period beginning in calendar year 1993, subsection (f) of section 6304 of title 5, United States Code, is amended to read as follows:

"(f)(1) This subsection applies with respect to annual leave accrued by an individual while serving in a position in—

"(A) the Senior Executive Service;

"(B) the Senior Foreign Service;

"(C) the Defense Intelligence Senior Executive Service;

"(D) the Senior Cryptologic Executive Service; or

"(E) the Federal Bureau of Investigation and Drug Enforcement Administration Senior Executive Service.

"(2) For purposes of applying any limitation on accumulation under this section with respect to any annual leave described in paragraph (1)—

"(A) '30 days' in subsection (a) shall be deemed to read '90 days'; and

"(B) '45 days' in subsection (b) shall be deemed to read '90 days'.".

(b) Notwithstanding the amendment made by subsection (a), in the case of an employee who, on the effective date of subsection (a), is subject to subsection (f) of section 6304 of title 5, United States Code, and who has to such employee's credit annual leave in excess of the maximum accumulation otherwise permitted by subsection (a) or (b) of section 6304 (determined applying the amendment made by subsection (a)), such excess annual leave shall remain to the credit of the employee and be subject to reduction, in the same manner as provided in subsection (c) of section 6304.

TITLE XIV—REINVENTING SUPPORT SERVICES

SEC. 14001. SHORT TITLE.

This title may be cited as the "Government Information Dissemination and Printing Improvement Act of 1993".

SEC. 14002. TRANSFER OF FUNCTIONS.

(a) SUPERINTENDENT OF DOCUMENTS.—The position of Superintendent of Documents and all functions of the position of Superintendent of Documents under title 44, United States Code, or any other provision of law are transferred to the Library of Congress and shall be carried out by the Superintendent of Documents under the direction of the Librarian of Congress. The Superintendent of Documents shall be appointed by, and serve at the pleasure of, the Librarian of Congress. Until otherwise provided by law, on and after the effective date of the transfer under this subsection, the employees under the Superintendent of Documents who are transferred shall be treated, for purposes of the laws governing labor-management relations, in the same manner as such employees were treated before the effective date of such transfer.

(b) REVOCATION OF CHARTERS.—All printing plant charters authorized under section 501 of title 44, United States Code, are revoked.

(c) EFFECTIVE DATE.—The transfer under subsection (a) shall take effect one year after the date of the enactment of this title. The revocation under subsection (b) shall take effect 2 years after the date of the enactment of this title.

SEC. 14003. GOVERNMENT PUBLICATIONS TO BE AVAILABLE THROUGHOUT THE GOVERNMENT.

All Government publications shall be available throughout the Government to any department, agency, or entity of the Government for use or redissemination.

SEC. 14004. INVENTORY AND FURNISHING OF GOVERNMENT PUBLICATIONS.

Each department, agency, and other entity of the Government shall—

(1) establish and maintain a comprehensive inventory of its Government publications;

(2) make such inventory available through the electronic directory under chapter 41 of title 44, United States Code; and

(3) in the form and manner prescribed by the Superintendent of Documents, furnish its Government publications to the Superintendent of Documents.

SEC. 14005. ADDITIONAL RESPONSIBILITIES OF THE PUBLIC PRINTER.

(a) IN GENERAL.—The Public Printer shall, with respect to the executive branch of the Government and the judicial branch of the Government—

(1) use all necessary measures to remedy neglect, delay, duplication, and waste in the public printing and binding of Government publications, including the reduction and elimination of internal printing and high-speed duplicating capacities of departments, agencies, and entities;

(2) prescribe Government publishing standards, which, to the greatest extent practicable, shall be consistent with the United States Government Printing Office Style Manual;

(3) prescribe Government procurement and manufacturing requirements for printing paper and writing paper, which, to the greatest extent practicable, shall be consistent with Government Paper Specification Standards;

(4) authorize the acquisition and transfer of equipment requisitioned by publishing facilities authorized under section 501 of title 44, United States Code;

(5) authorize the disposal of such equipment pursuant to section 312 of title 44, United States Code; and

(6) establish policy for the acquisition of printing, which, to the greatest extent practicable, shall be consistent with (A) Printing Procurement Regulation (GPO Publication 305.3), (B) Government Printing and Binding Regulations (JCP No. 26), and (C) Printing Procurement Department Instruction (PP304.1B).

(b) POLICY STANDARDS.—The policy referred to in subsection (a)(6) shall be formulated to maximize competitive procurement from the private sector. Government in-house printing and duplicating operations authorized under section 501 of title 44, United States Code, or otherwise authorized by law, may be used if they provide printing at the lowest cost to the Government, taking into consideration the total expense of production, materials, labor, equipment, and general and administrative expense, including all levels of overhead.

SEC. 14006. ADDITIONAL RESPONSIBILITIES OF THE SUPERINTENDENT OF DOCUMENTS.

(a) GOVERNMENT PUBLICATIONS TO BE FURNISHED TO THE SUPERINTENDENT OF DOCUMENTS.—If a department, agency, or other entity of the Government publishes a Government publication, the head of the department, agency, or entity shall furnish the Government publication to the Superintendent of Documents not later than the date of release of the material to the public.

(b) DISSEMINATION OR REPUBLICATION.—In addition to any other dissemination provided for by law, the Superintendent of Documents shall disseminate or republish Government publications, if, as determined by the Superintendent, the dissemination by the department, agency, or entity of the Government is inadequate. The Superintendent shall have authority to carry out the preceding sentence by appropriate means, including the dissemination and republication of Government publications furnished under subsection (a), with the cost of dissemination and republication to be borne by the department, agency, or entity involved.

(c) COST.—The cost charged to the public by the Superintendent of Documents under subsection (b) for any Government publication (whether such Government publication is made available to the public by a department, agency, or entity of the Government, or by the Superintendent of Documents) may include the incremental cost of dissemination, but may not include any profit.

SEC. 14007. DEPOSITORY LIBRARIES.

In addition to any other distribution provided for by law, the Superintendent of Documents shall make Government publications available to designated depository libraries and State libraries. The Superintendent shall have authority to carry out the preceding sentence by appropriate means, including the dissemination and republication of Government publications furnished under section 14006(a), with the cost of dissemination and republication to be borne by the department, agency, or entity involved.

SEC. 14008. DEFINITIONS.

As used in this title—

(1) the term "Government publication" means any informational matter that is published at Government expense, or as required by law; and

(2) the term "publish" means, with respect to informational matter, make available for dissemination.

TITLE XV—STREAMLINING MANAGEMENT CONTROL

SEC. 15001. AUTHORITY TO INCREASE EFFICIENCY IN REPORTING TO CONGRESS.

(a) PURPOSE.—The purpose of this title is to improve the efficiency of Executive branch performance in implementing statutory requirements for reports to Congress and its committees. Examples of improvements in efficiency intended by this title are the elimination or consolidation of duplicative or obsolete reporting requirements and adjustments to deadlines that will provide for more efficient workload distribution or improve the quality of reports.

(b) AUTHORITY OF THE DIRECTOR.—The Director of the Office of Management and Budget may publish annually in the President's Budget his recommendations for consolidation, elimination, or adjustments in frequency and due dates of statutorily required periodic reports to the Congress or its committees. For each recommendation, the Director shall provide an individualized statement of the reasons that support the recommendation. In addition, for each report for which a recommendation is made, the Director shall state with specificity the exact consolidation, elimination, or adjustment in frequency or due date that is recommended. If the Director's recommendations are approved by law, they shall take effect.

(c) The Director's recommendations shall be consistent with the purpose stated in subsection (a).

(d) Prior to the publication of the recommendations authorized in subsection (b), the Director or his designee shall consult with the appropriate congressional committees concerning the recommendations.

TITLE XVI—FINANCIAL MANAGEMENT

SEC. 16001. SHORT TITLE.

This title may be cited as the "Federal Financial Management Act of 1993".

SEC. 16002. ELECTRONIC PAYMENTS.

(a) Section 3332 of title 31, United States Code, is amended to read as follows:

"§ 3332. Required direct deposit

"(a)(1) Notwithstanding any other provision of law, all Federal wage, salary, and retirement payments shall be paid to recipients of such payments by electronic funds transfer, unless another method has been determined by the Secretary of the Treasury to be appropriate.

"(2) Each recipient of Federal wage, salary, or retirement payments shall designate one or more financial institutions or other authorized payment agents and provide the payment certifying or authorizing agency information necessary for the recipient to receive electronic funds transfer payments through each institution so designated.

"(b)(1) The head of each agency shall waive the requirements of subsection (a) of this section for a recipient of Federal wage, salary, or retirement payments authorized or certified by the agency upon written request by such recipient.

"(2) Federal wage, salary, or retirement payments shall be paid to any recipient granted a waiver under paragraph (1) of this subsection by any method determined appropriate by the Secretary of the Treasury.

"(c)(1) The Secretary of the Treasury may waive the requirements of subsection (a) of this section for any group of recipients upon request by the head of an agency under standards prescribed by the Secretary of the Treasury.

"(2) Federal wage, salary, or retirement payments shall be paid to any member of a group granted a waiver under paragraph (1) of this subsection by any method determined appropriate by the Secretary of the Treasury.

"(d) This section shall apply only to recipients of Federal wage or salary payments who begin to receive such payments on or after January 1, 1995, and recipients of Federal retirement payments who begin to receive such payments on or after January 1, 1995.

"(e) The crediting of the amount of a payment to the appropriate account on the books of a financial institution or other authorized payment agent designated by a payment recipient under this section shall constitute a full acquittance to the United States for the amount of the payment.".

(b) The table of sections for chapter 33 of title 31, United States Code, is amended by amending the item for section 3332 to read:

"3332. Required direct deposit.".

SEC. 16003. FRANCHISE FUNDS AND INNOVATION FUNDS.

(a) Title 31, United States Code, is amended by adding, after section 1537, a new section 1538, as follows:

"§ 1538. Franchise funds

"(a) There is hereby authorized to be established a franchise fund in any executive agency which does not have such a fund which shall be available, without further appropriation action by the Congress, for expenses and equipment necessary for the maintenance and operations of such administrative services as the head of the agency, with the approval of the Office of Management and Budget, determines may be performed more advantageously on a centralized basis.

"(b)(1) The fund shall consist of the fair and reasonable value of inventories, equipment, and other assets and inventories on order pertaining to the services to be provided by the fund as are transferred by the head of the agency to the fund less related liabilities and unpaid obligations together with any appropriations made for the purpose of providing capital.

"(2) For the first fiscal year a fund is in operation and each fiscal year thereafter, an amount not to exceed 4 percent of the total income of the fund may be retained in the fund, to remain available until expended, to be used only for the acquisition of capital equipment and for the improvement and implementation of agency financial management and related support systems.

"(3) For the first three fiscal years a fund is in operation, up to 50 percent of the unobligated balances of funds provided in annual appropriations available at the end of the fiscal year to the agency for salaries and expenses may be transferred into the fund no later than the end of the succeeding fiscal year.

"(c) The fund shall be reimbursed or credited with payments, including advance payments, from applicable appropriations and funds of the agency, other Federal agencies, and other sources authorized by law for supplies, materials, and services at rates which will recover the expenses of operations including accrued leave, depreciation of fund plant and equipment, and an amount necessary to maintain a reasonable operating reserve, as determined by the head of the agency.

"(d)(1) In the third fiscal year after the fund is established, and each year thereafter, any Federal entity seeking to obtain any service financed through the fund that is not inherently governmental in nature must not be precluded from obtaining such service from one or more other sources, either governmental or nongovernmental, in addition to the source financed through the fund.

"(2) If, after the end of the third fiscal year after a fund is established, any Federal entity seeking to obtain any service financed through the fund that is not inherently governmental in nature is precluded from obtaining such service from one or more other sources, either governmental or nongovernmental, in addition to the source financed through the fund, the fund shall be canceled.".

(b) The table of sections for subchapter III of chapter 15 of title 31, United States Code, is amended by adding, after the item for section 1537, the following new item:

"1538. Franchise funds.".

(c) Title 31, United States Code, is amended by adding, after section 1538, a new section 1539, as follows:

"§ 1539. Innovation funds

"(a) There is hereby authorized to be established an innovation fund in any executive agency which does not have such a fund, which shall be available without further appropriation action by the Congress.

"(b) The purpose of the fund is to provide a self-sustaining source of financing for agencies to invest in projects designed to produce measurable improvements in agency efficiency and significant taxpayer savings. Amounts available in the fund may be borrowed by the agency for such projects, subject to subsection (e).

"(c) Each agency that establishes an innovation fund will develop an investment project selection process, including specific investment criteria such as return on investment, payback period, extent of matching or in-kind support (including such support from other Federal agencies), technical merit, and budget justification.

"(d) For the first three fiscal years a fund is in operation, up to 50 percent of the unobligated balances of funds provided in annual appropriations available at the end of the fiscal year to the agency (other than appropriations for salaries and expenses) may be transferred to and merged with the innovation fund to be available to make loans to agency components for projects designed to enhance productivity and generate cost savings, provided that such transfers occur no later than the end of the succeeding fiscal year.

"(e)(1) Any amounts borrowed from the fund by an agency component to finance a project selected under the process described in subsection (c) shall be repaid to the fund at the times specified in the repayment schedule agreed upon at the time the loan is made.

"(2) Interest on loans made by the fund shall be paid to the fund at the rate on marketable Treasury securities of similar maturity at the time the loan is made.

"(3) Repayments shall be made from the accounts anticipated to receive the greatest long-term benefit from the project at the time the loan is made.

"(4) Repayments to the fund shall take priority over any other obligation of payments of an account designated to make repayments under paragraph (3) of this subsection.".

(d) The table of sections for subchapter III of chapter 15 of title 31, United States Code, is amended by adding, after the item for section 1538, the following new item:

"1539. Innovation funds.".

SEC. 16004. SIMPLIFICATION OF MANAGEMENT REPORTING PROCESS.

(a) To improve the efficiency of Executive branch performance in implementing statutory requirements for general management and financial management reports to the Congress and its committees, the Director of the Office of Management and Budget may publish annually in the President's Budget his recommendations for consolidation, elimination, or adjustments in frequency and due dates of statutorily required periodic reports of agencies to the Office of Management and Budget or the President and of agencies or the Office of Management and Budget to the Congress under any laws for which the Office of Management and Budget has general management or financial management responsibility. For each recommendation, the Director shall provide an individualized statement of the reasons that support the recommendation. In addition, for each report for which a recommendation is made, the Director shall state with specificity the exact consolidation, elimination, or adjustment in frequency or due date that is recommended. If the Director's recommendations are approved by law, they shall take effect.

(b) The Director's recommendations shall be consistent with the purpose stated in subsection (a).

(c) Prior to the publication of the recommendations authorized in subsection (a), the Director or his designee shall consult with the appropriate congressional committees, including the House Committee on Government Operations and the Senate Committee on Governmental Affairs, concerning the recommendations.

SEC. 16005. ANNUAL FINANCIAL REPORTS.

(a) Section 3515 of title 31, United States Code, is amended to read as follows:

"§ 3515. Financial statements of agencies

"(a) Not later than March 1 of 1997 and each year thereafter, the head of each executive agency identified in section 901(b) of this title shall prepare and submit to the Director of the Office of Management and Budget an audited financial statement for the preceding fiscal year, covering all accounts and associated activities of each office, bureau, and activity of the agency.

"(b) Each audited financial statement of an executive agency under this section shall reflect—

"(1) the overall financial position of the offices, bureaus, and activities covered by the statement, including assets and liabilities thereof; and

"(2) results of operations of those offices, bureaus, and activities.

"(c) The Director of the Office of Management and Budget shall prescribe the form and content of the financial statements of executive agencies under this section, consistent with applicable accounting principles, standards, and requirements.

"(d) The Director of the Office of Management and Budget may waive the application of all or part of subsection (a).

"(e) Not later than March 1 of 1996, the head of each Executive agency identified in section 901(b) of this title and designated by the Director of the Office of Management and Budget shall prepare and submit to the Director of the Office of Management and Budget an audited financial statement for the preceding fiscal year, covering all accounts and associated activities of each office, bureau, and activity of the agency.

"(f) Not later than March 31 of 1994, 1995, and, for Executive agencies not designated by the Director of the Office of Management and Budget under subsection (e), 1996, the head of each Executive agency identified in section 901(b) of this title shall prepare and submit to the Director of the Office of Management and Budget a financial statement for the preceding fiscal year, covering—

"(1) each revolving fund and trust fund of the agency; and

"(2) to the extent practicable, the accounts of each office, bureau, and activity of the agency which performed substantial commercial functions during the preceding fiscal year.

"(g) for purposes of subsection (f), the term 'commercial functions' includes buying and leasing of real estate, providing insurance, making loans and loan guarantees, and other credit programs and any activity involving the provision of a service or thing for which a fee, royalty, rent, or other charge is imposed by an agency for services and things of value it provides.".

(b) Subsection 3521(f) of title 31, United States Code, is amended to read as follows:

"(f)(1) For each audited financial statement required under subsections (a) and (e) of section 3515 of this title, the person who audits the statement for purpose of subsection (e) of this section shall submit a report on the audit to the head of the agency. A report under this subsection shall be prepared in accordance with generally accepted government auditing standards.

"(2) Not later than June 30 following the fiscal year for which a financial statement is submitted under subsection (f) of section 3515 of this title, the person who audits the statement for purpose of subsection (e) of this section shall submit a report on the audit to the head of the agency. A report under this subsection shall be prepared in accordance with generally accepted government auditing standards.".

SEC. 16006. AUTHORIZATION OF APPROPRIATIONS FOR ENHANCING DEBT COLLECTION.

(a) Title 31, United States Code, is amended by adding, after section 3720A, a section 3720B, as follows:

"§ 3720B. Authorization of appropriations for enhancing debt collection

"(a) To the extent and in the amounts provided in advance in appropriations acts—

"(1) an amount not to exceed 1 percent of the delinquent debts collected for a program in one fiscal year is authorized to be credited in the following fiscal year to a special fund for such program;

"(2) an amount not to exceed 10 percent of any sustained annual increase in delinquent debt collections, as defined by the Director of the Office of Management and Budget, is authorized to be credited to a special fund for such program; and

"(3) from amounts credited under paragraphs (1) and (2), such sums as may be necessary are authorized to be appropriated for the improvement of that program's debt collection activities, including, but not limited to, account and loan servicing, delinquent debt collection and asset disposition.

"(b) Debt is defined as delinquent under standards prescribed or to be prescribed by the Secretary of the Treasury.

"(c) For direct loan and loan guarantee programs subject to Title V of the Congressional Budget Act of 1974, amounts credited in accordance with section (a) shall be considered administrative costs and shall not be included in the estimated payments to the Government for the purpose of calculating the cost of such programs.

"(d) This section shall apply only to collection of debts—

"(1) for a program not within the Department of Justice; and

"(2) not involving the assistance of the Department of Justice.".

(b) The table of sections for subchapter II of chapter 37 of title 31, United States Code, is amended by adding, after the item for section 3720A, the following new item:

"3720B. Authorization of appropriations for enhancing debt collection.".

SEC. 16007. CONTRACTS FOR COLLECTION SERVICES.

(a) Subsection 3701(d) of Title 31, United States Code, is amended—

(1) by striking "and 3716–3719" and inserting in lieu thereof ", 3716, and 3717"; and

(2) by striking ", the Social Security Act (42 U.S.C. 301 et seq.),".

(b) Section 3701 of title 31, United States Code, is amended by adding at the end the following:

"(e) Section 3718 of this title does not apply to a claim or debt under, or to an amount payable under, the Social Security Act (42 U.S.C. 301 et seq.) owed by a person receiving benefits under that Act or to a claim or debt under, or to an amount payable under, title 26 of the United States Code.".

SEC. 16008. NOTIFICATION TO AGENCIES OF DEBTORS' MAILING ADDRESSES.

Section 3720A of title 31, United States Code is amended by striking "the individual's home address." at the end of subsection (c) and inserting the following: "the person's mailing address. Provision of this information is authorized by section 6103(m)(2) of the Internal Revenue Code (26 U.S.C. 6103(m)(2)).".

SEC. 16009. CONTRACTS FOR COLLECTION SERVICES.

Subparagraph 3718(B)(1)(A) of title 31, United States Code, is amended by striking the following: "If the Attorney General makes a contract for legal services to be furnished in any judicial district of the United States under the first sentence of this paragraph, the Attorney General shall use his best efforts to obtain, from among attorneys regularly engaged in the private practice of law in such district, at least four such contracts with private individuals or firms in such district.".

SEC. 16010. ADJUSTING CIVIL MONETARY PENALTIES FOR INFLATION.

The Federal Civil Penalties Inflation Adjustment Act of 1990 is amended by—

(1) amending section 4 to read as follows: "The head of each agency shall—

"(1) by regulation, no later than September 30, 1994, and at least once every 4 years thereafter, adjust each civil monetary penalty provided by law within the jurisdiction of the Federal agency, except for any penalty under title 26, United States Code, by the inflation adjustment described under section 5 and publish each such adjustment in the Federal Register; and

"(2) provide a report to the Secretary of the Treasury by November 15 of each year on all penalties adjusted during the preceding fiscal year.";

(2) amending subsection 5(a) by striking "The adjustment described under paragraphs (4) and (5)(A) of section 4" and inserting "The inflation adjustment"; and

(3) adding, after section 6, a section 7, as follows: "Section 7. Any increase to a civil monetary penalty resulting from this Act shall apply only to violations which occur after the date any such increase takes effect.".

TITLE XVII—RESCISSIONS OF BUDGET AUTHORITY

SEC. 17001. SHORT TITLE.

This title may be cited as the "Fiscal Year 1994 Rescission Act".

Subtitle A—Department of Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

DEPARTMENT OF AGRICULTURE

AGRICULTURAL RESEARCH SERVICE

(RESCISSION AND TRANSFER OF FUNDS)

Of the funds made available under this heading in Public Law 103–111 and subsequently transferred to the Human Nutrition Information Service pursuant to Secretary's Memorandum No. 1020–39, dated September 30, 1993, $1,000,000 are rescinded and the remaining funds are transferred to the Agricultural Research Service: *Provided*, That funds appropriated by Public Law 103–111 for the functions of the former Human Nutrition Information Service shall be made available only to the Agricultural Research Service.

COOPERATIVE STATE RESEARCH SERVICE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–111, $14,279,000 are rescinded, including $4,375,000 for contracts and grants for agricultural research under the Act of August 4, 1965, as amended; $7,000,000 for competitive research grants; and $2,904,000 for necessary expenses of the Cooperative State Research Service.

BUILDINGS AND FACILITIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–111, $2,897,000 are rescinded.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

(RESCISSION AND TRANSFER OF FUNDS)

Of the funds made available under this heading in Public Law 103–111 and subsequently transferred to the Agricultural Cooperative Service pursuant to Secretary's Memorandum No. 1020–39, dated September 30, 1993, $100,000 are rescinded and the remaining funds are transferred to the Rural Development Administration.

PAYMENTS TO STATES AND POSSESSIONS

(TRANSFER OF FUNDS)

Of the funds made available under this heading in Public Law 103–111 and subsequently transferred to the Agricultural Cooperative Service pursuant to Secretary's Memorandum No. 1020–39, dated September 30, 1993, $435,000 are transferred to the Rural Development Administration.

FARMERS HOME ADMINISTRATION

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–111 for the cost of direct section 502 loans, $35,000,000 are rescinded.

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–111 for the cost of direct loans, $20,000,000 are rescinded.

RURAL WATER AND WASTE DISPOSAL GRANTS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–111, $25,000,000 are rescinded.

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–111, $12,167,000 are rescinded.

FOOD AND NUTRITION SERVICE

COMMODITY SUPPLEMENTAL FOOD PROGRAM

(RESCISSION)

Of the funds made available under this heading in Public Law 102–341, $12,600,000 are rescinded.

FOOD DONATIONS PROGRAMS FOR SELECTED GROUPS

(RESCISSION)

Of the funds made available under this heading in Public Law 102–341, $6,000,000 are rescinded.

PUBLIC LAW 480 PROGRAM ACCOUNT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–111 for commodities supplied in connection with title III, $20,000,000 are rescinded.

Subtitle B—Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies

DEPARTMENT OF COMMERCE

ECONOMIC DEVELOPMENT ADMINISTRATION

ECONOMIC DEVELOPMENT REVOLVING FUND

(RESCISSION)

Of the unobligated balances in the Economic Development Revolving Fund, $29,000,000 are rescinded.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

CONSTRUCTION

(RESCISSION)

Of the amounts made available under this heading in Public Law 103–121, $3,000,000 are rescinded.

DEPARTMENT OF JUSTICE

ADMINISTRATIVE PROVISION

For fiscal year 1994 only, the Director of the Bureau of Justice Assistance, upon good cause shown, may waive the provisions of section 504(f) of the Omnibus Crime Control and Safe Streets Act of 1968 for projects located in communities covered under a Presidentially declared disaster pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

BUYING POWER MAINTENANCE

(RESCISSION)

Of the balances in the Buying Power Maintenance account, $8,800,000 are rescinded.

NEW DIPLOMATIC POSTS

(RESCISSION)

Of the funds made available for the United States Information Agency under this heading in Public Law 102–395, $1,000,000 are rescinded.

ADMINISTRATIVE PROVISION

Subject to enactment of legislation authorizing the Secretary of State to charge a fee or surcharge for processing machine readable non-immigrant visas and machine readable combined border crossing identification cards and non-immigrant visas, the Secretary of State may collect not to exceed $20,000,000 in additional fees or surcharges during fiscal year 1994 pursuant to such authority: *Provided*, That such additional fees shall be deposited as an offsetting collection to the Department of State, Administration of Foreign Affairs, "Diplomatic and Consular Programs" appropriation account and such fees shall remain available until expended: *Provided further*, That such collections shall be available only to modernize, automate, and enhance consular services and counterterrorism activities of the Department of State, to include the development and installation of automated visa and namecheck information systems, secure travel documents, worldwide telecommunications systems, and management systems to permit sharing of critical information regarding visa applicants and help secure America's borders.

THE JUDICIARY

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

DEFENDER SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–121, $3,000,000 are rescinded.

RELATED AGENCIES

BOARD FOR INTERNATIONAL BROADCASTING

ISRAEL RELAY STATION

(RESCISSION)

Of the funds made available under this heading, $1,700,000 are rescinded.

UNITED STATES INFORMATION AGENCY

SALARIES AND EXPENSES

(INCLUDING RESCISSION)

Of the funds made available under this heading in Public Law 103–121, $1,177,000 are rescinded.

Notwithstanding the provisions of this or any other Act, not to exceed $2,000,000 of the funds made available under this heading in Public Law 103–121 may be used to carry out projects involving security construction and related improvements for Agency facilities not physically located together with Department of State facilities abroad: *Provided*, That such funds may remain available until expended.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–121, $850,000 are rescinded.

RADIO CONSTRUCTION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–121, $2,000,000 are rescinded.

Subtitle C—Energy and Water Development

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

GENERAL INVESTIGATIONS

(RESCISSION)

Of the amounts made available under this heading in Public Law 102–377 and prior years' Energy and Water Development Appropriations Acts, $24,970,000 are rescinded.

CONSTRUCTION, GENERAL

(RESCISSION)

Of the amounts made available under this heading in Public Law 102–377 and prior years' Energy and Water Development Appropriations Acts, $97,319,000 are rescinded.

DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

CONSTRUCTION PROGRAM

(RESCISSION)

Of the amounts made available under this heading in Public Law 102–377 and prior years' Energy and Water Development Appropriations Acts, $16,000,000 are rescinded.

DEPARTMENT OF ENERGY

ENERGY SUPPLY, RESEARCH AND DEVELOPMENT ACTIVITIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–126, $97,300,000 are rescinded: *Provided*, That the reduction shall be taken as a general reduction, applied to each program equally, so as not to eliminate or disproportionately reduce any program, project, or activity in the Energy Supply, Research and Development Activities account as included in the reports accompanying Public Law 103–126.

URANIUM SUPPLY AND ENRICHMENT ACTIVITIES

(RESCISSION)

Of the amounts made available under this heading in Public Law 102–377 and prior years' Energy and Water Development Appropriations Acts, $42,000,000 are rescinded.

Subtitle D—Foreign Operations, Export Financing, and Related Agencies

MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

(RESCISSION)

Of the unexpended or unobligated balances made available for payment to the International Bank for Reconstruction and Development for the United States share of the paid-in share portion of the increases in capital stock for the General Capital Increase, $27,910,500 is rescinded.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

Notwithstanding Public Law 103–87, the United States Governor of the International Bank for Reconstruction and Development may subscribe without fiscal year limitation to the callable capital portion of the United States share of the increases in capital stock in an amount not to exceed $902,439,500.

CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT BANK

(RESCISSION)

Of the unexpended or unobligated balances made available for payment to the Inter-American Development Bank by the Secretary of the Treasury, for the paid-in share portion of the United States share of the increase in capital stock $16,063,134 is rescinded.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

Notwithstanding Public Law 103–87, the United States Governor of the Inter-American Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of the increases in capital stock in an amount not to exceed $1,563,875,725.

CONTRIBUTION TO THE ASIAN DEVELOPMENT BANK

(RESCISSION)

Of the unexpended or unobligated balances made available for payment to the Asian Development Bank by the Secretary of the Treasury, for the paid-in share portion of the United States share of the increase in capital stock $13,026,366 is rescinded.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

Notwithstanding Public Law 103–87, the United States Governor of the Asian Development Bank may not subscribe in fiscal year 1994 to the callable capital portion of the United States share of any increases in capital stock.

BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

DEVELOPMENT ASSISTANCE

(RESCISSION)

Of the unexpended or unobligated balances (including earmarked funds) made available

for fiscal years 1987 through 1993 to carry out the provisions of sections 103 through 106 of the Foreign Assistance Act of 1961, as amended, $160,000,000 is rescinded: *Provided*, That funds rescinded under this paragraph are to be derived from the following countries in the following amounts: Guatemala, $8,000,000; Honduras, $5,000,000; India, $10,000,000; Indonesia, $15,000,000; Morocco, $10,000,000; Pakistan, $15,000,000; Peru, $5,000,000; Philippines, $10,000,000; Thailand, $10,000,000; and Yemen, $5,000,000: *Provided further*, That $10,000,000 of the funds rescinded under this paragraph are to be derived from non-country specific, centrally funded activities: *Provided further*, That $57,000,000 of the funds rescinded under this paragraph are to be derived from prior year deobligated funds.

ECONOMIC SUPPORT FUND

(RESCISSION)

Of the unexpended or unobligated balances of funds (including earmarked funds) made available for fiscal years 1987 through 1993 to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, as amended, $90,000,000 is rescinded: *Provided*, That funds rescinded under this paragraph are to be derived from the following countries in the following amounts: Kenya, $2,000,000; Liberia, $797,000; Oman, $18,000,000; Peru, $11,000,000; Philippines, $10,200,000; and Somalia, $3,003,000: *Provided further*, That $45,000,000 of the funds rescinded under this paragraph are to be derived from the Private Sector Power Project (No. 391-0494) for Pakistan.

MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

FOREIGN MILITARY FINANCING PROGRAM

(RESCISSION)

Of the grant funds made available (including earmarked funds) under this heading in Public Law 102-391 and prior appropriations Acts, $66,000,000 is rescinded: *Provided*, That funds rescinded under this paragraph are to be derived from the following countries in the following amounts: Benin, $3,000; Cameroon, $161,000; Central African Republic, $59,000; Congo, $7,000; Cote D' Ivoire, $128,000; Equatorial Guinea, $86,000; Gabon, $3,000; Ghana, $600,000; Guatemala, $1,563,000; Guinea, $499,000; Kenya, $9,000,000; Liberia, $15,000; Madagascar, $505,000; Mali, $3,000; Malawi, $326,000; Mauritania, $300,000; Morocco, $8,000,000; Organization of American States, $6,000; Oman, $3,100,000; Pakistan, $8,108,000; Peru, $6,533,000; Philippines, $5,000,000; Rwanda, $250,000; Sao Tome & Principe, $228,000; Somalia, $4,349,000; Sudan, $8,609,000; Thailand, $1,384,000; Togo, $19,000; Tunisia, $4,100,000; Uganda, $100,000; Yemen, $2,241,000; Zambia, $100,000; Zaire, $455,000; and Zimbabwe, $160,000.

Subtitle E—Department of the Interior and Related Agencies

DEPARTMENT OF THE INTERIOR

U.S. FISH AND WILDLIFE SERVICE

CONSTRUCTION AND ANADROMOUS FISH

(RESCISSION)

Of the funds appropriated under this head in Public Law 100-446 and Public Law 102-154, $3,874,000 are rescinded.

DEPARTMENT OF THE TREASURY

BIOMASS ENERGY DEVELOPMENT

(RESCISSION)

Of the funds available under this head, $16,275,000 are rescinded.

DEPARTMENT OF ENERGY

ADMINISTRATIVE PROVISIONS, DEPARTMENT OF ENERGY

Section 303 of Public Law 97-257, as amended, is repealed.

The seventh proviso under the head "Clean Coal Technology" in Public Law 101-512, and the seventh proviso under the head "Clean Coal Technology" in Public Law 102-154, both concerning Federal employment, are repealed.

Subtitle F—Departments of Labor, Health and Human Services, Education, and Related Agencies

DEPARTMENT OF LABOR

(RESCISSION)

Of the amounts appropriated in Public Law 103-112 for salaries and expenses and administrative costs of the Department of Labor, $4,000,000 are rescinded.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(RESCISSION)

Of the amounts appropriated in Public Law 103-112 for salaries and expenses and administrative costs of the Department of Health and Human Services (except the Social Security Administration), $37,500,000 are rescinded.

SOCIAL SECURITY ADMINISTRATION

SUPPLEMENTAL SECURITY INCOME PROGRAM

(RESCISSION)

Of the amounts appropriated in the first paragraph under this heading in Public Law 103-112, $10,909,000 are rescinded.

LIMITATION ON ADMINISTRATIVE EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103-112 to invest in a state-of-the-art computing network, $80,000,000 are rescinded.

DEPARTMENT OF EDUCATION

DEPARTMENTAL MANAGEMENT

PROGRAM ADMINISTRATION

(RESCISSION)

Of the amounts appropriated under this heading in Public Law 103-112 for salaries and expenses and administrative costs of the Department of Education, $8,500,000 are rescinded.

Subtitle G—Legislative Branch

HOUSE OF REPRESENTATIVES

SALARIES AND EXPENSES

(RESCISSION)

Of the amounts made available under this heading in Public Law 101-520, $633,000 are rescinded in the amounts specified for the following headings and accounts:

"ALLOWANCES AND EXPENSES", $633,000, as follows:

"Official Expenses of Members", $128,000; "supplies, materials, administrative costs and Federal tort claims", $125,000; "net expenses of purchase, lease and maintenance of office equipment", $364,000; and "Government contributions to employees' life insurance fund, retirement funds, Social Security fund, Medicare fund, health benefits fund, and worker's and unemployment compensation", $16,000.

Of the amounts made available under this heading in Public Law 102-90, $2,352,000 are rescinded in the amounts specified for the following headings and accounts:

"HOUSE LEADERSHIP OFFICES", $253,000;

"COMMITTEE ON THE BUDGET (STUDIES)", $4,000;

"STANDING COMMITTEES, SPECIAL AND SELECT", $378,000;

"ALLOWANCES AND EXPENSES", $943,000, as follows:

"Official Expenses of Members", $876,000; and "stenographic reporting of committee hearings", $67,000;

"COMMITTEE ON APPROPRIATIONS (STUDIES AND INVESTIGATIONS)", $595,000;

"SALARIES, OFFICERS AND EMPLOYEES", $179,000, as follows:

"Office of the Postmaster", $19,000; "for salaries and expenses of the Office of the Historian", $26,000; "the House Democratic Steering and Policy Committee and the Democratic Caucus", $73,000; and "the House Republican Conference", $61,000.

ARCHITECT OF THE CAPITOL

CAPITOL BUILDINGS AND GROUNDS

CAPITOL BUILDINGS

(RESCISSION)

Of the amounts made available under this heading in Public Law 102-392 and Public Law 103-69, $1,000,000 and $2,000,000, respectively, both made available until expended, are rescinded: *Provided*, That the Architect of the Capitol shall be considered the agency for purposes of the election in section 801(b)(2)(B) of the National Energy Conservation Policy Act and the head of the agency for purposes of subsection (b)(2)(C) of such section.

LIBRARY OF CONGRESS

(RESCISSION)

Of the amounts made available under this heading in Public Law 103-69 and Public Law 98-396, $900,000 are rescinded.

GENERAL ACCOUNTING OFFICE

SALARIES AND EXPENSES

(RESCISSION)

Of the amounts made available under this heading in Public Law 103-69, $1,300,000 are rescinded.

SUPPLEMENTAL APPROPRIATION

That the following sum is appropriated, out of any money in the Treasury not otherwise appropriated, for the Legislative Branch for the fiscal year ending September 30, 1994, and for other purposes, namely:

HOUSE OF REPRESENTATIVES

PAYMENTS TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

For payment to Karen A. Henry, widow of Paul B. Henry, late a Representative from the State of Michigan, $133,600.

Subtitle H—Department of Defense-Military

MILITARY CONSTRUCTION

(RESCISSIONS)

Of the funds appropriated under Public Law 103-110, the following funds are hereby rescinded from the following accounts in the specified amounts:

Military Construction, Army, $22,319,000;

Military Construction, Navy, $13,969,000;

Military Construction, Air Force, $24,787,000;

Military Construction, Defense-Wide, $13,663,000;

Military Construction, Army National Guard, $7,568,000;

Military Construction, Air National Guard, $6,187,000;

Military Construction, Army Reserve, $2,551,000;

Military Construction, Naval Reserve, $626,000;

Military Construction, Air Force Reserve, $1,862,000;

North Atlantic Treaty Organization Infrastructure, $70,000,000; and

Base Realignment and Closure Account, Part III, $437,692,000:

Provided, That, within funds available for "Base Realignment and Closure Account, Part III" for fiscal year 1994, not less than $200,000,000 shall be available solely for environmental restoration.

Subtitle I—Department of Transportation and Related Agencies

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

PAYMENTS TO AIR CARRIERS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

The funds provided for "Small community air service" under section 419 of the Federal Aviation Act of 1958, as amended, in excess of the funds made available for obligation in Public Law 103–122 are rescinded.

COAST GUARD

OPERATING EXPENSES

(RESCISSION)

Of the funds provided under this heading in Public Law 102–368, $5,000,000 are rescinded.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

(RESCISSION)

Of the funds provided under this heading in Public Law 102–368, $2,000,000 are rescinded.

FEDERAL AVIATION ADMINISTRATION

OPERATIONS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–122, $750,000 are rescinded.

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

Of the available balances (including earmarked funds) under this heading, $29,451,111 are rescinded.

GRANTS-IN-AID FOR AIRPORTS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

Of the funds provided under the Airport and Airway Improvement Act of 1982, as amended, for grants-in-aid for airport planning and development and noise compatibility planning and programs, $488,200,000 of the amount in excess of the funds made available for obligation in Public Law 103–122 are rescinded.

FEDERAL HIGHWAY ADMINISTRATION

(RESCISSION)

Of the funds made available for specific highway projects that are not yet under construction, $85,774,222 are rescinded: *Provided*, That no funds shall be rescinded from any emergency relief project funded under section 125 of title 23, United States Code: *Provided further*, That for the purposes of this paragraph, a project shall be deemed to be not under construction unless a construction contract for physical construction has been awarded by the State, municipality, or other contracting authority.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

OPERATIONS AND RESEARCH

(RESCISSION)

Of the amounts provided under this heading in Public Law 102–388, $3,476,000 are rescinded.

Of the amounts provided under this heading in Public Law 101–516, $1,075,000 are rescinded.

Of the amounts provided under this heading in Public Law 101–164, $2,505,000 are rescinded.

FEDERAL TRANSIT ADMINISTRATION

DISCRETIONARY GRANTS

(HIGHWAY TRUST FUND)

(RESCISSION)

Any unobligated balances of funds made available for fiscal year 1991 and prior fiscal years under section 3 of the Federal Transit Act, as amended, and allocated to specific projects for the replacement, rehabilitation, and purchase of buses and related equipment, for construction of bus-related facilities, and for new fixed guideway systems are rescinded: *Provided*, That no funds provided for the Miami Metromover project shall be rescinded: *Provided further*, That of the funds provided under this heading in Public Law 103–122, $2,500,000 are rescinded.

Subtitle J—Treasury, Postal Service, and General Government

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

(RESCISSION)

Of the funds made available under this heading in Public Law 103–123, $126,022,000, are rescinded and are not available in fiscal year 1994: *Provided*, That no individual prospectus-level new construction project may be reduced by more than 5 percent.

ADMINISTRATIVE PROVISION

SEC. 17101. Section 630 of the Treasury, Postal Service, and General Government Appropriations Act, 1993 (Public Law 102–393), and the amendment made by that section, are repealed.

Subtitle K—Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies

DEPARTMENT OF VETERANS AFFAIRS

DEPARTMENTAL ADMINISTRATION

CONSTRUCTION, MAJOR PROJECTS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–124, $26,000,000 are rescinded.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

HOMEOWNERSHIP AND OPPORTUNITY FOR PEOPLE EVERYWHERE GRANTS (HOPE GRANTS)

(RESCISSION)

Of the funds made available under this heading in Public Law 102–389 and Public Law 102–139, $66,000,000 are rescinded: *Provided*, That of the foregoing amount, $34,000,000 shall be deducted from the amounts earmarked for the HOPE for Public and Indian Housing Homeownership Program and $32,000,000 shall be deducted from the amounts earmarked for the HOPE for Homeownership of Multifamily Units Program.

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

(RESCISSION)

Of the funds made available under this heading in Public Law 102–389 and prior years, and earmarked for amendments to section 8 contracts other than contracts for projects developed under section 202 of the Housing Act of 1959, $25,000,000 are rescinded.

ASSISTANCE FOR THE RENEWAL OF EXPIRING SECTION 8 SUBSIDY CONTRACTS

(RESCISSION)

Of the funds made available under this heading in Public Law 102–389 and prior years, $20,000,000 are rescinded.

ADMINISTRATIVE PROVISION

Notwithstanding any other provision of law, the City of Slidell, Louisiana, is authorized to submit not later than 10 days following the enactment of this Act, and the Secretary of Housing and Urban Development shall consider, the final statement of community development objectives and projected use of funds required by section 104(a)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5304(a)(1)) in connection with a grant to the City of Slidell under title I of such Act for fiscal year 1994.

INDEPENDENT AGENCIES

ENVIRONMENTAL PROTECTION AGENCY

WATER INFRASTRUCTURE/STATE REVOLVING FUNDS

(INCLUDING RESCISSION OF FUNDS)

Of the funds made available under this heading in Public Law 103–124, $22,000,000 are rescinded: *Provided*, That the $500,000,000 earmarked under this heading in Public Law 103–124 to not become available until May 31, 1994, shall instead not become available until September 30, 1994.

FEDERAL EMERGENCY MANAGEMENT AGENCY

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–124, $2,000,000 are rescinded.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RESEARCH AND DEVELOPMENT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–124, $25,000,000 are rescinded.

CONSTRUCTION OF FACILITIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–124, $25,000,000 are rescinded.

NATIONAL SCIENCE FOUNDATION

ACADEMIC RESEARCH INFRASTRUCTURE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–124, $10,000,000 are rescinded.

NATIONAL SERVICE INITIATIVE

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–124, $5,000,000 are rescinded.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

The proviso under this heading in Public Law 103–124 is repealed.

The CHAIRMAN pro tempore. No amendment to the bill, as amended, is in order except the amendments printed in part 2 of House Report 103–403. Each amendment may be offered and shall be disposed of only in the order printed in the report, may be offered only by a Member specified in the report, is considered as read, shall be debatable under the terms specified in the report, shall not be subject to amendment except as specified in the report, and shall not be subject to a demand for division of the question.

It is now in order to consider amendment No. 1 printed in part 2 of House Report 103-403.

For what purpose does the gentleman from Minnesota [Mr. SABO] rise?

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. SABO

Mr. SABO. Mr. Chairman, I offer an amendment in the nature of a substitute.

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

For text of the amendment in the nature of a substitute offered by Mr. SABO, see the text of the bill, H.R. 3400, as amended by the amendment in the nature of a substitute and made in order as original text, in prior proceedings of the House today.

The CHAIRMAN pro tempore. Pursuant to the rule, the gentleman from Minnesota [Mr. SABO] will be recognized for 30 minutes, a Member opposed will be recognized for 30 minutes.

□ 1720

Mr. SABO. Mr. Chairman, if I might inquire, my understanding is, under the rule, that 30 minutes are reserved to the Committee on Appropriations.

The CHAIRMAN pro tempore (Mr. VENTO). The gentleman is correct. A Member opposed to the gentleman's amendment is also recognized for 30 minutes.

Under the rule, the gentleman from Kentucky [Mr. NATCHER] will be recognized for 15 minutes, and the gentleman from Pennsylvania [Mr. MCDADE] will be recognized for 15 minutes. The Chair understands that there is an agreement that the chairman and ranking member of the Committee on Appropriations will use their time first.

The Chair recognizes the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, included in the bill we are considering today is the fiscal year 1994 rescission bill. Title XVII of the bill before the House is the text of a bill, with one minor exception, that was developed and reported by the Committee on Appropriations. It was developed in response to the President's message of November 1, 1993, that proposed 37 rescissions totaling $1.992 billion. The rescissions reported by the committee total $2.561 billion, $570 million more than the President proposed.

In the way the committee has usually responded to Presidential requests for rescissions, we are recommending to the House an amount of rescissions that exceeds the amount of the request. In fact, since 1974 when the current process was enacted, the Congress has rescinded $19,071,177,195 more than Presidents have requested. Many times our priorities are different than the various administrations, but we have always acted responsibly and timely. The rescissions we bring to the House today were developed in the very same way as our previous rescission recommendations. We accepted some of the President's requests—we included some of our own.

I hope you'll support the committee reported rescissions included in this bill. They were carefully developed. We should resist further cuts that dramatically affect the programs that are so important to our country.

At this time, I want to thank all Members on both sides of the aisle for their cooperation in getting our 13 regular appropriations bills completed and signed into law, especially my friend, the gentleman from Pennsylvania [Mr. MCDADE], our ranking Republican member. We got our work done, and we did it right. I want all Members to know that I appreciate it.

Also I want to commend our excellent staff. Our staff works hard for long hours. I want the staff to know that I appreciate their hard work, too.

I ask the committee to support the committee rescission package and resist further cuts to discretionary programs.

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

Mr. MCDADE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman. I rise to speak on H.R. 3511, the appropriations rescission bill that by magic has been incorporated into the base bill and, pursuant to the unusual rule that governs consideration of this measure, is also a part of the amendment now under consideration. Although the appropriations action is significant, amounting to $2.5 billion in rescissions for fiscal year 1994, it is only a small part of the measure now under consideration, and it is not a particularly controversial part of that larger issue.

The administration proposed a rescission package of close to $2 billion in early November, which involved eight subcommittees. The Committees under the leadership of my dear friend from Kentucky, immediately moved to consider the proposals. Each subcommittee met or increased the amount of rescissions, and three subcommittees volunteered rescissions. The committee reported a bill that contains $2.5 billion in rescissions, half a billion more than the administration proposed.

These rescissions are by and large different than what the administration proposed, and reflect congressional priorities. That is the history of the committee when it comes to rescissions—historically we have met and exceeded what is asked of us, and we've done it in a way that protects the priorities of the Congress, and of its individual Members. The Committee has been responsive and responsible, by producing the savings that were asked of it and more.

One area I thought the committee should have addressed was the 252,000 personnel reduction. I thought the Committee should have locked in the savings from this year's cumulative 2.5 percent reduction, net of what has already been saved in the regular appropriations bills. In my view, we should have taken the lead in this area, to make sure it was done right.

Beyond that, Mr. Speaker, on the narrow issue of the appropriations piece of this larger amendment, the $2.5 billion in rescissions represents the consensus, the broad consensus, of the Appropriations Committee for additional spending reductions as a response to the President's request.

Mr. Chairman, I close my remarks by thanking, once again, my distinguished friend, the gentleman from Kentucky, for the leadership he has shown in the committee.

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

Mr. NATCHER. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Chairman, I thank the gentleman for yielding time to me.

One would think, to hear the talk here today, that we had not recently reduced the Federal budget by billions of dollars for the fiscal year beginning October 1. But we did. The fact of the matter is, there are no easy ways to make additional reductions, certainly such reductions would not be as easy as what is pretended.

I will just give Members a few examples of the kinds of drastic and unwise reductions in the Penny-Kasich amendment that affect programs in the Commerce, Justice and State Subcommittee which I chair. The first example is the proposed reduction for the Securities and Exchange Commission in the Penny-Kasich amendment. The SEC has a budget of $260,317,000, including about $172 million in offsetting fee collections. The Penny-Kasich amendment would take an estimated $141,600,000 in such fees and put these funds into the General Fund. The SEC, therefore, would not have that money to spend for carrying out its securities enforcement responsibilities. That reduction is 55 percent of the SEC's budget for fiscal year 1994.

The SEC protects investors. It is important to this country that we protect investors. Since 1987, the SEC has collected over $1.3 billion in disgorgements and penalties. I do not want to cripple the SEC, but that is what the Penny-Kasich amendment would do.

Now, any way we look at it, we have two alternatives for this agency. Either we cripple this important agency, or we do not save a dime by putting the fees into the General Fund of the Treasury and appropriating the money directly to the SEC. In addition, the Penny-Kasich amendment terminates the State Justice Institute. We just

passed some crime bills. We want the States to do more on crime. We want to cooperate with them. That is what this institution does. But contrary to the current drive against crime, the Penny-Kasich amendment would terminate the State-Justice Institute which is the only Federal agency which provides grants to the States to improve the efficiency and effectiveness of their judicial systems.

The Penny-Kasich amendment would also terminate NOAA funding for procurement of new reconnaissance aircraft so we can discover hurricanes earlier and reduce the disasters that we have in this country. This equipment is very necessary. If we do not have it, we could have higher property losses, injuries, and even loss of life, as well as higher costs for disaster assistance. We do not save money by denying NOAA the equipment that they need so they can predict where disasters are going to hit, especially in the case of hurricanes.

Anybody that votes for this amendment is saying we do not want to know more about hurricanes. We do not want to avoid the damage that they do.

NAFTA just passed here. We want to be competitive. We have got to do more about technology and R&D.

□ 1730

They would cut that back, too. That is contrary to the current drive that we have in this government, and in addition to that, it is contrary, to NAFTA. Those that voted for NAFTA want to be competitive, and this is anticompetitive.

What I am saying here is that there are no easy answers. I have just given a few of the examples of what happens if we vote for the Penny-Kasich amendment. Vote against it today.

Mr. MCDADE. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, and I would say to my friend, the gentleman from Minnesota [Mr. SABO] concerning his amendment, I would like to clear up, because I know he was concerned, and the gentleman from Pennsylvania [Mr. JACK MURTHA] and the people on the Committee on Armed Services, with one of the problems they had with the so-called Kasich amendment.

My concern is that we offer a contract to military personnel and Federal personnel. Congress should not violate that contract. That was my hangup with Penny-Kasich. That has been cleared up. What we do is offer anyone new coming into the Federal Government or the military the right to turn down or accept a new contract. That is a way that we get rid of the entitlement program for retirement. We do not change the retirement in midstream.

I know that the gentleman from Minnesota [Mr. SABO], and the gentleman from Pennsylvania [Mr. MURTHA], and people on the Committee on Armed Services were concerned about the Kasich amendment, because I have heard other people on the other side of the aisle say it affects Federal employees and military. That has been corrected.

Mr. NATCHER. Mr. Chairman, I yield 3 minutes to the gentleman from Alabama [Mr. BEVILL].

Mr. BEVILL. Mr. Chairman, I rise in support of the Sabo substitute to H.R. 3400. Subtitle C of title 17 of the bill includes rescissions totalling $277,589,000 from programs under the jurisdiction of my Energy and Water Development Subcommittee. These are the same as the rescissions reported by the Committee on Appropriations in H.R. 3511.

For the U.S. Army Corps of Engineers, the President proposed to rescind a total of $122,289,000 from studies and construction projects for which funds were provided in our fiscal year 1994 appropriations bill. For the Bureau of Reclamation, the President proposed to rescind $16,000,000 from construction projects which were funded in our bill.

The President's recommendation did not include a list of projects which would be cut as a result of the rescissions. The President's proposal and the Penny-Kasich proposal would permit the Corps of Engineers and Bureau of Reclamation to make those selections.

Mr. Chairman, the water resources projects included in our fiscal year 1994 bill were carefully considered by our panel, the full House, and the Senate. We believe that all those projects are important. Therefore, our panel did not agree with the President's proposal to rescind funds from our fiscal year 1994 bill. Instead, we have proposed to rescind amounts equal to the President's request from unobligated balances carried forward into fiscal year 1994.

For the Department of Energy, the President proposed to rescind $97,300,000 in the Energy supply, research and development activities account. The committee has agreed with the total amount of the rescission, but has directed that the reduction shall be taken as a general reduction, applied to each program equally, instead of the specific rescissions proposed by the President.

Also for the Department of Energy, the President proposed to rescind $42,000,000 in the uranium supply and enrichment activities account as a result of curtailing the atomic vapor laser isotope separation project. The committee has agreed with the amount of the rescission, but has directed that it be funded from prior year balances in the uranium supply and enrichment activities account.

Mr. MCDADE. Mr. Chairman, I am delighted to yield 2½ minute so the able gentleman from Iowa [Mr. LIGHTFOOT], the ranking member of the Subcommittee on Treasury-Postal-Service-General Government of the Committee on Appropriations.

Mr. LIGHTFOOT. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in support of the committee rescission package. I think as Members of Congress, and as one who very strongly believes that one of the most important jobs here is to gain control of the Federal deficit, we are facing a rather difficult vote today.

I must congratulate my colleagues, the gentleman from Minnesota [Mr. PENNY] and the gentleman from Ohio [Mr. KASICH], for their valiant efforts in crafting the significant deficit reduction package they bring before us. I know their intentions are noble, but I think that is where it ends.

It is with deep regret that I am unable to support their effort, no matter how well intentional that effort might be. It is not that I do not share their concern about getting the deficit under control. I do. It is not that I do not believe their efforts are important. It is, and I applaud them for all the hours of work they put into it.

However, unfortunately, the package is damaging in many areas of the budget. I have been a long supporter of across-the-boards cuts in discretionary spending. If we had the option to simply do that, I would be up here in support of it today.

However, we do not. Instead, the option before us is one that cuts Medicare by $34 billion. In my State of Iowa, where hundreds of rural hospitals can barely make it today, most of them rely heavily on Medicare reimbursement. Because of the high proportion of elderly residents, a person would have to be smoking something strange and inhale it, if they are going to support $34 billion in cuts to Medicare, when the end result would be to deprive thousands of my own constituents of emergency medical care.

On another front, the Penny-Kasich alternative will cut $67 million, that is $67 million, in deficiency payments for corn producers in the State of Iowa alone. Here is a headline in one of our local papers today, "USDA Crop Estimate Plunges, Corn, Soybeans Hurt By Flood." This is typical of what we are facing now.

The economists at Iowa State tell us that every dollar that is put into a farmer's pocket turns over seven times before it leaves town. That means the preacher gets a piece of it, the guy at the grocery store gets a piece of it, the country tax collector gets a piece of it, and the school teachers get paid. Take seven times $67 million and it will give you some idea of the impact on my State alone.

Our former Speaker, Tip O'Neill, once said that "All politics are local." He certainly knew what he was talking about. I have to take into consideration the impact that this proposal has on my constituents, the people who

elected me and sent me here to represent them. That impact is very adverse.

I am sorry, but this is one meat axe approach that I am going to have to go the other direction on. As an afterthought, being a member of the Committee on Appropriations, we have not totally ignored the effort to cut spending, as our rescission package has about $2.5 billion that has been cut this fiscal year alone. That includes $126 million from the public building fund alone. Yes, I support budget cuts—responsible ones that don't do more damage that they seek to repair.

Mr. NATCHER. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. MURTHA].

Mr. YATES. Will the gentleman yield?

Mr. MURTHA. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, Penny-Kasich is an amendment of immense proportions. It usurps the role of the authorizing committees, it usurps the role of the appropriations committee, it usurps the role of reason, it reorganizes the President's Cabinet, it reorganizes agencies within Departments and it abolishes agencies. It makes specific cuts and it would force unspecified cuts—all without committee review.

How did the two gentlemen whose names are associated with this amendment come up with these proposals and the claimed savings?

Was it by divine revelation?

Was it a gathering around a cauldron at midnight?

Was it the divining of entrails by witch doctors? Where are the hearings to support the Penny-Kasich amendment? What committees have considered it?

Now, let us look at some of the specific cuts in this amendment and the authors' rationales for those cuts. Everybody's whipping boy is the National Endowment for the Arts. But do you realize that this program has already been reduced? The fiscal year 1994 appropriation is already $4,365,000 below the President's request for the National Endowment for the Arts; it is already $4,232,000 below the fiscal year 1993 level; and if the Congress had kept pace with inflation since 1981, the appropriation for the Arts would have been $261 million. But the Congress has not done that. The fiscal year 1994 appropriation is $170 million, $91 million below what would be needed to deliver the same program level as was available in 1981.

As for the general cuts represented by the reduction in the total amount for discretionary spending, we are already doing an inadequate job in meeting the responsibilities placed upon the agencies under the Interior subcommittee's jurisdiction made inadequate by lack of adequate funds. For example, take the National Parks. Almost every day, when one opens newspapers, magazines and looked at television programs, they point out the lack of funding for the national treasures of the National Parks. This year, because discretionary spending is already constrained, the Congress could not appropriate the full amount requested by the administration by $67 million. It would take several years of increases to get the Park Service back to an acceptable condition to protect its wonderful natural and cultural resources and to provide for their enjoyment by the 300 million annual visitors.

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

The Penny-Kasich amendment would reduce fossil energy research and development by $54 million in 1994 with a stated intent of reducing it ultimately to 25 percent of its current level. Why? In 1981 this activity was at a level of $993.8 million. In 1994 the appropriation is only $430.7 million. It has already been reduced substantially. This is a vital program for the discovery of alternate fuels for energy.

And what committee has carried the funding for the electric car? It is this program that has provided the money. Currently, at least an additional 20 percent above the appropriated level will be received from industrial partners in research being conducted in this account. This is money for research that has not even reached the level of demonstrating its commercial viability, such as in the Clean Coal Technology program, where cost-sharing is well over 50 percent.

Research in this account has been highly successful over the years, and continues to be. For example, mainly because of funding in this account, fluidized bed combustion of coal is practiced widely by industry; fuel cells have been introduced commercially; CO_2 flooding, diamond drilling bits and advanced seismic technology are being used by the oil and gas industry. Dozens of other technologies have also been commercialized.

In addition, advanced processes for pressurized combustion, gasification of coal, liquefaction of coal, and technology to improve fuel cells and turbine generators, all strongly supported by industry, are supported.

In all cases, technologies are targeted at improving efficiency and reducing pollution. Great strides have been made in these areas.

Beyond the technologies mentioned previously, over one-half of the 45 projects being demonstrated in the Clean Coal Technology program prior to expected commercialization, were developed at least in part with funds in the fossil energy appropriations.

This program is essential. It is popular to denigrate fossil resources such as coal, oil, and natural gas, but such resources account for over 88 percent of all energy consumed in this country. The continued use of these resources is a given. Their use in a clean and efficient manner must continue to be supported as is other environmentally sound and efficient technology. When it is proper to reduce such research, the Congress has done it. Programs in oil shale, magnetohydrodynamics [MHD], underground gasification of coal, atmospheric fluidized combustion of coal, tar sands, heat engines, small scale coal combustion equipment, and certain types of fuel cells have been deleted as success or failure has dictated reduction of support. This is the proper way to make budget decisions. Previously, the Congress has done that. We should continue.

STRATEGIC PETROLEUM RESERVE PETROLEUM FUNDS

The amendment would rescind unobligated strategic petroleum reserve funds which amount to between $300 and $400 million. It sounds so simple to do that, assuming we are not going to purchase any more oil in the immediate future but as with other parts of the amendment, there are unintended consequences.

First, the unobliged balances normally available are used for draw down activities. With no funds available we would have a reserve that couldn't be used without supplemental appropriations.

Second, most of the obligated funds were expected to be used to fund a Life-Extension Program for facilities that are about 20 years old. Absent these already appropriated funds about $300 million wail be needed over the next several years for these facilities. Therefore, the rescission will not save any money either.

Third, if no oil is to be purchased, the oil in the system now should be adjusted by site or produce the most effective protection from the reserve. To do this would require funds to shift oil from site to site. No funds would be available because of this amendment.

CLEAN COAL TECHNOLOGY

The amendment would terminate the Clean Coal Technology program which is considered by many to be one of the most successful technology demonstration programs in the Government. It would also terminate it in a most devastating way, affecting 26 out of the 45 existing projects adversely. By prohibiting obligation of additional funds, $1,952,303,000 would be rescinded. Of these funds over $1.7 billion are related to 26 ongoing projects which would be halted. These projects, which are in various stages of negotiation, design, construction, and operation, have a total value, including non-Federal funds, of $5.9 billion of which over $1 billion from all sources has already been obligated.

Based on expenditure forecasts, jobs lost in construction and operation of these facilities would vary from 30,000 to 53,000 in the years 1994 through 1997.

Almost all the advanced—more efficient, cleaner—power generating technology projects would be terminated.

Firms who committed significant funding based on Government commitments would most likely sue to recoup expenses.

Future collaborations with industry would be hampered severely.

In the area of Indian affairs, the Penny-Kasich amendment would have a devastating effect on programs providing needed services to Indian people, who often are found to be among the poorest of the poor when it comes to all standard indicators, such as income, employment, educational levels, and health care status. Our subcommittee received testimony from over 600 separate Indian tribes and organizations this past spring. These witnesses told an almost endless litany of unmet needs for their people, in everything from child abuse and child protection needs, to old and crumbling schools and health clinics, to inadequate or nonexistent law enforcement on reservation lands, to unaddressed hazardous waste situations, to the severe impacts of alcoholism and other substance abuse, and on and on. The amounts requested of our subcommittee totaled several hundred million dollars, of which we were able to provide only a small fraction. The Penny-Kasich amendment, by lowering the caps on discretionary spending and forcing more unspecified cuts in such programs as those of the Bureau of Indian Affairs and the Indian Health Service, would only increase the severe impacts that budget constraints are already having on the Indian people in these and other areas.

Basic hospital and clinic services in Indian country are funded, on average, at 75 percent of need. Many locations are funded at substantially lower levels. Other health services are funded at dramatically lower levels. For example, dental services are funded at 44 percent of need, public health nursing services are funded at 33 percent of need and health services for Indians in urban settings are funded at a mere 22 percent of need. We will be unable to sustain even those deficit levels if the budget allocations are further reduced.

Some of our Indian hospitals and clinics are more than 80 years old. Within the current budget caps, we are able to fund only one or two new or replacement hospitals or clinics in any given year. There are about 200 facilities waiting to be placed on the priority list for new or replacement hospitals and clinics and each of the nearly 30 facilities on the current priority list will wait up to 10 or 15 years from the time they are placed on the list until construction is complete and a new facility is in operation. Further reductions in our budget allocation not only will extend the time it takes to get a new hospital or clinic constructed, it also will leave us unable to staff those facilities that are currently under construction.

Many Indian homes do not have safe water or sewer facilities. The backlog of needed water and sewer projects, which are considered to be economically feasible, amount to over $600 million. If you add in all the water and sewer needs for existing homes which are not economically feasible—for example, in remote villages in Alaska—the backlog is nearly $2 billion. Progress in reducing this backlog under the existing budget caps has been limited to slowing the rate of growth in the backlog.

The Penny-Kasich amendment would also include a Sense of Congress provision regarding reorganization of the Bureau of Indian Affairs, specifically regarding consolidation of BIA area offices. This issue is currently under consideration by the Joint Task Force on Bureau of Indian Affairs Reorganization, which was established by the committee several years ago. The reason it is important to let the task force continue to review this issue and develop final recommendations for the consideration of Congress is that this is the only mechanism for ensuring that the tribes themselves, who are served by these offices, have a direct say in how and to what extent such a consolidation should occur. Although it may sound good to decrease the number of these offices, it is important to remember that these offices provide direct services, as well as extensive technical assistance, to well over 300 tribes spread throughout the United States, as well as other Indian organizations and 184 Bureau-funded schools. In some areas, consolidation could well lead to decreased efficiencies in the provision of services, as well as increased costs. Therefore, the committee believes that Congress should not take a blanket position on this issue until the situation in each area has been studied by the tribes and organizations in that area, and a consensus has been reached on how best to provide Government services with least cost. The decision of the task force on this issue is expected to be forwarded to Congress within the next year, and could be implemented shortly thereafter.

The Penny-Kasich amendment would reduce the appropriations to the Smithsonian Institution and the National Gallery of Art by 2 percent per year over the next 5 years, for a total reduction of 10 percent. In the case of the Smithsonian, its museums and galleries attracted nearly 30 million visitors in 1992. As custodian of the National Collections, the Smithsonian is responsible for more than 130 million art objects, natural history specimens, and artifacts. In recent years, the Smithsonian's Federal base has eroded as a result of cumulative unfunded inflationary costs, increased FERS and health insurance costs, and several across-the-board funding reductions. To absorb these costs, the Smithsonian has held museum positions vacant; reduced essential support for research, collections management, and exhibitions; and deferred facilities maintenance throughout the Institution.

In the fall of 1992, to correct these base erosion problems and meet the funding limitations required by the fiscal year 1993 Appropriations Act, the Smithsonian began a comprehensive reorganization and restructuring process to ensure adequate funding for core responsibilities. This process focused on eliminating activities no longer central to the Institution's mission and the streamlining of other activities. The first phase of the multi-year restructuring plan was approved by Congress and implemented in fiscal year 1993.

The proposed 2 percent reduction following so soon after the difficult restructuring decisions of phase I would severely threaten the Institution's ability to continue this process in a planned, orderly manner. The following impacts could occur from the proposed reductions in 1994:

The closing of museum galleries or reduction in hours open to the public;

Closing of the National Zoo to the public 1 day a week;

Reduction of public services and outreach programs that serve wider audiences;

Curtailment of long-term research projects for which continuity is the defining element of the activity;

Mothballing some telescopes and eliminating associated research at the Smithsonian Astrophysical Observatory;

Loss of momentum in development of the National Museum of the American Indian, especially in the National Campaign to raise private funds for the buildings;

Reduction of collection management activity, including curtailing acquisitions and deferring artifact restorations;

Reduction of the Smithsonian Traveling Exhibition Service's subsidized exhibits for resource-poor, emerging ethnic communities;

Reduction or elimination of curatorial and research-related travel;

Slowing installation of accounting system designed to strengthen internal controls; and

Reducing safety training and safety inspections.

In subsequent years, the Smithsonian with over 75 percent of its salaries and expenses budget devoted to salaries and the uncontrollable costs of utilities and security, would be unable to function as the public has known it in the past.

With regard to the National Gallery of Art, when Congress accepted Andrew

Mellon's gift to the people of the United States in 1937, it pledged the faith of the United States to provide funds for upkeep, administration, and operations—including the protection and care of works of art acquired by the Board of Trustees—so that the gallery would be properly maintained and works of art exhibited regularly to the public free of charge. The 10-percent Penny-Kasich reduction would mean a cut of $5,470,000 over 5 years or $1.1 million per year. The 1994 appropriation provided for the gallery—before the Penny-Kasich reductions—is the same amount the gallery received for fiscal year 1993, despite inflationary and uncontrollable increases of 3–4 percent along with locality pay—$775,000—all of which must be absorbed.

Virtually all of the gallery's annual appropriation relates to personnel costs, rent, utilities, communications, and building security and maintenance, giving limited flexibility if the gallery is to fulfill its mandated purpose as a public museum housing a rare and valuable collection of fine art. To achieve a 10-percent reduction would mean letting go 147 FTE's over 5 years, the equivalent of 47 percent of the guard force or 90 percent of the maintenance staff. In order to comply with Executive Order 12839, the gallery is already eliminating 35 FTE's, and eliminating summer evening hours. OMB has also asked the gallery to look at the loss of an additional 70 FTE's through 1999. In addition, Executive Order 12837 requires a separate 14-percent reduction in administrative expenses from the 1993 baseline through 1997.

The gallery has testified for several years to this subcommittee as to the urgent need for three critical projects needed to maintain the safety of visitors, the art and the buildings in which they are contained, specifically: First, replacement of the six acres of gallery skylights originally installed in the West Building more than 50 years ago; second, installation of a centralized computer-controlled heating, humidity and air conditioning system; and third, an upgraded fire prevention system. The 10 percent reduction, on top of the other reductions mentioned above and the costs needed to be absorbed, would make it impossible to address these vital needs.

The Penny-Kasich amendment also proposes that the 10 percent reduction to the Smithsonian and the gallery be made up by charging admission fees. The Smithsonian has undertaken an experiment aimed at collecting voluntary fees from visitors, with little success to date. It is continuing to try various methods to increase such contributions, as well as other forms of private contributions. In the case of the gallery, the acceptance of the Mellon gift by the Congress included a provision that the gallery be kept open and available to the public free of charge, and this provision would have to be changed, if it even could be, before fees could be charged. However, significant private contributions have always been a major part of the private-Government partnership embodied by the gallery, including establishment of a $50 million endowment fund in the early 1980's for the acquisition of art, and gifts to the gallery during its 50th anniversary in 1991 of more than $1 billion worth of works of art.

The Penny-Kasich amendment contains a congressional finding that the helium program in the Department of the Interior loses $120 million a year in interest on the helium debt. This is not true. The helium program does not receive annual appropriations. The program is financed through a revolving fund which is self-sustaining. The proceeds from the sale of helium pay all expenses of the program and about $10 million a year is returned to the Treasury to offset the deficit.

The billion-dollar debt associated with the helium program truly is a paper debt. No funds were ever actually borrowed through public financing. The facility was built with appropriated funds and helium was purchased using appropriate borrowing authority which was charged against the bills in the years the appropriations were made. Those who claim savings will be realized by eliminating the helium program assume that you will save the interest that is accumulating on the debt each year. The interest is not real money because there is no actual loan.

The confusion over this issue stems from the Helium Act amendments of 1960 which required the Secretary of the Interior to pay back funds which had been borrowed to finance the helium program. The Treasury Department has been carrying those funds as a debt and accumulating interest on them ever since.

The General Accounting Office has said that canceling the helium program debt would be adversely affect the Federal budget because the debt consists of outlays that have already been appropriated and interest that is a paper transaction, not an outlay.

The amendment calls for a study to determine how best to sell or dispose of the helium reserve. Such a study would cost about $300,000. Now that's not a lot of money but why do we need to do a study? This issue has been studied in some detail over the past few years, including a review by the Vice President's task force on reinventing Government. We know that the only way to get a substantial amount of money out of the helium program would be to sell some of the Government's crude helium reserves to private customers. We have about 100 years of supply at current Government consumption rates. Any sales of crude helium would need to be carefully coordinated with private industry so that massive amounts of helium, in excess of demand, were not dumped on the open market. The Vice President's task force proposed controlled sales of helium from the Government's helium reserve but the legislative committee in the House rejected this proposal.

Mr. Chairman, this amendment does bring change, but change for change's sake is not productive. I urge members to defeat this amendment.

NATIONAL GALLERY OF ART

Appropriation Account: Salaries and Expenses, Repairs, Restoration and Renovation of Buildings.

Subject: Impact of a possible 10% Reduction Over Five Years.

The use of Federal funds to operate the Gallery stems from a 1937 Joint Resolution of Congress which accepted an unprecedented gift that Andrew W. Mellon made to the people of the United States. The gift consisted of his art collection, funds to construct a building (now the West Building), and an endowment fund. The Congress pledged the faith of the U.S. to provide funds for upkeep, administration, and operations (including the protection and care of works of art acquired by the Board of Trustees) so that the Gallery would be properly maintained and works of art exhibited regularly to the public free of charge.

Currently, Federal funds cover only 81% of the Gallery's operating expenses. 19% of yearly costs are covered by private funds—income from the Mellon and other endowments, plus gifts and grants. The private sector is already a major source of annual financial support of many Gallery programs, including the Center for Advanced Studies in the Visual Arts (CASVA), Conservation, education department projects, the research library and special exhibitions. Such funding is in addition to donations of works of art. The Gallery's challenge is to maintain this level of private support in the current and foreseeable economic climate.

Compliance with a 10% reduction specified in the Penny-Kasich Plan would mean a cut of $5,470,000 over five years or $1.1 million per year.

The $54.7 million appropriation proposed for the Gallery in FY 1994 before taking into consideration the Penny-Kasich Plan is the same amount the Gallery received from Congress for FY 1993 despite inflationary and uncontrollable increases of 3-4% along with locality pay ($775,000) which must be absorbed. The problem becomes more difficult looking ahead when we annualize the locality pay and future promised pay raises into FY 1995 and beyond.

Virtually all of the Gallery's annual appropriation relates to personnel costs, rent, utilities, communications, and building security and maintenance, giving limited flexibility if the Gallery is to fulfill its mandated purpose as a public museum housing a rare and valuable collection of fine art.

To achieve a 10% cut would mean letting go of 147 FTE's over five years, the equivalent of 47% of the guardianship force or 90% of the maintenance force. We hasten to point out that the Gallery is currently coping with Executive Order 12839 which requires a 4% reduction in staff through FY 1995, equivalent to 35 FTE's. We understand and agree with the need to cut back federal expenditures and are making the requisite reductions per Executive Order 12839 in that spirit. Our first action has been to eliminate summer evening hours, reducing the availability of the Gallery to summer tourists—the public drawn from throughout the United States

and the world. We have also been asked by OMB to contemplate the loss of an additional 70 FTE's through 1999.

Furthermore, lest it be overlooked, Executive Order 12837 requires a separate 14% reduction in administrative expenses from the 1993 baseline through 1997.

And, as the Interior Subcommittee already knows, a vital and urgent concern of the Gallery continues to be the lack of federal funding for three critical projects needed to maintain the safety of the visitors, the art and the building: specifically, (1) replacement of the six acres of Gallery skylights originally installed in the West Building more than 50 years ago; (2) installation of a centralized computer controlled heating, humidity and air conditioning system; and (3) an upgraded fire prevention system.

The Penny-Kasich Plan proposes a 10% reduction in funding to be made up by admission fees or private contributions. The proposal has two fundamental flaws as it pertains to the National Gallery of Art.

One, as mentioned earlier, is that the original Andrew Mellon gift to the nation comprising his art collection and the West Building, was accepted by a 1937 Joint Resolution of Congress with the provision that the Gallery be kept open and available to the public free of charge. It is difficult to imagine changing the terms (and the faith of the United States) under which Andrew Mellon's gifts were received.

Two, it should be pointed out that Andrew Mellon's original gift also gave responsibilities to the private sector to provide art for the nation. The Founding Benefactors pay tribute to Andrew Mellon's goal of attracting other major donors and gifts to the nation. Each gave or bequeathed major, virtually priceless, collections.

The process of building the nations art collection though gifts of art and funds from the private sector has since evolved into a partnership in which the government (and each administration) has fulfilled its responsibility for maintaining and protecting the works so generously given. During the early 1980's the Gallery conducted a capital fund drive to raise $50 million in endowment funds, the income of which is dedicated to the purchase of art. And during the Gallery's 50th Anniversary in 1991 more than 1,000 major works of art were given to the Gallery at a value close to $1 billion.

The slow moving economy has made it more difficult than ever to raise funds not only for art but for those projects already supported by private funds such as special exhibitions. An attempt to divert this private support to replace federal funds would have serious adverse effects: the diversion would reduce support already given to high profile important Gallery programs, and it would be seen as an abdication by the government of its responsibilities under the terms of the 1937 Joint Resolution of Congress, further undermining operating support and gifts of art from the private sector.

It is beyond argument that the private sector has played a major role in making the National Gallery of Art into one of the top museums of the world. In its relatively short life the Gallery's collections, programs, and exhibitions have become ranked with those of the Louvre, the British Museum, the Hermitage, the National Gallery of London, and the Metropolitan Museum of Art in New York.

In short, the people of the United States have received a great bargain in their partnership with the private sector. We believe that when the framers of the Penny-Kasich amendment become aware of this background, they will agree that the National Gallery of Art is not an organization to which indiscriminate, across-the-board cuts can be applied and recognize, as well, that the present federal funding arrangement of the Gallery should, because of its great benefit to the nation, remain unchanged.

SMITHSONIAN INSTITUTION RESPONSE TO THE PENNY-KASICH DEFICIT REDUCTION PLAN, NOVEMBER 8, 1994

Excerpt from the Penny-Kasich Deficit Reduction Plan:

Human Resources:

Proposal 1: Phase In 10-Percent Reduction for the Arts and Humanities

Federal funding for the National Endowment for the Arts, the National Endowment for the Humanities, the Smithsonian Institution, the National Gallery of Art, and the Corporation for Public Broadcasting should by reduced by 2 percent each from FY 1994 through FY 1998.

Because many arts and humanities programs benefit higher-income people, much of the loss in federal funds could be made up through admission fees of [sic] private contributions. Public television and radio receive the bulk of their funding from private contributions and cable television access has greatly expanded.

IMPACT OF THE PENNY-KASICH DEFICIT REDUCTION PLAN ON THE SMITHSONIAN INSTITUTION

The Smithsonian Institution is unique in the Federal establishment. Established by the Congress in 1846 to carry out the trust included in James Smithson's will, it has been engaged for 147 years in the "increase and diffusion of knowledge among men" in accordance with the donor's instructions. For some years, it utilized only the funds made available by the trust. Then, before the turn of the century, it began to receive Federal appropriations to conduct some of its activities. With the expenditure of both private and Federal funds over the years, it has grown into one of the world's great scientific and cultural organizations. It operates magnificent museums, outstanding art galleries, and important research centers. Its collections are among the best in the world. Its traveling exhibits deliver beauty and information throughout the country.*

In 1992, the Smithsonian attracted nearly 30 million visitors to its museums, galleries and zoological park. Additional millions also view the annual Folklife Festival on the Mall and Smithsonian traveling exhibitions, which appear across the United States and abroad. As custodian of the National Collections, the Smithsonian is responsible for more that 130 million art objects, natural history specimens, and artifacts. These collections are displayed for the enjoyment and education of visitors and are available for research not only by the staff of the Institution, but also by hundreds of visiting students, scientists, and historians each year. Other significant study efforts draw their data and results directly from terrestrial, marine, and astrophysical observations at various Smithsonian installations.*

In recent years the Smithsonian Institution's Federal base has eroded as a result of cumulative unfunded inflationary costs, increased FERS and health insurance costs, and several across-the-board funding reductions. To absorb these costs, the Smithsonian has held museum positions vacant; reduced essential support for research, collections management, and exhibitions; and deferred facilities maintenance throughout the Institution.

In the fall of 1992, to correct these base erosion problems and meet the funding limitations required by the FY 1993 appropriations act, the Institution began a comprehensive reorganization and restructuring process to ensure adequate funding for core responsibilities. This process focused on eliminating activities no longer central to the institution's mission and the streamlining of other activities. The first phase of the multi-year restructuring plan was approved by Congress and implemented in FY 1993.

The proposed Penny-Kasich two percent reduction a year for five years—over $6 million to the Institution's FY 1994 anticipated operating (S&E) appropriation—following so soon after the difficult restructuring decisions of phase 1 would severely threaten the Institution's ability to continue this process in a planned, orderly manner. In the subsequent phases of the restructuring plan, the institution must maintain stable levels of basic programs and support services.

Should such a reduction occur, the following could result in FY 1994: the closing of museum galleries or reduction hours open to the public; closing of the National Zoo to the public one day a week; reduction of public services and outreach programs that serve wider audiences; curtailment of long-term research projects for which continuity is the defining element of the activity; "mothballing" some telescopes and eliminating associated research at the Smithsonian Astrophysical Observatory; loss of momentum in development of the National Museum of American Indian, especially in the National Campaign; reduction of collection management activity, including curtailing acquisitions and deferring artifact restorations; reduction of Smithsonian Institution Traveling Exhibition Service's subsidized exhibits for resource-poor,emerging ethnic communities; reduction or elimination of curatorial and research-related travel and reduction of administrative activities, including, slowing installation of accounting system designed to strengthen internal controls; reducing safety training and safety inspections.

In subsequent years, should the reduction plan be enacted, the Smithsonian, with over 75 percent of its Salaries and Expenses budget devoted to salaries and the uncontrollable costs of utilities and security, would be unable to function as the public Institution we have known and revered.

PENNY-KASICH BIPARTISAN TASK FORCE BUDGET PROPOSAL—PHASE IN 10-PERCENT REDUCTION FOR THE ARTS AND HUMANITIES

Proposal: Federal funding for the Smithsonian Institution should be reduced by 2 percent each year from FY 1994 through FY 1998.

Justification: Because many arts and humanities programs benefit higher-income people, much of the loss in federal funds could be made up through admission fees of(sic) private contributions.

Smithsonian Response: The proposal outlined in the Penny-Kasich plan for a ten percent reduction in federal funding from FY 1994 through FY 1998 would do irreparable damage to the national museum and research complex. The Institution has already undergone a significant restructuring and reassessment of its priorities. However, the Institution's mandatory costs continue to increase beyond Federal annual budget allocations. Unlike most federally funded agencies,

*From House Report accompanying Department of the Interior and Related Agencies Appropriations Bill, 1994, updated.

the Smithsonian must assume the cost of rent, utilities, maintenance and renewal of facilities. The Institution's federal appropriation each year goes almost exclusively for the operation of the museums, the care and conservation of the collections, and programs which relate the collections to the public.

The Institution's policy, as it has been since its inception, is to charge no admission fees to its museums. As the national museum, it is strongly held by the Board of Regents that the collections belong to the citizens of the United States and that they should be accessible to all equally. Contrary to the assertion made by the Penny-Kasich supporters, survey data demonstrates that the nearly 30 million individuals who visit the Smithsonian each year come from all income and demographic groups, all geographic areas of the country and from all racial and ethnic backgrounds. The Smithsonian is truly the epitome of an egalitarian cultural and educational institution. Any implementation of admission fees will invariably affect the ability of some of our citizens to enjoy their nation's history and culture through limiting access to the national collections.

Similarly, it is strongly held by the Institution's visitors that the Smithsonian, which receives support through their federal tax dollars, continues to operate without resorting to admission fees. The roughly $330 million dollars of federal funds expended each year for Smithsonian operations is viewed as a worthwhile and prudent expenditure of public funds when viewed against other federal programs.

While the Institution continues to seek a greater share of funds through private contributions, this will never replace the need for a steady and predictable level of support from the Federal government for basic operations and maintenance.

Mr. MURTHA. Mr. Chairman, my concern about the Penny-Kasich package, and I have great regard for both the gentleman from Minnesota [Mr. PENNY] and the gentleman from Ohio [Mr. KASICH], even though they say that there are no lower caps, there will be lower budget caps under their proposal. Our experience is that when we propose lower caps, then half the cut will be in defense and the other half of the cut will be in discretionary domestic spending. That means we would have an additional $23 billion in cuts in the next 5 years for defense. We would send the opposite signal that we want to send.

Members can say we are going to negotiate this out in conference, but believe me, what we will be voting on now is a $23 billion cut in defense. Mr. Panetta, the distinguished Budget Director, has sent a letter that says, "There will be no walls to protect defense." Defense has been the one area that has cut spending more than any other. Over the last 2 years we cut $30 billion out of defense.

Mr. Chairman, we are on the edge of having a hollow force. Any additional cuts would be disastrous for the military. Mr. Chairman, I would urge the Members to consider very carefully to vote no on the Penny-Kasich amendment.

Mr. MCDADE. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Texas [Mr. DELAY], a member of our leadership.

Mr. DELAY. Mr. Chairman, I grew up on a farm and raised pigs. I can remember when you would go after those little piglets and you would catch one of them, they would just squeal and they would just squeal. Listening to this debate is like catching one of those pigs. Everybody that has been caught is just squealing and squealing about all of these cuts.

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Let me talk just a minute about why they are squealing. What has happened here is the President introduced the reinventing Government plan. Not only does the plan as introduced not save the $9 billion that the administration claims, but the CBO calculated its net savings to amount to a paltry $350 million. No wonder they are squealing.

Most of the Sabo-Clinton savings in the Sabo amendment come from the Kasich work force reduction, so they are squealing. They got caught by pilfering some of the Kasich plan.

Then the Democrat-controlled committees in the House reinvented Government just a little bit more. The result of their handiwork ended up costing more money rather than saving money, and they squealed again.

When they introduced a package, the package was intended to cut $9 billion and ends up producing a proposal that will cost the taxpayers an additional $1.3 billion.

Well, Mr. Chairman, even the Democrats realized that they could not bring up such a flawed package to the floor and keep a straight face. The new proposal, the Sabo proposal claims to cut spending by some $40 billion. But let me tell the American people, these claims are phony. Under the Sabo amendment, how much of our deficit is reduced? Not one single penny. All the money cut under this proposal is free to be spent on more Government bureaucrats and more programs. Right here, this dollar of mine that I am holding will amount to more cuts than the Democrats have presented with the Sabo-Clinton amendment of pretend reductions.

Thanks to the Clinton tax bill passed by the Democrats in this Congress, taxes will be raised by $250 billion, spending will increase by $300 billion a year in the fifth year, and the Federal Government will spend over $8 trillion over the next 5 years. Those are real tax dollars being raised; that is real spending that is being cut. And what the Democrats have proposed and are voting on today with the Sabo amendment are phony cuts, phony deficit reduction.

The Penny-Kasich plan is real. That is why they are squealing. It is real. For the first time since I have been in Congress we have a real package here that has a real chance of passing. And we have a real chance of reducing the deficit.

Mr. NATCHER. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. DURBIN].

Mr. HINCHEY. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I yield to the gentleman from New York.

Mr. HINCHEY. Mr. Chairman, I rise in opposition to the amendment. I agree with its proponents that the subject of the debate today is the future, the future of our Nation, and the future of our children. I agree with them that the specific provisions of this proposal speak to the future. But I do not like what they say.

They say that our future should be smaller and dimmer. They say that it is time to abandon at least some of our hopes, and some of our dreams. They say that it is better to stay in a cramped, drafty, creaking house than to take the risk of taking out a slightly larger mortgage. They say it is time to discard many of the promises we have made to our citizens—to our children and our parents alike. That is a fine lesson for our children.

Let us look at some of the particular targets of this proposal. Perhaps more than anything else in the Federal budget, research spending promises us a better future. We may be inclined to take the benefits of research for granted, but how many of us could honestly say that our lives have not been improved by the results of federally sponsored research? So we find that research is a particular target. The authors of this proposal try not to discriminate: they cut space research, but they cut medical research by the same percentage. Just last week in the debate on NAFTA, we heard many voices inside this Chamber and outside it insist that the future of our Nation lies in research and new technology. And here we are just a few days later considering how we can cut back on it.

Any of us who have ever lived in creaky old houses know that some spending is necessary and sensible. We know that it is a good idea to install new mechanical systems, and to make use of new technology. We know that it will save us money in the long run, by improving our efficiency our enhancing the value of our house. Millions of people are ready and willing to borrow to finance sensible improvements. But this proposal says we should stick with the same old plumbing. To mention just one example, it proposes to terminate funding for Maglev rail. Maglev may be expensive—just like that new plumbing. But it promises us a much more efficient means of transportation. Would we really be better off as a nation today if we had decided 50 years ago that interstate highways and jetports were just too expensive, and that we would do just as well if we drove into the future on a two-lane blacktop? I don't think so.

We can all agree that if there is one thing we want for our own children and for the children of this Nation, it is a good education. So education spending becomes another target of the proposal. It cuts Federal support for universities by cutting support for research, as I have already mentioned. It cuts support for elementary and secondary education programs.

It cuts programs to help the disadvantaged. What kind of message are we sending with this? Are we telling our children that we do not really mean it when we tell them to get the best education they can? Are we telling them we would really rather they drop out of school, so that we could cut school spending some more? Are we telling them education is a good idea, but we don't want to invest any money in it? I think we are.

I have heard it said that we should make these cuts because of our children, because we should not burden them with debt. Yet our higher education programs are based on the principle that our children should burden themselves with debt in order to improve their future. Which one do we mean? Are we telling our young people that they should not go to college, because college requires spending? I hope not—but that is how it sounds to me.

Some will say that the cuts in education are only a small part of this proposal, and that is true. They will further say that it helps young people, since its chief target is benefits for older people—Medicare and pension benefits, specifically. They will say they are really young people, since it is unfair to make our young people assume the burden of assisting their elders. And surely, some young people will welcome that message.

But in fact, this is just another form of the same message about our future and about their future. It is a dark message. It is a message that they can expect to stay in that same old, creaky house for the rest of their lives. The cuts proposed in Medicare tell them first that the Government can make the promises made to them, and it will break them, it will reserve the right to increase their burdens when they are old and sick and no longer able to work. But it sends them a more immediate message too. Those Medicare savings cut into the pool of money that could be used to finance a universal health care program. Are we going to scuttle that plan right now? Are we going to tell our young people, and our working families, that their hopes for health security can we be tossed out the window right now? I hope not.

The final argument for this amendment has been that it is the responsible thing to do, even if it is unpleasant, even if it does narrow our horizons, even if it does dampen our hopes. But again, I see it as the opposite. To me, its message is irresponsible. The cuts named in this plan are being called savings. But what about the costs? Who will pay for the cuts in Medicaid, for example? Will the costs be passed along to State and local government? What about the cost of cutting into child care? Will they be borne by working families? Will they force people to give up their jobs?

The problem is not that the amendment cuts Government spending. We all have our ideas on how Government spending can and should be cut. The problem is how it cuts spending. The bill we have before us cuts spending in responsible ways. It was the product of a careful review, and it genuinely targets unnecessary spending. Those cuts are sensible ones, ones that will not increase costs in other ways, cuts that will not compromise our future.

Every action, the physicists tell us, has an equal and opposite reaction. That is true of what we do here as well. These cuts are not without consequences. We know that our failure to fix the plumbing or repair the roof in an aging house is not really a savings. We know it will have consequences, and we know it will only increase costs later. Before you vote for this proposal take a long and hard look at the consequences. Cutting spending should not be an end in itself. It certainly is not an end in itself in managing our own affairs. We know enough to fix the roof, to visit the doctor and take our pills even when it means a cash outlay. Look at the true costs of this package. I believe they greatly exceed the true savings.

Mr. DURBIN. Mr. Chairman, I could address the specifics of the Penny-Kasich amendment and what it does in the areas of my jurisdiction in appropriations, how it takes 60,000—60,000 low-income pregnant women and children off the WIC Program. We could speak about the fact that it will reduce Medicare benefits and increase Medicare premiums. We could talk about the burden that is being shifted by mandates to the States for the payment on Medicaid. But I will not. I would rather address the much larger issue.

Because of our budget deficit reduction plan which we adopted several months ago, significant changes in Federal spending will already occur. Discretionary spending will be going down. Most entitlement programs will go up very gradually.

But, if Members look on the chart, they will find that there is one area of Federal spending which will increase dramatically, and that is in the area of Medicare and Medicaid. We understand, as President Clinton understands, that the real answer to deficit reduction goes beyond cutting some spending into the area of policy change, into the area of real health care reform, into the area not only of security for American families knowing that they have health care protection, but reform in the system to cut out the waste, to bring everyone in under an insurance plan.

Now Mrs. Clinton and the President have put together a proposal, and we will be debating it at length during the next year. I would suggest to my colleagues to resist the easy impulse to vote for Penny-Kasich so that they can go home over the break and say we cut the deficit, because I will tell Members, when we come back to work next year, if Penny-Kasich prevails, the money that they have removed from Medicare will make our job twice as difficult to bring real health care reform to America. This is President Clinton's health care reform plan. The Penny-Kasich amendment will cut the guts out of it, and then say to Congress go ahead and try and put it back together.

So then what do we tell the American people who are waiting for health care reform? Will the Republicans join us and say let us raise taxes? I doubt it. What cuts are they going to propose then in Medicare? It becomes increasingly difficult.

It is my belief that this Congress will not be judged on whether or not we have reduced the deficit on the margins, but rather whether we have been behind real health care reform, which will mean real deficit reduction for generations to come.

Mr. MCDADE. Mr. Chairman, I am delighted to yield 2 minutes to the able gentleman from Ohio [Mr. PORTMAN].

Mr. PORTMAN. Mr. Chairman, I thank the gentleman for yielding me the time.

I rise today in support of the common cents amendment, otherwise known as the Penny-Kasich bill.

It would be a lot easier in some ways for me to rise in opposition to this amendment because yes: it makes cuts that will impact all of our constituents. And it reduces spending in Federal programs that are apparently near and dear to the hearts of dozens of special interest groups. In fact, I have received so many letters from national organizations that I began to keep a list—in the past 4 days alone, 62 groups have written to ask me to oppose Penny-Kasich. We've all heard from them. Many of these groups are well-known and respected nationally—collectively, they represent millions of members nationwide.

From reading these letters, my colleagues might begin to believe that members of these groups will suffer irreparable harm from the reductions, consolidations and freezes contained in the amendment.

I guess the intent of these groups is to scare us away from supporting this timely budget-cutting measure. But rather than being scared, I am perplexed. Why? Because I have studied my colleagues' plan and know that it's provisions are reasonable and balanced: in fact, as we've heard on the floor this afternoon, the overall impact is a modest cut of less than one penny on each dollar of Federal spending over the next 5 years. That's right, just one penny—let's keep the debate on Penny-Kasich in perspective. What's really frightening is the prospect of continuing deficit spending at the current rate of $200 to $300 billion per year, adding to a debt exceeding $4 trillion. What's really scary is the knowledge that our children will soon be faced with interest payments on the debt that exceed spending on just about any other part of the Federal budget. The most alarming aspect for me is that we might not take advantage of this one-time chance to vote for a real, bipartisan deficit reduction measure.

I willingly admit that it can be uncomfortable to support some of the reductions proposed in this amendment. There are some provisions which—standing alone—I would not personally support; however, on balance, this plan is fair and effective and gives us an opportunity to show the American people that Congress still has a little common

sense left. It is far less frightening to vote for Penny-Kasich than against it.

Mr. MCDADE. Mr. Chairman, I am delighted to yield 2 minutes to the able gentleman from Ohio [Mr. HOKE].

Mr. HOKE. Mr. Chairman, I thank the gentleman for yielding. I would like to point out that my fellow buckeye's name is KASICH, which is easy to remember because it rhymes with basic.

Mr. Chairman, this really is unbelievable. The President induces, he lures Congressman PENNY and other like-minded Democrats into voting for the biggest tax increase in history by promising them that there is going to be a vote, a real vote on spending cuts later in the session.

In fact, we do have a vote that we are going to have this afternoon now based on those spending cuts, and yet the President is working as hard as he knows how to defeat the very vote that he promised. And who is collaborating with him in this defeat but those gentlemen and gentlewomen that I call, in the words of Tom Wolfe in his book "Bonfires of the Vanities," the masters of the universe.

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These are the appropriators, the people that really control the spending on both sides of the aisle. They have gotten together and they have decided that, well, it is like not this NAFTA, not this spending cut, and yet we talk about this thing as though there are spending cuts at all. The fact is we are going to increase spending by 20 percent, 20 percent over the next 5 years.

We are talking about reducing the amount that we will increase it by 1 percent instead of a 20-percent increase over the next 5 years annually, a 19-percent increase, and yet somehow this is going to destroy our economy; it is going to ruin the lives of the elderly and the poor and every single trumped-up excuse that you can find to not vote for this is being brought out.

It truly is unbelievable that when there is a genuine opportunity to have some real spending constraints, and I cannot use the word "cuts" because cuts does not describe what happens; spending constraints that everybody gets up in arms and says, "No, not in my district; no, not on my project; no, not for me."

And what it really belies, it is a study in what is wrong with Washington and what is wrong with this Congress, because here are the letters I have received in the past 2 days. These are special-interest letters.

Mr. NATCHER. Mr. Chairman, I yield 1 minute to the gentleman from Arizona [Mr. PASTOR].

Mr. PASTOR. Mr. Chairman, I rise in strong opposition to the amendment offered by Representatives PENNY and KASICH for a number of reasons.

First, this amendment contains billions of dollars in unspecified cuts. Tens of billions of additional dollars in discretionary program cuts would be required to fit within the severe spending caps the plan would establish in law! Existing caps are already tight, leaving little or no room for program growth or even program stability. Cutting our discretionary programs by at least another $35 billion makes no sense until we see specifically HOW we're going to get there and who is affected.

Second, this amendment proposes massive policy changes in addition to deep budget cuts. I am very concerned about an amendment that proposes extreme policy changes without hearings, without oversight by committees and without regard for constituencies.

Third, this amendment poses severe threats to vital domestic programs. If enacted, it would likely doom all but a fraction of our important investment proposals in high priority program areas ranging from education and training to WIC and Head Start, and from environmental initiatives to infrastructure improvements.

The increased fiscal pressure created by the Penny-Kasich proposal will result in further, deeper cuts in health programs devoted to biomedical and behavioral research, training health care professionals, disease prevention and health promotion, and the delivery of health care services to children and other medically underserved populations.

This amendment is a vote against any significant federal investment in education over the next 5 years. A substantial investment is needed in the next several years if we are to ensure that every child living in poverty has the opportunity to achieve the high levels of performance expected of all students.

Yet this amendment proposes to eliminate four education programs. Let me give you an example: One of these programs is the Follow Through Program. Follow Through creates partnerships between schools, communities, and education specialists, and facilitates high levels of parent and community involvement in all aspects of the child's education and development. Follow Through reaches out to bring many comprehensive services into the schools and homes of high-risk children and their families. At-risk children in Arizona are having a successful experience because of Follow Through. This program focuses on prevention of failure rather than treatment after the failure occurs, providing a high-quality, full-day instructional program based on the best educational practices. The Follow Through Program has succeeded in helping hundreds of Arizona children stay in school and to perform well in the classroom.

Here is another example: This amendment would eliminate the Public Telecommunication Facilities Program which is the source of funding for the American Indian Higher Education Consortium telecommunications planning project. This project is essential for bringing distance-learning resources to economically and educationally disadvantaged Native American people. It will provide the basis for linking the educational resources of the tribal colleges in order to provide more adequate and more cost-effective services to various tribes. Native American people must not be left behind as the American Nation develops the information superhighway.

This amendment also would mean that:

First, training and retraining programs for Americans would have to be trimmed while our world competitors are redoubling their commitments; and second, investments in school reform and higher education would have to be placed on the back burner.

If the United States is to maintain its competitiveness in an increasingly global economy, it must invest in education. We must defeat legislation which will deny us this important investment in the future.

It is because of these major concerns that I am opposing and urge my colleagues to oppose this Penny-Kasich amendment.

Mr. MCDADE. Mr. Chairman, I yield 2 minutes to my friend, the gentleman from Idaho [Mr. CRAPO].

Mr. CRAPO. Mr. Chairman, I think that the American people need to understand the context of what is happening here today. In Congress Daily it was reported today that a cleverly structured rule was put forth designed to make it harder for the Penny-Kasich bill to pass.

Why was that rule designed? If you recall the fight we had over the President's tax package when it passed, it was put forward as a deficit-reduction package, but the American people found out very quickly it was all taxes this year with the net result an increase in spending and a promise sometime in the next 4 years that there would be some cuts. And the American people said, "Cut spending first, because we are tired of being told to increase taxes first and then hope for the cuts in the future."

The pressure got so strong that almost immediately there were promises, "We will vote on some cuts this year. We will vote on some cuts this year."

Now is the day, the very last day of this session; we have got the chance for that vote, and the administration that promised that vote and the leadership that put forward the tax proposal are now trying to make it harder for that vote on those cuts to pass.

One of the more difficult problems of this is that with regard to every proposal that we will vote on today, except the Penny-Kasich proposal, even if they pass, they do not reduce the budget caps.

Around here in Washington you can vote to cut programs and projects, and if you succeed, all that happens is that particular program or project goes away. The money stays available, because the caps are not reduced, and the money can be spent in future years and by other groups.

What we need is to look to a real bill like the Penny-Kasich bill that cuts not only the caps, the budget, but the caps as well so that Congress cannot respend that money and all other proposals put forth as a substitute for Penny-Kasich fail to have that provision.

We are asking that we cut just 1 penny on the dollar for the next 5 years. This is a vote that Congress cannot ignore.

Let us vote not to cut that 1 penny on the dollar but let us vote to make the cuts count.

Mr. MCDADE. Mr. Chairman, I yield the remainder of my time, 30 seconds, to my friend, the gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Mr. Chairman, I will try to talk fast.

I think we should remind ourselves why we are here. It is because a lot of Members of Congress and a lot of Americans were concerned about the way we overspent and overtaxed in the budget this last summer.

We are going into debt faster than we have ever gone into debt, going from $4.3 trillion to $6.2 trillion in the next 5 years.

This is an opportunity to say to future generations we are concerned about this overspending; we are going to slow down on this credit-card mentality, and even though we can think of a lot of good things to do, we are going to stop borrowing so much money and start living within our means.

Mr. NATCHER. Mr. Chairman, I yield the balance of our time to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, there are lots of cuts in Penny-Kasich which I personally favor, but that amendment has two problems.

First of all, we have to cut $56 billion over 5 years in discretionary spending simply to reach the saving levels that we promised in the budget. Yet Penny-Kasich says they are going to cut some more.

The problem is that the programs that they identify for cuts are the same programs that we are going to have to cut in order to get to the original promised cuts. It absolutely makes no sense to pretend that we can apply those cuts to new promised savings before we keep the promises that we made just a few months ago.

Second, Penny-Kasich effectively sandbags health care reform. It uses up Medicare funds which the President is going to need in order to finance health care reform, and everybody knows it.

And last, it does it in a way which winds up being very unfair for senior citizens. The way they apply part B cost increases to the senior citizens, which they target, would require many senior citizens to pay part B costs which would be 183 percent of what it costs the Government to provide those services in the first place. That clearly is not fair.

The CHAIRMAN pro tempore (Mr. VENTO). The gentleman from Minnesota [Mr. SABO] will be recognized for 30 minutes.

Is the gentleman from North Carolina [Mr. MCMILLAN] opposed to the Sabo amendment?

Mr. MCMILLAN. I am opposed to the Sabo amendment, Mr. Chairman.

The CHAIRMAN pro tempore. The gentleman from North Carolina [Mr. MCMILLAN] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. SABO].

Mr. SABO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I offer this amendment on behalf of myself and the following Members: the gentlewoman from Florida [Mrs. THURMAN], the gentlewoman from Missouri [Ms. DANNER], the gentleman from Ohio [Mr. STRICKLAND], the gentlewoman from North Carolina [Mrs. CLAYTON], the gentlewoman from California [Ms. WOOLSEY], the gentlewoman from Georgia [Ms. MCKINNEY], the gentlewoman from California [Ms. ROYBAL-ALLARD], the gentleman from Georgia [Mr. BISHOP], the gentleman from New Jersey [Mr. MENENDEZ], the gentlewoman from New York [Ms. VELÁZQUEZ], the gentleman from Washington [Mr. KREIDLER], the gentleman from Washington [Mr. KREIDLER], the gentleman from South Carolina [Mr. CLYBURN], and the gentlewoman from Arizona [Ms. ENGLISH].

Mr. Chairman, I am pleased that the Committee on Rules has made in order the vote on the Sabo plan which saves more than $37 billion over the next 5 years. The amendment includes the rescission bill as reported by the Committee on Appropriations, adds the Government Reform and Savings Act, which modifies and codifies the $252,000 reduction in Federal civilian employment which was recommended by the President.

It includes 40 reforms in Government organizations or procedures. For a number of these changes, no savings are claimed, but they will serve to make government work better and can result in eventual savings.

Lost in this debate has been the fact that the Congress has already voted significant deficit reduction this year, and frankly, most of the folks today who claim they want to vote for deficit reduction voted no.

We voted a $500 billion package over 5 years. It is real. Spending cuts and new revenues focused on the very wealthy in this country, which the Republicans did not like, and the cuts enforced by discretionary entitlement spending cuts.

The difficulty of what we have done is already well known. Significant cuts had to be made this year to meet the 1994 discretionary caps. During this year's appropriations process, Congress voted to cut hundreds of specific programs and projects below last year's level yielding more than $34 billion in savings.

SPECIFIC BUDGET CUTS VOTED BY CONGRESS IN 1994 APPROPRIATIONS ACTS

Bill/Program/Project	Below fiscal year 1993
AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG AND RELATED AGENCIES APPROPRIATIONS ACT (P.L. 103–111, SIGNED OCTOBER 21, 1993)	
Department of Agriculture	
Advisory committees	−$12,000
Hazardous waste management	−198,000
Office of Public Affairs	−355,000
Economic Research Service	−3,501,000
Agricultural Research Service—building and facilities	−1,771,000
Cooperative State Research Service:	
Special research grants—24 grants eliminated totaling $4,639,000	−494,000
Weather Information Center (ND)	−400,000
Maize Research Center (ND)	−400,000
Extenson Service:	
P.L. 100–219 pilot projects	−2,550,000
Project future (MN)	−250,000
Rural education pilot (ND)	−846,000
Rural health infrastructure (AL)	−200,000
Animal and Plant Health Inspection Service:	
13 items reduced or eliminated	−1,434,000
Buildings and facilities	−255,000
Agricultural Cooperative Service	−1,047,000
Dairy indemnity program	−5,000
Federal Crop Insurance Corporation:	
Administrative and operating expenses	−19,832,000
FCIC fund	−50,000,000
Soil Conservation Service: Watershed and flood prevention operations	−49,629,000
Agricultural Stabilization and Conservation Service:	
Water bank program	−10,620,000
Emergency conservation program	−33,000,000
Rural Development Administration	−5,200,000
Farmers Home Administration: Rural Housing Insurance Fund:	
Credit sales of acquired property	−1,226,000
Salaries and expenses	−30,491,000
Rental assistance (sec. 502(C)(5)(D))	−5,960,000
Self-help housing land development fund	−7,000,000
Agricultural Credit Insurance Fund:	
Farm operating loans:	
Direct	−28,330,000
Guaranteed unsubsidized	−8,790,000
Soil and water loans:	
Direct	−1,277,000
Guaranteed	−12,000
Indian tribe land acquisition loans	−29,000
Emergency disaster loans	−10,206,000
Administrative expenses	−233,000
Rural Development Insurance Fund:	
Water and sewer direct loans	−7,117,000
Industrial development loans	−8,531,000
Administrative expenses	−14,000
Agricultural Resource Conservation Demonstration Program	−45,000
Very low-income housing repair grants	−2,500,000
Emergency community water assistance grants	−50,000,000
Rural Electrification Administration	
Direct loans:	
Electric 5 percent	−96,944,000
Telephone 5 percent	−31,059,000
FFB loans (regular electric)	−32,298,000
Office of the Administrator	−243,000
Food and Nutrition Service:	
Food donations on Indian reservations	−12,960,000
The Emergency Food Assistance Program	−45,000,000
Foreign Agricultural Service: Market Promotion Program	−47,734,000
Public Law 480 Program: Debt restructuring	−40,000,000
Office of International Cooperation and Development	−643,000
Department of the Treasury	
Financial Management Service: Payments to the Farm Credit System Financial Assistance Corporation	−21,918,000
Bill total	−665,566,000
COMMERCE, JUSTICE, STATE AND JUDICIARY APPROPRIATIONS ACT (P.L. 103–121, SIGNED OCTOBER 27, 1993)	
Department of Justice	
General administration—FTE reductions	−6,168,000

SPECIFIC BUDGET CUTS VOTED BY CONGRESS IN 1994 APPROPRIATIONS ACTS—Continued

Bill/Program/Project	Below fiscal year 1993
Quantico Training Center	−7,700,000
Office of Inspector General	−622,000
United States Parole Commission	−186,000
General legal activities—FTE reductions	−18,504,000
U.S. Attorneys—FTE reductions	−23,316,000
U.S. Marshals—FTE reductions	−9,946,000
Community Relations Service—FTE reductions	−2,096,000
Interagency law enforcement: Organized crime drug enforcement	−2,867,000
Federal Bureau of Investigation—FTE	−65,415,000
Drug Enforcement Administration—FTE reductions	−22,413,000
Immigration and Naturalization Service—FTE reductions	−8,906,000
Federal Prison System:	
Salaries and expenses—FTE reductions	−24,906,000
National Institute of Corrections	−39,000
Related agencies	
Federal Communications Commission	−40,100,000
Securities and Exchange Commission	−57,679,000
Department of Commerce	
National Institute of Standards and Technology: Construction of research facilities	−43,314,000
National Oceanic and Atmospheric Administration:	
Fishing vessel obligations guarantee	−11,000
Fishing vessel and gear damage fund	−33,000
Fishermen's contingency fund	−26,000
Foreign fishing observer fund	−15,000
Operations, Research and Facilities Account:	
National Ocean Service: Mapping, Charting, and Geodesy:	
Mapping and charting	−800,000
Automated Nautical Charting System II	−200,000
Great Lakes mapping project	−465,000
Geodesy—Land information system (multi-purpose cadastre)	−474,000
Observation and assessment:	
Observation and prediction:	
Circulatory Survey Program	−38,000
Institute for Marine Engineering	−500,000
COAP	−56,000
Estuarine and coastal assessment:	
S. Carolina wetland management demonstration	−1,300,000
Marine protective structure	−100,000
N.Y. Harbor water quality model	−75,000
Coastal ocean science:	
Coastal Ocean Program	−1,000,000
Maui algae bloom crisis	−400,000
National Marine Fisheries Service:	
Information collection and analyses:	
Resource information (Winter run chinook salmon)	−250,000
Information analyses and dissemination: Computer hardware and software (IT–95)	−500,000
Conservation and management operations:	
Fisheries Management Program:	
Columbia River smolt	−12,000
International Fisheries Commission	−300,000
Pribilof Islands	−300,000
State and Industry Assistance Programs:	
Grants to States: Interjurisdictional fisheries	−83,000
Fisheries Development Program:	
Fish oils	−900,000
Hawaiian fisheries development	−18,000
Oceanic and Atmospheric Research:	
Oceans and Great Lakes programs:	
Marine prediction research:	
Greak Lakes nearshore research	−300,000
SE US FOCI Program	−500,000
Sea grant, National Coastal R & D Institute	−200,000
National Weather Service:	
Operations and research:	
Local warnings and forecasts:	
Data buoy engineering and test	−518,000
Contract observers	−190,000
Samoa	−40,000
National Environmental and Satellite, Data, and Information Service: Environmental data management systems	−346,000
Program support:	
Administration and services:	
Marine services:	
Maintain S.E. marine facility	−258,000
Marine electronics agenda	−700,000
New England Science Center	−186,000
Bureau of the Census: Periodic censuses and programs	−63,300,000
Export Administration	−6,268,000
The Judiciary	
Care of the buildings and grounds	−470,000
Administrative Office of the U.S. Courts	−200,000
National Commission on Judicial Discipline and Removal	−443,000
United States Sentencing Commission	−532,000
Related agencies	
Christopher Columbus Quincentenary Jubilee Commission	−200,000
Commission on Agricultural Workers	−578,000
Small Business Administration:	
Office of Inspector General	−338,000
Business Loans Program Account:	
Direct loans subsidy	−3,533,000
Guaranteed loans subsidy	−192,879,000
Administrative expenses	−12,364,000
Disaster Loans Program Account:	
Direct loans subsidy	−60,000,000
Administrative expenses	−1,899,000
Surety bond guarantees revolving fund	−6,020,000
Thomas Jefferson Commemoration Commission	−38,000
Department of State	
Administration of Foreign Affairs:	
Diplomatic and consular programs and salaries and expenses	−32,724,000
Buying power maintenance	−14,000,000
Office of Inspector General	−586,000
Representation allowances	−120,000
Protection of Foreign Missions and Officials	−263,000
Acquisition and maintenance of buildings abroad	−160,500,000
New Diplomatic posts	−25,000,000
Emergencies in the Diplomatic and Consular Service	−195,000
Repatriation Loans Program Account:	
Direct loans subsidy	−31,000
Administrative expenses	−10,000
Payment to the American Institute in Taiwan	−378,000
International Organizations and Conferences:	
Contributions to International Organizations (arrearage payments)	−92,719,000
Contributions for International Peacekeeping Activities	−36,716,000
Arrearage payments	−21,992,000
International Commissions:	
International Boundary and Water Commission, U.S. and Mexico:	
Salaries and expenses	−130,000
Construction	−390,000
American Sections, International Commissions	−113,000
Other:	
United States Bilateral Science and Technology Agreements	−225,000
Payment to the Asia Foundation	−693,000
Russian, Eurasian, and East European Research and Training Program	−4,961,000
Related agencies	
Arms Control and Disarmament Agency	−2,500,000
Board for International Broadcasting	−10,000,000
United States Information Agency:	
Salaries and expenses	−6,693,000
Office of Inspector General	−143,000
Israeli Arab Scholarship Program	−238,000
Radio construction	−28,483,000
Broadcasting to Cuba	−7,531,000
Russian Far East Technical Assistance Center	−2,000,000
Bill total	−1,143,667,000

DEFENSE APPROPRIATIONS ACT (P.L. 103–139, SIGNED NOVEMBER 11, 1993)

Military Personnel	
Army	−1,942,280,000
Navy	−897,614,000
Marine Corps	−208,681,000
Air Force	−2,699,933,000
Reserve Personnel, Army	−21,349,000
Reserve Personnel, Navy	−97,400,000
Operation and maintenance	
Navy Reserve	−87,608,000
Army National Guard	−25,204,000
National Board for Promotion of Rifle Practice, Army	−217,000
Court of Military Appeals, Defense	−45,000
World Cup USA 1994	−3,000,000
World University Games	−6,000,000
Procurement	
Aircraft, Army	−120,956,000
Weapons and Tracked Combat Vehicles, Army	−32,572,000
Ammunition, Army	−358,815,000
Other, Army	−154,287,000
Aircraft, Navy	−321,993,000
Weapons, Navy	−773,977,000
Shipbuilding and Conversion, Navy	−1,783,212,000
Other, Navy	−2,621,094,000
Marine Corps	−383,391,000
Aircraft, Air Force	−3,366,351,000
Missile, Air Force	−470,354,000
Other, Air Force	−49,274,000
Defense-wide	−152,019,000
National Guard and Reserve Equipment	−367,200,000
Research, development, test and evaluation	
Army	−605,314,000
Navy	−564,595,000
Air Force	−884,644,000
Defense-wide	−961,221,000
Developmental test and evaluation, Defense	−27,250,000
Operational test and evaluation, Defense	−333,000
Revolving and management funds	
Defense business operations fund	−21,505,000
Other Department of Defense programs	
Defense Health Program—Procurement	−20,135,000
Chemical Agents and Munitions Destruction, Army—Procurement	−176,714,000
Drug Interdiction, Defense	−272,451,000
General provisions	
FFRDC's (sec. 8064)	−200,000,000
Bill total	−20,678,988,000

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT (P.L. 103–126, SIGNED OCTOBER 28, 1993)

Corps of Engineers	
Flood Control, Mississippi River and Tributaries	−2,300,000
Bureau of Reclamation	
Construction Program	−6,100,000
Department of Energy	
National Renewable Energy Laboratory	−600,000
Solar Energy Research Facility	−4,100,000
Electric energy systems materials research	−1,200,000
Energy thermal storage	−4,400,000
Nuclear light water reactor	−900,000
Advanced reactor R&D	−17,600,000
Advanced radioisotope power systems	−1,900,000
Nuclear facility operations	−81,800,000
Nuclear facility equipment	−2,200,000
Nuclear facility construction	−3,200,000
Nuclear policy and management	−22,500,000
Spent fuel storage	−4,000,000
Biological and environmental research	−6,600,000
Biological and environmental equipment	−5,900,000
Structural biology additions	−1,800,000
Biomedical isotope facility	−600,000
Fusion energy confinement systems	−12,400,000
Applied plasma physicals	−2,700,000
Inertial fusion energy	−4,200,000
Fusion capital equipment	−5,000,000
Materials sciences	−13,200,000
Chemicals sciences	−6,400,000
Engineering and geosciences	−1,600,000
Advanced energy projects	−500,000
Energy biosciences	−900,000
Energy sciences equipment	−1,400,000
Radiation source	−3,400,000
Basic energy sciences facilities	−94,800,000
University program	−8,000,000
Electric system upgrades	−900,000
Multiprogram facilities	−29,200,000
Multiprogram energy labs	−3,100,000
Corrective action energy research	−1,200,000
Low-level waste transfer system	−4,400,000
Uranium mill tailings program	−46,000,000
Waste operations	−34,500,000
West Valley waste management	−10,000,000
Nuclear waste management equipment	−2,300,000
Environmental restoration general purpose facilities	−16,800,000
Uranium enrichment operations	−1,064,600,000
Atomic vapor laser separation	−70,000,000
Uranium enrichment construction	−25,400,000
Uranium enrichment corrective action	−29,700,000
Uranium enrichment environmental restoration	−155,700,000
Uranium enrichment waste management	−31,400,000
High energy physics research	−13,500,000
Accelerator improvement	−2,000,000
High energy technology	−10,000,000
Continuous electron beam accelerator construction	−16,400,000
Superconducting super collider development	−517,000,000
Isotope production and distribution	−1,100,000
Weapons research and development:	
Operating expenses	−141,300,000
Capital equipment	−17,100,000
Construction	−27,100,000
Inertial confinement fusion	−23,900,000
Weapons testing	−16,200,000
Weapons stockpile support:	
Operating expenses	−350,300,000
Capital equipment	−68,500,000
Construction	−81,300,000
Program direction	−48,800,000
Salary reduction	−50,000,000
Materials support:	
Reactor operations	−384,700,000
Processing of nuclear materials	−104,400,000
Supporting services	−47,100,000
Capital equipment	−15,900,000
Construction	−28,300,000
Program direction	−9,500,000
Nuclear safeguards and security	−7,400,000
Security investigations	−9,300,000
New production reactors	−34,000,000
Naval reactors	−47,000,000
Southeastern power administration	−2,700,000
Western area power administration	−48,700,000
Bill total	−3,970,900,000

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT (P.L. 103–87, SIGNED SEPTEMBER 30, 1993)

Multilateral Assistance	
International Bank for Reconstruction and Development	−6,359,100
Inter-American Development Bank:	
Paid-in capital	−300,000

SPECIFIC BUDGET CUTS VOTED BY CONGRESS IN 1994 APPROPRIATIONS ACTS—Continued

Bill/Program/Project	Below fiscal year 1993
Fund for Special Operations	−108,000
Multilateral Investment Fund	−15,000,000
Asian Development Bank	−25,000,000
European Bank for Reconstruction and Development	−60,000,000
Bilateral economic assistance	
Development Assistance fund	−225,580,000
Rescission	−5,100,000
Subsaharan Africa Development Assistance Fund	−16,000,000
Private Sector Revolving Fund:	
Operating expenses	−1,347,-000
Subsidy	−4,057,000
American Schools and Hospitals Abroad	−30,000,000
Housing and Other Credit Guarantee Programs:	
Operating expenses	−168,000
Subsidy	−329,000
Agency for International Development	−10,240,000
AID Inspector General	−198,000
Debt restructuring	−43,000,000
Economic Support Fund	−305,438,000
Rescission	−203,000,000
International Fund for Ireland	−104,000
Philippines Assistance Initiative	−40,000,000
Eastern European Assistance Initiative	−10,000,000
Overseas Private Investment Corporation:	
Operating expense	−610,000
Subsidy	−735,000
International Narcotics Control	−47,783,000
International Anti-terrorism	−311,000
Bilateral Military Assistance	
International military education and training	−21,250,000
Foreign military financing program:.	
Grants	−150,721,000
Subsidy	−102,470,000
Special Defense Acquisition Fund	−266,000,000
Export Programs	
Export-Import Bank	−314,000
Bill total	−1,591,522,100
INTERIOR APPROPRIATIONS ACT (P.L. 103–138, SIGNED NOVEMBER 11, 1993)	
DEPARTMENT OF THE INTERIOR	
Bureau of Land Management	
Hazardous materials management	−2,567,000
Resource protection and law enforcement	−5,025,000
Information systems	−1,460,000
Construction	−5,209,000
Land acquisition	−15,674,000
Oregon and California grant lands/timber programs	−4,608,000
Oregon and California grant lands/information systems	−2,355,000
Fish and Wildlife Service	
Eliminate striped bass study	−297,000
Line item construction	−6,122,000
Payment of rewards	−198,000
National Park Service	
Recreation program	−2,000
Natural program	−139,000
Environmental and compliance review	−9,000
Horseshoe Curve NHL (elimination)	−248,000
Johnstown Area Heritage Association	−68,000
Native Hawaiian culture and arts	−250,000
Construction/planning	−16,415,000
Line item construction	−12,115,000
Land acquisition/assistance to States	−161,000
Federal park acquisitions	−22,308,000
Acquisition management	−181,000
United States Geological Survey	
Mapping/advanced cartographic systems	−6,015,000
Geologic and mineral resources/mineral surveys	−1,380,000
Oregon and California grant lands/timber programs	−1,236,000
Minerals Management Service	
OCS leasing and environment program	−3,659,000
Bureau of Mines	
Information and analysis	−1,369,000
Health, safety and mining technology research	−2,982,000
Minerals and materials science research	−1,670,000
Mineral Institutes	−3,499,000
Office of Surface Mining	
Technical services, training and research	−923,000
Bureau of Indian Affairs	
Business development grants	−1,244,000
Water management and development	−1,949,000
Construction/schools	−15,840,000
Aleutian-Pribilof restitution	−1,500,000
Water rights settlements	−162,000
Hoopa-Yurok settlement	−2,502,000
Aroostook land fund	−900,000
Trust of St. George	−500,000
Navajo Rehabilitation Trust Fund	−1,500,000
Territorial and International Affairs	
American Samoa construction grant	−1,047,000
Guam Power Authority loan assistance	−1,206,000
Rongelap studies	−595,000

SPECIFIC BUDGET CUTS VOTED BY CONGRESS IN 1994 APPROPRIATIONS ACTS—Continued

Bill/Program/Project	Below fiscal year 1993
Office of the Secretary	
Secretary's immediate office	−70,000
Quality assurance	−301,000
Assistant Secretary, land and minerals management	−159,000
Assistant Secretary, fish, wildlife and parks	−124,000
Assistant Secretary, Indian affairs	−27,000
Assistant Secretary, territories	−146,000
Assistant Secretary, policy, management and budget	−69,000
Environmental affairs	−198,000
Office of Personnel	−110,000
Library services	−100,000
Administrative services	−945,000
National Indian Gaming Commission	
Salaries and expenses	−1,040,000
Related Agencies	
Forest Service (Department of Agriculture)	
Pest management	−2,064,000
Forest legacy	−2,967,000
National forest system/minerals and land activities	−21,084,000
Road maintenance	−21,540,000
Timber Sales	−26,793,000
Reforestation	−8,098,000
Soil, water and air operations	−4,010,000
General administration	−6,602,000
Construction/roads	−43,241,000
Range betterment fund	−664,000
Department of Energy	
Fossil Energy Research and Development	
Coal liquefaction	−12,153,000
Flue gas cleanup	−1,153,000
Advanced combustion research	−1,695,000
Heat engines	−4,330,000
Magnetohydrodynamics	−25,503,000
Advanced gasification research	−1,000,000
Oil Shale	−5,571,000
Naval Petroleum and Oil Shale Reserves	
Operation of the reserves	−21,298,000
Indian Health Service (Department of Health and Human Services)	
Indian health facilities/hospital construction	−67,019,000
Office of Navajo and Hopi Indian Relocation	
Operations/relocation	762,000
Smithsonian Institution	
Major scientific instrumentation	−648,000
National Museum of American History	−223,000
Center for Folklife Programs	−190,000
Construction, National Zoo	−2,433,000
Repair and restoration	−193,000
Construction	−6,287,000
National Gallery of Art	
Operation and maintenance of buildings and grounds	−504,000
Repair and renovation	−700,000
National Endowment for the Arts	
Grants and administration and matching grants	−4,232,000
National Endowment for the Humanities	
Media grants	−726,000
Humanities projects in libraries	−227,000
Institute of Museum Services	
Support for conservation	−288,000
Services to the profession	−96,000
Pennsylvania Avenue Development Corporation	
Public improvements	−658,000
Bill total	−407,044,000
LEGISLATIVE BRANCH APPROPRIATIONS ACT (P.L. 103–69, signed August 11, 1993)	
Member clerk hire	−3,000,000
Committee employees	−6,000,000
Franked mail	−7,700,000
Printing	−1,200,000
Congressional Research Service	−573,000
Botanic garden	−1,900,000
Library of Congress	−913,000
Copyright Office	−100,000
General Accounting Office	−4,400,000
Bill total	−25,786,000
LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION APPROPRIATIONS ACT (P.L. 103–112, signed October 21, 1993)	
Department of Labor	
Training and Employment Services:	
Job training	−45,000,000
Youth Fair Chance	−25,000,000
Mine Safety and Health Administration: Program administration	−4,519,000
Department Management:	
Executive direction	−925,000

SPECIFIC BUDGET CUTS VOTED BY CONGRESS IN 1994 APPROPRIATIONS ACTS—Continued

Bill/Program/Project	Below fiscal year 1993
Administration and management	−158,000
Chief Financial Officer	−1,979,000
Health and Human Services	
Health Resources and Services Administration:	
Health administration traineeships	−499,000
Geriatric training and research	−838,000
Organ transplantation	−115,000
Centers for Disease Control: Program management	−257,000
Substance Abuse and Mental Health Services:	
Clinical training	−456,000
Treatment Improvement—Campus program	−9,000,000
Treatment Improvement—Critical populations	−1,000,000
Substance abuse—Pregnant women and infants	−6,772,000
Substance abuse—Other programs	−1,000,000
Office of the Assistant Secretary for Health:	
Population affairs: Adolescent family life	−598,000
Health Service Management	−1,000,000
Health Care Financing Administration:	
Rural hospital transition demos, trust funds	−1,704,000
Medicare certification, trust funds	−2,209,000
Education	
Chapter 1: Evaluation and technical assistance	−936,000
Impact Aid:	
Regular "b" payments	−500,000
Payments related to decreased activity (Sec. 3e)	−1,786,000
School Improvement:	
Chapter 2—State block grants	−65,988,000
Drug-free schools—State grants	−129,065,000
Drug-free schools—National programs	−2,000,000
General assistance to the Virgin Islands	−1,228,000
Special Education: Chapter 1 handicapped program	−9,516,000
National Technical Institute for the Deaf: Construction	−158,000
Gallaudet University: Construction	−1,455,000
Student Financial Assistance: Perkins loans—Capital contributions	−7,780,000
Higher Education:	
Student Literacy and Mentoring Corps	−5,270,000
Interest subsidy grants, prior year construction	−660,000
Robert A. Taft Institute	−319,000
National Academy of Science, Space, and Technology	−2,161,000
Howard University: Construction	−6,384,000
College Housing and Academic Facilities: Loan subsidies	−2,973,000
Education Research: Educational partnerships	−4,136,000
Libraries: Foreign language materials	−968,000
Inspector General	−422,000
Related Agencies	
National Commission on AIDS	−1,736,000
Financing Postsecondary Education Commission	−206,000
National Commission to Prevent Infant Mortality	−446,000
Physician Payment Review Commission	−244,000
Railroad Retirement Board—Administration	−1,318,000
RRB Inspector General	−103,000
Soldiers and Airmen's Home—Capital outlay	−1,022,000
Weed and Seed rescissions	−225,000,000
Bill total	−576,809,000
MILITARY CONSTRUCTION APPROPRIATIONS ACT (P.L. 103–110, SIGNED OCT. 21, 1993)	
Military Construction, Air National Guard	−40,068,000
Family Housing, Army	−225,618,000
Family Housing, Air Force	−288,882,000
Family Housing, Defense—Wide	−1,904,000
Base Realignment and Closure, Part I	−402,870,000
Base Realignment and Closure, Part II	−92,290,000
Bill total	−1,051,632,000
TRANSPORTATION APPROPRIATIONS ACT (P.L. 103–122, SIGNED OCTOBER 27, 1993)	
Office of the Secretary	
Immediate Office of the Secretary	−262,000
Office of Public Affairs	−191,000
Executive Secretariat	−65,000
Office of Civil Rights	−32,000
Office of Small and Disadvantaged Business Utilization	−19,000
Office of Intelligence and Security	−265,000
Coast Guard	
Acquisition, construction, and Improvements—other equipment	−12,065,000
Acquisition, construction, and improvements—shore facilities and navigation aids	−27,285,000
Research, development, test, and evaluation	−5,315,000
Federal Aviation Administration	
Facilities and equipment	−229,896,000
Federal Highway Administration	
Surface transportation projects	−221,712,000
National Highway Traffic Safety Administration	
Operations and research	
Vehicle safety and consumer standards	−205,000
New car assessment program	−360,000
Odometer fraud	−100,000
Emergency medical services	−907,000
Jackson Memorial trauma center	−2,250,000

SPECIFIC BUDGET CUTS VOTED BY CONGRESS IN 1994 APPROPRIATIONS ACTS—Continued

Bill/Program/Project	Below fiscal year 1993
Highway safety information management system	−500,000
Motor vehicle research	−6,317,000
Metric conversion	−50,000
Operating expenses	−84,000
Highway traffic safety grants	
National driver register	(−150,000)
Alcohol safety incentive grants	(−500,000)
Federal Railroad Administration	
Office of the Administrator	−5,141,000
Mandatory Passenger Rail Service Payments	−9,000,000
Conrail commuter transition assistance	−7,000,000
Amtrak corridor improvement loans	−844,200
Amtrak corridor improvement loans—direct loans	(3,500,000)
High-speed ground transportation	(1,500,000)
Federal Transit Administration	
Interstate transfer grants—transit	−30,000,000
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION	
Hazardous Materials Safety:	
Operating expenses	−192,000
Information dissemination	−50,000
Sanitary Food Safety Act	−75,000
Registration Program	−232,000
Airline Information Management:	
Personnel compensation and benefits	−84,000
Operating expenses	−2,000
Information processing	−11,000
Emergency Transportation:	
Personnel compensation and benefits	−112,000
Operating expenses	−3,000
Transportation resource management	−50,000
Research and Technology: operating expenses	−5,000
Program and Administration: operating expenses	−380,000
Emergency Preparedness Grants: curriculum	−300,000
Alaska Pipeline Task Force	−550,000
Related Agency	
Department of the Treasury	
Rebate of Saint Lawrence Seaway tolls	−543,000
Bill total	−562,454,200
TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS ACT (P.L. 103–123, SIGNED OCTOBER 28, 1993)	
Department of the Treasury	
Office of Inspector General	−250,000
Financial Crimes Enforcement Network	−62,000
Financial Management Service	−4,192,000
Bureau of Alcohol, Tobacco and Firearms	−3,926,000
U.S. Customs Service	−15,403,000
Bureau of the Public Debt	−4,034,000
U.S. Secret Service	−18,501,000
Postal Service	−30,478,000
The White House Office	−4,041,000
Council of Economics Advisers	−8,000
Office of Administration	−3,000
Special Forfeiture Fund	−23,242,000
Related Agencies	
GSA—Federal Supply Service	−12,724,000
GSA—Information Resources Management Service	−744,000
GSA—General Management and Administration	−2,565,000
Office of Personnel Management	−467,000
Administrative Conference of the United States	−514,000
Advisory Commission on Intergovernmental Relations	−820,000
Federal Labor Relations Authority	−306,000
Bill total	−122,280,000
VETERANS AFFAIRS, HUD, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT (P.L. 103–124, SIGNED OCTOBER 28, 1993)	
Veterans Affairs	
Loan guarantee program account: Administrative expenses	−17,153,000
Education loan fund program account: Administrative expenses	−119,000
Vocational rehabilitation loans program account: Administrative expenses	−211,000
Native American veteran housing: Loan program	−4,500,000
Administrative expenses	−344,000
Health professional education loan repayment program	−5,000,000
Medical administration and miscellaneous operating expenses	−454,000
National Cemetery System	−161,000
Construction, major projects	−123,674,000
Housing and Urban Development	
Homeownership and opportunity for people everyhere grants (HOPE grants)	−161,810,000
Rescission of fiscal year 1992 and 1993 HOPE funds	−250,000,000
Annual contributions for assisted housing:	
Loan management	−108,350,000
Section 8 amendments	−450,000,000
Assistance for the renewal of expiring section 8 subsidy contracts	−1,518,029,000
Rent Supplement Program: Rescission of budget authority	−32,438,000
Shelter plus care	−142,803,000

SPECIFIC BUDGET CUTS VOTED BY CONGRESS IN 1994 APPROPRIATIONS ACTS—Continued

Bill/Program/Project	Below fiscal year 1993
INDEPENDENT AGENCIES	
Consumer Product Safety Commission	−6,114,000
Cemeterial Expenses, Army	−295,000
Environmental Protection Agency	
Asbestos Program	
Grants	−5,775,000
Loans	−30,225,000
Administrative expenses	−1,000,000
Buildings and facilities	−116,300,000
Hazardous Substance Superfund	−92,675,000
Water Infrastructure/State Revolving Fund	−73,000,000
Executive Office of the President	
National Space Council	−941,000
Office of Science and Technology Policy	−1,775,000
Council on Environmental Quality	−2,185,000
Federal Emergency Management Agency: Emergency Planning and Assistance Interagency Council on the Homeless	−900,000
National Aeronautics and Space Administration	
Space shuttle	195,000,000
Construction of facilities	−2,300,000
Advanced solid rocket motor	−96,000,000
Search for Extraterrestrial Intelligence (SETI)	−11,300,000
AXAF—S	−19,000,000
Consortium for international earch science information network (CIESIN)	−14,000,000
Space Research and Technology	3,229,000
National Commission on American Indian, Alaska Native, and Native Hawaiian	500,000
National Science Foundation: U.S. Antarctic logistical support activity	−760,000
Selective Service System	−3,616,000
Bank Enterprise Program	−1,000,000
Bill total	−3,533,219,000
Grand total	−34,329,867,300

□ 1800

Our hard freeze on discretionary outlays will continue to require difficult cuts in the years ahead. The President has asked the Congress to give the deficit reduction plan that it passed "time to work and not take risks with our now fledgling economic recovery." He is right. With this amendment we are giving our deficit reduction plan time to work. We are implementing it, and while we are cutting specific programs in a reasoned way, we are not risking our economy, our defense, or health reform.

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

Mr. MCMILLAN. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. ROEMER].

Mr. ROEMER. Mr. Chairman, I rise to commend, first of all, the President, the Democratic leadership, the bipartisan coalition, Mr. PENNY, Mr. KASICH, for bringing this deficit reduction opportunity before us.

Today, Mr. Chairman, has been a reform day; we have voted for campaign finance reform because people in this country are sick and tired of politics as usual, and we have done that with bipartisan support. We have voted in the last few days to do something about crime and violence that are escalating to new levels. We passed the Brady bill with bipartisan support.

Now we have the opportunity for true deficit reduction.

Mr. Chairman, Penny-Kasich is bad politics; it is bad politics because it threatens the reelection of those Members who are going to vote for it because it is real cuts, confirmed by the CBO. There are hard numbers, there are tough choices, there are things in this program I do not want to vote for because they really will be cut.

I am going to vote for it, Mr. Chairman, for three reasons. Waste, fraud and abuse, we heard that all throughout the 1980's. If we cut waste, fraud and abuse, we would balance the budget.

Malarkey, we have to make real significant cuts in the budget to do something about our escalating deficit. This is more than waste, fraud and abuse.

Second, 14 percent of our payments are going toward interest payments on the deficit. That prohibits us from investing in good programs throughout this country for our children and to rebuild our inner cities.

Third, the growth of entitlements, if we continue to grow and grow and grow as President Clinton made great speeches in Memphis and Los Angeles over the past week, we will not be able to save our children. This is $18 billion a year over the next 5 years. That is reasonable.

Mr. MCMILLAN. Mr. Chairman, I yield 2 minutes to the gentleman from the Shenandoah Valley and northern Virginia, the gentleman from Virginia [Mr. WOLF].

Mr. WOLF. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in support of the Penny-Kasich bipartisan deficit reduction plan. Last August the President promised further deficit reduction efforts. Unfortunately, the administration has not made any serious efforts to follow through on this promise. Our colleagues, TIM PENNY and JOHN KASICH, have made a serious, thoughtful, and bipartisan effort to make a down-payment on downsizing the deficit.

I would like to first note that the Penny-Kasich amendment does not impact at all any current Federal or military employee or retiree. We all have received a lot of calls on this and I wanted to set the record straight. The changes for Federal employees and the military are only for those hired after January 1, 1994. I appreciate the changes that Mr. PENNY and Mr. KASICH made in the package on these matters.

If Members are serious about the deficit, it is time to act on the deficit, not just continue to talk about it. There are elements of this package that many don't like but there will never be a package of spending cuts that we all agree on. There is no pain-free way to cut the deficit, no hot fudge sundae diet. And unfortunately, the House leadership refuses to allow an A-to-Z type deficit cutting effort that would allow us to go through item by item on spending, so we have to vote up or down on a package.

The bipartisan Concord Coalition, led by our former colleagues in the other

body, Warren Rudman and Paul Tsongas, understands the importance of the Penny-Kasich amendment in its statement that,

Every Member can probably point to some item in the amendment as an excuse to vote against the package. But the days of "anonymous" deficit reduction are over. The items included in the amendment represent a sensible, balanced and fair package. Anyone who cares about deficit reduction, and indeed about the future of our nation, should join us at The Concord Coalition in support of the Penny-Kasich amendment.

This bill cuts roughly $90 billion in Federal spending over the next 5 years. The President's package only provides for a fraction of these spending cuts. So who is serious about cutting the deficit? As TIM PENNY has said, "when we finally get a vote on the Penny-Kasich plan, it will be the single most significant vote in the time that I have been in Congress in terms of defining who is serious about solving this problem and who is part of the problem." I agree. The American people keep telling us, cut spending first, yet the Congress does nothing. It is time to step up to the plate. It is time that this Congress stop being part of the problem.

A bipartisan team of 31 Democrats and Republicans put together this package. It has been scored by CBO and these are real cuts. Ironically, now that the President's cuts have been scored by CBO at much smaller savings than claimed by the administration, the Vice President has been quoted as saying "We can't trust the Congressional Budget Office." I would like to remind my colleagues that when we all sat here in February for the President's State of the Union message, President Clinton stated: "No longer will we rely on the White House Budget Office for numbers. We are going to rely on the Congressional Budget Office, the bible of budget estimates." Let's get real here. How can the American people trust Congress or this administration if we continue to play with the numbers like this?

It is time to cut spending first. The American people want change. They are sick of the status quo. Voting for serious spending reduction is what the American people are asking us to do. The Penny-Kasich amendment does this and is a vote for real change. It is a vote for the future. It is a vote for our children and our grandchildren. It is a vote that will determine who wants to talk about the deficit and who wants to do something about it; a vote about who wants to talk about change and who wants to actually change the way we do things around here. I urge passage of this amendment.

Mr. SABO. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from California [Mr. FAZIO].

Mr. FAZIO. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in support of the Sabo amendment and against Penny-Kasich.

Deficit reduction is an important goal for this Congress to pursue and we have already made great strides in this area.

Earlier this year, we passed legislation which will lower the deficit by $496 billion over the next 5 years. This is the single largest deficit-cutting plan every introduced by an American President, passed by Congress, and signed into law.

Over half of the $496 billion in deficit reduction comes from spending cuts—$255 billion in spending cuts.

This President, with the commitment of this Congress, has succeeded in doing something previous administrations have only talked about for the past 12 years—bringing real discipline to the budget process.

And, we provided budget discipline fairly—by prioritizing and protecting the people who have played by the rules and worked hard in the previous 12 years of Republican leadership.

The deficit reduction package contained no income tax increases for the middle class. Working families making less than $140,000 in taxable income will pay no additional income tax.

And, we gave over 15 million working families, almost 50 million Americans, a tax cut.

At the same time, we have already instituted tough spending cuts.

Medicare has already been cut by $56 billion. The Penny-Kasich amendment would cut another $34 billion by eliminating benefits, also eliminating our ability to fund the President's health care reform initiative which calls for even greater Medicare savings—$124 billion—while improving coverage for Medicare beneficiaries.

Federal retirement has already been cut by $12 billion. The Penny-Kasich amendment would make dramatic additional cuts.

Agriculture has been cut by $3 billion. The Penny-Kasich amendment makes further reductions of farm price support payments.

Veterans' programs have been cut by $2.6 billion. The Penny-Kasich amendment would cut another $1 billion from veterans' medical care, just as the need to become part of a competitive health system is impacting the Department.

Today, with the Sabo amendment, we continue our commitment to budget discipline by rescinding $2.6 billion in additional spending. And, we make a long-term payment of another $37 billion on our 5-year deficit goal.

This is real deficit reduction.

And again today, the Sabo amendment does something that has only served as rhetoric for past administrations. We take the first step to reinvent Government. We believe that Government can and must provide service to Americans—but it must do so in an efficient and effective manner.

We are turning around the cycle of decline and moving into the cycle of balanced growth.

Let us look at the record:

Since January 1993, the economy has produced 1.3 million private sector jobs—President Clinton has already created more private sector jobs in 10 months than were created in the previous 4 years of a Republican Presidency.

As further illustration of the strong economic growth, the Wall Street Journal recently noted that much of the growth in the third quarter came from sectors of the economy sensitive to interest rates:

Consumer purchases of durable goods such as cars;

Business investment in capital equipment; and

Investment in that most standards of American dreams, a new home. All these things have become more affordable with the lowest long-term rates in more than two decades—rates that are a result of the investment and deficit reduction plan we already passed.

These lower interest rates mean jobs. A point drop in mortgage rates can spur construction of up to 58,000 single-family homes. By some estimates, that translates into 100,000 jobs and almost $2.6 billion in wages for construction crews, loggers, appliance assemblers, and other workers.

While the President and Democrats in Congress have provided the strong leadership to grow the economy, we are also providing incentives to help businesses join in.

As a result of the budget passed earlier this year, more than 90 percent of small businesses are eligible for a tax cut through a variety of incentives, including:

A 75-percent increase of investment that small businesses are able to write off;

A targeted capital gains tax cut for investments in small businesses held over 5 years; and,

A retroactive extension of the 25-percent deduction for health insurance premiums for the self-employed.

Mr. Chairman, almost a year ago, President Clinton, this Congress, and our Nation embarked upon a new journey to bring fundamental change to our country. Through the leadership of President Clinton, we have brought about that basic change.

We have lowered inflation, lowered interest rates, lowered unemployment, and lowered bankruptcies. At the same time, we have created more jobs, more housing starts, more investment, and more consumer spending. This is part of the most successful first presidential term since President Eisenhower's first term in 1951.

We have brought about this change through a delicate balance between deficit reduction and targeted investment.

Yes, American taxpayers want deficit reduction and we have answered the call. But I submit to my colleagues

that Americans also want economic growth, health care reform, crime prevention, and more efficient Government. A vote today for Penny-Kasich will prevent us from achieving these other goals.

Mr. Chairman, we should not promote slash and burn budgeting. We must be balanced in our approach to reducing the deficit. We must ensure that the economy keeps growing in order to help reduce the deficit.

The Sabo amendment is the only responsible amendment we will consider today. It is the only amendment which cuts spending while permitting this Congress to move forward on the other critical issues that the American public demands—health care reform, economic growth, and crime prevention.

The Sabo amendment is the only amendment which allows us to continue down that path of fundamental change without stalling out the recovery. I urge my colleagues to support it and defeat the Penny-Kasich alternative.

Now, I want to be specific on matters relating to the legislative branch.

We have already cut the legislative branch in the regular fiscal year 1994 appropriations bill by over $106 million in spending, minus 4.5 percent below last year, and $33.3 million, minus 1.4 percent, in budget authority.

We have already begun to downsize legislative:

We are 12 percent below 1992 service levels.

We enacted a 4-percent personnel reduction throughout our branch of government.

We believe that is a responsible downsizing program—and it is a tough one—and we have more being discussed for the future.

And we have added another $8.2 million in legislative rescissions in the bill reported by the Appropriations Committee.

But the Penny-Kasich amendment will have draconian effects on this plan. It is so drastic that the authors of the amendment probably do not even realize the impacts of this proposal.

The Penny-Kasich rescissions affects legislative branch in several ways:

A 1-percent transfer of all funds into a disaster relief fund.

A 7.5-percent rescission of all fiscal year 1994 legislative funds.

A 30-percent reduction ($12 million) in House mail.

A 15-percent reduction ($4.5 million) in travel. A total of $173.5 million.

So the effect is an 8.5-percent reduction in the funds made available on October 1, 1993, for the 12-month fiscal year period. But this reduction is for more onerous than 8.5 percent. It will take several months to actually implement the necessary downsizing. By that time the effects will be anywhere from 15 to 50 percent, depending upon the regulations that apply to each agency.

Most legislative funds are spent on personnel. That's the primary resource in our branch of government—the committee and Member office staff who organize hearings, draft legislation, and handle constituent services, the people at GAO, CRS, and so forth who do the research and audits of Federal programs, our building maintenance personnel, our computer programmers, and the librarians who staff the national library—the largest collection of knowledge in the world.

So when we rescind money, we are actually laying off our workers.

Now that cannot be done overnight. If these Penny-Kasich reductions are enacted, let us assume a bill would be signed by December 15.

We cannot decide who to fire in our 32,000 work force immediately. For example, the General Accounting Office estimates it will take 90 days to go through their employment rolls and their large organization to determine how to downsize in order to absorb a $37 million reduction in their resources. There are specific and regulated procedures they are required to follow in identifying which positions and departments will be eliminated.

Then the GAO regulation requires that employees whose jobs are being eliminated be given 60 days notice of the planned personnel action. That's also a Government-wide regulation of the Office of Personnel Management Another 30 days will be consumed in allowing employees to exercise their rights for reassignment from the eliminated position. This is called bumping in Federal personnel jargon—but is a legally protected process.

That will take 6 months—up to about the middle of June—which leaves 3 months in the fiscal year before the first reduction-in-force will take place. It is at that time that the bulk of the $37 million savings can take place. That's why this 8.5 percent is only the tip of the iceberg. After three-quarters of the fiscal year, 8.5 percent becomes 25.5 percent, and that does not count the severance pay and unemployment compensation payments that will also be paid out of the funds remaining in the agency appropriations.

The effects at GAO are probably the most drastic because of the personnel policies that govern reductions-in-force. There will be a similar process conducted at the Library of Congress and a somewhat more expedited program for the Architect of the Capitol employees. Even in the House of Representatives, and at CBO and OTA, we estimate it will be February 1 before staffing layoffs can begin—at least 1 month to develop a staffing reduction plan and a 1-month employee notification.

These procedures are what will actually impede immediate savings. They are not unlike those that take place in the private sector when downsizing takes place.

So the effects of Penny-Kasich on the legislative branch should be understood in their practical consequences.

Here are the overall effects:

Five thousand six hundred legislative branch employees out of 31,000 will lose their jobs within the next several months.

Since most legislative resources are personnel-related—about 70 percent of our budget—a massive reduction in force will take place.

The Senate is exempted from Penny-Kasich, but the House will undergo very large reductions in personnel and other necessary activities.

Thirty percent of Library of Congress patrons will not be served.

About half of the financial and program audits at General Accounting Office will be terminated.

Up to 30 percent of braille and talking books will be eliminated for almost one million handicapped Americans.

Up to 250 Federal depositories will be removed from the program.

Specific impacts:

One thousand five hundred House employees will lose their jobs: 2 to 3 from each House Member's staff, (1,138 total); 9 per committee; 31 of 254 computer personnel; 8 leadership staff; 143 finance clerks, floor clerks, doorkeepers, and other support personnel, and 190 Capitol police.

Members office accounts will run out of funds in August 1994;

Immediate suspension on ordering office equipment or personal computers; House mail cut another 30 percent under the 63 percent it is already underfunded. All franked mail after May 1, 1994, will not be paid for—except employee paychecks. That means suspending newsletters, town meeting notices, and single piece response mail after May 1; Member travel funds will run out in late July—no money for official travel to districts after that, and GAO audit travel will terminate in July 1994.

Congressonal Budget Office, Office of Technology Assessment, Congressional Research Service: 230 of 1,200 employees will lose their jobs; No bill drafting assistance on budget legislation; CBO will suspend all work for all except Budget and Appropriations Committees; and Backlog on Member and committee requests at CRS will grow to 5 weeks.

General Accounting Office: 2,500 of 4,800 will lose their jobs, Government-wide bid protests will be delayed up to 2 years; Davis-Bacon employee claims will be delayed up to 2 years; and 12-month delay in starting new congressional request audits.

Architect of the Capitol: 442 of 2,060 employees RIF'd; close Botanic Garden on weekends and evenings; close 25 percent of the newly built plant growing nursery; no weekend cleaning of Member offices; terminate removal of toxic PCB's from transformers on congressional grounds; and stop work on ADA improvements.

Library of Congress (Non-CRS): RIF 750 of 3,900 employees; uncataloged books and manuscripts will grow by 1 million per year—above the 27 million current arrearage; and main reading room closed in the evenings and on weekends.

These cuts are unnecessarily disruptive. We can do better than this. Our committee has already begun a legislative downsizing program.

Let the process work.

□ 1810

Mr. MCMILLAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Virginia [Mr. PAYNE].

Mr. PAYNE of Virginia. Mr. Chairman, I commend the gentleman from Minnesota [Mr. SABO], the gentleman from Minnesota [Mr. PENNY], and the gentleman from Ohio [Mr. KASICH] for presenting us with these cost-cutting alternatives.

I rise in strong support of the Penny-Kasich amendment.

I voted and worked hard for passage of the President's deficit reduction package earlier this year because I believe that the deficit is the single largest barrier to long-term economic growth and the creation of new jobs in this country.

The deficit reduction plan we passed earlier this year is a good law. It includes some tough spending measures including capping discretionary spending at 1993 levels for the next 5 years.

However, as I said at the time the 5-year deficit reduction plan did not go far enough with spending cuts.

Penny-Kasich is a strong step in the right direction.

It will reduce the deficit by an additional $490 billion over the next 5 years by further cutting spending.

I do not agree with every cut proposed in this plan.

But I believe this deficit reduction plan is responsible, cutting fairly domestic and defense spending, and mandatory and discretionary spending.

Mr. Chairman. the spending cuts in Penny-Kasich have been characterized as unfair and unreasonable.

However, I can think of nothing more unfair and more unreasonable than to burden future generations of Americans by continuing to borrow more and more money and expecting our children and grandchildren to repay our debts.

I can think of nothing more unfair than to burden future generations with an economy that does not create jobs and opportunity for its citizens.

Further reducing the deficit is critical if our economy is to grow in the long term. It is vital that we increase the amount of capital available for investment by the private sector by borrowing less in the public sector.

Penny-Kasich requires us to cut about one cent for each dollar of spending planned over the next 5 years—a sacrifice we should make.

I urge my colleagues to support the Penny-Kasich amendment.

Mr. MCMILLAN. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Florida [Mr. MCCOLLUM].

Mr. MCCOLLUM. Mr. Chairman, I rise in support of Penny-Kasich and against the Sabo amendment.

It is any wonder the American public is cynical about us when it comes to dealings on the budget deficit? We got a $4 trillion debt right now. Earlier this year we passed the Clinton budget that was supposed to solve the deficit problem, get us on the right track, but at the end of the 5-year period, we will have a $5 trillion total debt and still have a $200 billion deficit at that particular time.

Tonight we are being asked to buy a pig in a poke, another nice proposal that is supposed to reduce the deficit, cut spending, but in reality all it does is shift spending. That is the Sabo proposal. It saves the money, but it saves it for future outlays somewhere else. It does not actually make the spending cap reductions required to do the job, to really reduce the deficit and the debt.

So we are out here to cover somebody's vote from earlier this year with something that is a fig leaf.

The fact of the matter is the only true budget deficit reduction vote you have here tonight on the floor is Penny-Kasich. It is $90 billion in real spending reductions.

Mr. Chairman, I urge a vote for it.

Mr. MCMILLAN. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. CONDIT].

Mr. CONDIT. Mr. Chairman, I rise in support of the amendment offered by Congressman PENNY and Congressman KASICH.

Last summer, during the debate on the President's budget, we heard the pleas of the American people to cut spending.

Well, here is our chance to cut $90 billion in spending over the next 5 years.

Are there provisions of the Penny-Kasich amendment that I have reservations about? You bet.

But, if we cannot take this small step to cut about 1 cent out of each dollar spent over the next 5 years, then we will never be able to make the even harder decisions that will be necessary to eliminate the national debt.

Finally, I would like to address one of the criticisms that has been leveled against the Penny-Kasich amendment.

Some opponents have claimed that the Penny-Kasich will hamper our economic recovery.

The idea that cutting $90 billion over the next 5 years will have a noticeable effect on economic growth is laughable, especially given the fact that U.S. economic activity for the next 5 years is estimated to be $37 trillion.

Mr. Chairman, there are some things I worry about, but one of the things that I worry about least is that Congress will pass enough deficit reduction to hamper the economy.

Also, I would like to deal with the criticism about unfunded mandates.

As one of the leading opponents in this House of unfunded Federal mandates, I would like to commend the administration and the leadership for their attention to unfunded Federal mandates.

I have spent a lot of time, along with several Members from both sides of the aisle dealing with the issue of unfunded mandates. We hear a lot from those people who are talking about this being an unfunded mandate. We have heard a lot about unfunded mandates as they relate to the Penny-Kasich amendment, that the people who are talking about it and who are decrying the unfunded mandates would not seem to be too interested in unfunded mandates just a few months ago.

If you remember, we passed the Motor-Voter bill. We did not hear a lot of emphasis on unfunded mandates. As a matter of fact, you could not even get an amendment on this floor to deal with the issue of unfunded mandates. You cannot even get a hearing in this House to deal with unfunded mandates.

So I submit to you, my colleagues, the unfunded mandate issue as it relates to this issue is a phony issue.

I hope after this vote is taken tonight, I sincerely hope that those people who have decried this and talked about unfunded mandates will be as interested in unfunded after we vote on the Penny-Kasich amendment.

With that being said, I strongly urge my colleagues this evening to do the right thing and vote for the Penny-Kasich amendment.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, I thank my distinguished friend, the gentleman from Minnesota, for yielding this time to me.

Would the gentleman from Minnesota, the distinguished chairman of the Budget Committee and the author of the substitute, please join me in a colloquy on the subject of the workforce reduction?

Mr. SABO. Mr. Chairman, if the gentleman will yield, I would be happy to.

Mr. DINGELL. Mr. Chairman, I assume that the intent of the amendment being offered here to reduce the overall Federal civilian, nonpostal work force by 252,000 positions over 5 years is that the Government should become more efficient and save money by conducting these reductions in force, not become less efficient and lose money. To that end, I would like to secure the gentleman's understanding on two important matters.

First, I understand that the reduction called for in this provision is an overall ceiling, not a mandatory across the board cut equal at every agency in the Federal Government. When conducting the overall reduction, the Federal Government should not cut employees whose termination would result in a net loss for the Federal Government. For example, employees who bring in more money for the Government than they are paid, such as those in the Internal Revenue Service and the Customs Service, should be considered specially. It would be an act of great foolishness if these revenue-raising employees were to be cut in the name of meeting a specific reduction number.

Second, there are a number of employees whose salaries are not a burden to the Federal budget. By these I mean those workers who are employed by agencies that collect use fees—and collections, such as fines and penalties—in amounts that equal or exceed the agency's budget. A specific example is the Securities Exchange Commission. This relatively small agency is largely a

revenue raiser for the Federal Government, and it serves the very useful purpose of policing the financial industry. We would not want Federal oversight, which saves money and benefits the public, to fall short just to achieve a numerical reduction.

I hope the gentleman from Minnesota would agree that these agencies should be protected during the plan's implementation.

I would also draw attention to the mandatory governmentwide hiring freeze that will be triggered if requirements of the reductions are not met. The President has the authority to waive this provision in situations that merit an exemption. Specifically, the language reads:

In the case of a particular position or category of positions in an agency, upon a determination of the President that the efficiency of the agency or the performance of a critical agency mission so requires.

As I understand the gentleman's amendment, the President is authorized to exempt the agencies I have been describing from the hiring freeze on the ground that bringing in money to the Federal Government and performing functions that are funded by user fees are indeed critical and efficient.

Could the gentleman please speak to these two concerns? Would he agree with me that the three situations I have outlined are sound examples of instances in which the Government should not be cutting employees or prohibiting new hires just to meet this mandatory 252,000 number?

Mr. SABO. I agree with the gentleman from Michigan that the two policies he outlines above are indeed sound and should be followed as this provision is implemented.

Mr. DINGELL. I thank the distinguished gentleman from Minnesota.

Mr. SABO. Mr. Chairman, I yield such time as she may consume to the gentlewoman from California [Ms. ESHOO].

Ms. ESHOO. Mr. Chairman, I rise in strong opposition to the Penny-Kasich amendment and here is why.

I came here on the pledge that I would work to reduce our deficit and have worked daily to make good on this pledge.

I voted for a half trillion dollars in deficit reductions and $90 billion in spending reductions to date.

The issue is not who wins the war of words on cuts, it is how we do them and how fair the cuts are.

The specifics of this proposal are deeply troubling and unfair.

It is a short-sighted response to a long-term problem.

It is a public relations bill to take to constituents phony evidence of fiscal responsibility.

Those who vote for this should know it drives a stake through the heart of health care reform—our Nation's most pressing domestic priority and the essential way to get health care costs under control.

Nearly every health proposal—the President's plan, the Cooper plan, the Chafee plan, and even the Gramm plan—rely on savings in medicare to pay for health reform.

Those who truly want health care reform and plan to support the Penny-Kasich amendments had better be prepared to go on record next year to raise taxes to pay for it.

Furthermore, a study by the Center on Budget and Policy Priorities shows that Penny-Kasich includes unfunded mandates in the form of medicaid copayments that would cost the State of California alone approximately $702 million over the next 5 years.

There should be fewer unfunded mandates, not a heaping on of more.

Mr. Chairman, this House already passed landmark legislation to reduce the deficit by a half trillion dollars—the largest in our country's history—and freeze spending over the next 5 years.

In addition, I fought along with my colleagues for a deficit reduction trust fund, guaranteeing that all new taxes raised be directly applied to the deficit.

The Penny-Kasich plan double counts many of the cuts already assumed in the budget—yet many of its supporters did not vote for the budget and scream now.

The amendment's spending caps will affect university research, AIDS, breast cancer, community health centers, student loans, and many other critical programs.

Mr. Chairman, this proposal before us is perfect for Thanksgiving—it is a turkey—it is Penny-wise and Kasich-foolish. I urge its defeat.

Mr. MCMILLAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. KASICH], the ranking Republican on the Committee on the Budget.

Mr. KASICH. Mr. Chairman, let us just make things perfectly clear tonight. The Sabo program is nothing more than spend, spend, spend.

The Clinton plan which came in here at $1½ billion in savings to be redistributed gives us real deficit reduction of a big fat zero.

The Sabo plan which was essentially drafted off the Penny-Kasich amendment does nothing, Mr. Chairman. It does not save the Government of the United States, the taxpayers of this country, one single dime.

□ 1820

It is a fraud, it is a fake, it is not real. It does not represent anything but cover.

I do not know if I could be any more clear about what I think about the Sabo proposal.

Mr. Chairman, I have great respect for the gentleman from Minnesota [Mr. SABO]. And the reason why I say this is that the gentleman does not lower the caps, which means that all the money that the gentleman has saved is going to be redistributed to other parts of the Federal Government and, probably, in some kind of a supplemental appropriation bill.

If the gentleman was serious about deficit reduction, if the gentleman really wanted to save money from the national debt and operating budget of the Federal Government, he would lower the cap, and he would end up right where the bipartisan group of Penny-Kasich is, and that is a $90 billion cut in the operating budget of the United States.

But he does not do that. He just takes the money, and he redistributes it to all the areas of the Federal Government where people want to spend, and I ask my colleagues, "You know what the bottom line is?" The bottom line is that over the next 5 years, my colleagues, the Federal Government is going to be spending somewhere in the vicinity of $8 trillion, $8 trillion in total spending, and what the Penny-Kasich proposal is intended to do is to barely save $90 billion out of $8 trillion in spending.

So, Mr. Chairman, what I would say to the Members of this body is, "You need to come here to this floor, and you need to vote against phony deficit reduction, and you need to do the real thing. You need to get with the real program, and you need to adopt Penny-Kasich, which will save this country $90 billion over 5 years out of $8 trillion in spending."

One more point:

We keep hearing about Medicare. Well, the Medicare spending over these next 5 years, as my colleagues can see under current projections, is $989 billion, represented by the green graph. The Penny-Kasich is $955 billion, represented by purple. This is increases, my colleagues, over the next 5 years, and the Clinton plan comes in third at $865 billion in Medicare. So, the current projections take us up $989, Penny-Kasich takes us up at $955. It is the Clinton administration that comes in third.

I say to my colleagues, the bottom line is, ladies and gentleman, if you are interested in trying to do something to bring change to this Capitol, to restore, to begin the steps, the first few steps to restore fiscal integrity, then, ladies and gentlemen, you have got to vote to trim one penny out of a dollar over the next 5 years. For who? For the people of this country who have been demanding and asking for change and sent a young man from Hope, AR, to Washington with the hope that we would begin to control the destiny of this Federal Government, and somehow on that bus trip somebody told him, "We can't have change in Washington," and you see that's what this plan represents. You know what it represents? Republicans and Democrats who, for the first time in budgeting in a decade, came together to make some responsible changes in the operation of this Federal Government, and, instead of trying to stomp us out, we ought to be encouraged.

Mr. Chairman, I suggest to everybody that comes to this Chamber tonight to find the will for the children of this

country and for those who have not yet been born. I say to my colleagues, you can find the will to trim $90 billion out of $8 trillion in spending and save one penny on a dollar over the next 5 years to begin to restore the confidence of the American people in the fact that they can get some of what they want out of this Chamber.

They want change. They want Penny-Kasich. Reject Sabo. Let us have real deficit reduction.

Mr. SABO. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, the gentleman from Ohio [Mr. KASICH] talks about fraud, copying him. The fact is he is copying the President. He is copying the personnel reductions that the President has recommended.

I have no quarrel with that. We do the same thing.

This amendment has real reductions in spending, and rescissions, restructuring the Government, cutting Federal personnel. It is going to solve hard, tough choices.

And I have heard this gentleman speak today, Mr. Chairman, but we passed a plan of $500 billion last August. I know it taxed their rich friends, was over seven times as much deficit reduction as they have today. And the gentleman and his friends voted no. So, I say, don't come give us lectures.

As the gentleman knows, I have recognized and defended his sincerity, and the gentleman works hard. But do not come say to us who worked very hard to get something that not only could pass the House, could pass the Senate, be signed into law, while they sat on the sideline and said, "No, it's not good enough."

As my colleagues know, we did more than the gentleman is suggesting here. We are trying to make it work, and we will make it work.

Mr. MCMILLAN. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Chairman, I want to say to the gentleman from Minnesota that, if anybody has come to understand how difficult it is to put a budget together, the gentleman from Minnesota [Mr. PENNY] and I understand. We walk on this floor, and we come into this well, and over the last several weeks people have almost tackled us to change our proposal, and I would say to the gentleman that I understand the difficulty that the President had, and the reason why, and let me just say to the gentleman that, if he feels as though my remarks went over the line, I would apologize to him, but what frustrates me is that the gentleman from Minnesota [Mr. PENNY] and I came to the Committee on the Budget and we laid out our program.

I say to the gentleman, you have a billion and a half program in deficit reduction. You then come back, writing the rule, by the way, in a back room when Mr. PENNY and I are testifying. You then come back by taking our savings out of our bill——

Mr. SABO. Just so we are fair, Mr. Chairman, they took the President's.

Mr. KASICH. We took some of the President's, we took some of the savings. The gentleman might remember in the Republican budget we had 200,000 employee reduction in our proposal.

Now what is the bottom line on it? I would say to the gentleman from Minnesota, if you will take the savings, and you use it for deficit reduction, then I would believe that you were serious about reducing the deficit. But somehow there is an implication here that we'll take this money and use it to reduce the deficit, and that will never happen because, if you intended to make it happen, you would have lowered the cap like Mr. PENNY and I have. The impact of your proposal is not to save the American taxpayer a dime. This money is all going to be spent again. If you really wanted to save the taxpayers money, if you really wanted to reduce the deficit, you would lower the caps precisely the way we have done it.

And what I would say to the gentleman is:

During the Budget Committee fight we spent 10 hours offering 30 amendments in your committee, and we lost on a party line vote for every single proposal that we made, save one. So, when we go to the Budget Committee with a budget——

Mr. SABO. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I yield to the gentleman from Minnesota.

Mr. SABO. Mr. Chairman, I have to say to the gentleman that I watched his proposal today emerge which interest.

□ 1830

I watched the first descriptions of it. Then I saw it change. The reality is, I understand how you put your amendment together. We had to put a budget together, which involved negotiations among lots of Members. You are trying desperately to break up our coalition that can pass $500 billion of deficit reduction.

Mr. SANTORUM. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I yield to the gentleman from Pennsylvania.

Mr. SANTORUM. Mr. Chairman, the gentleman keeps using the term "$500 billion." Everyone in this chamber knows you did not pass a $500 billion deficit reduction bill.

Mr. SABO. Yes, we did.

Mr. SANTORUM. CBO scored it at $433 billion. Those are CBO numbers, what your President said he would use. Four hundred thirty-three is the number. Quit using incorrect information.

Mr. KASICH. Mr. Chairman, reclaiming my time, let me say I tried to yield my time to the gentleman from Minnesota [Mr. SABO] out of courtesy. Let me say something about this. It was always our intent to knock your taxes out, because we think that is what defines the difference between Republicans and Democrats, more taxes, more spending. That is precisely what this debate is all about. You do not want to cut the budget to reduce the deficit. You want to cut the budget to have more spending for more programs.

What Republicans tried to do through the budget process was to give this country what Bill Clinton promised, which is change. What the gentleman from Minnesota [Mr. PENNY] and I are trying to do today is come in and say of that $8 trillion in Federal spending over the next 5 years, we want to trim $90 billion, and we do not want to use it for more programs. We want to do it to reduce the deficit and reduce the operating budget of the United States.

So I would say to my chairman, the gentleman from Minnesota [Mr. SABO], it is an honest to goodness legitimate debate. We will not come out here with phony programs. We come out here with specifics, and we have spent the whole week getting trashed by everybody in the Clinton administration, every Cabinet member thinking up anything they could come up with to come out here and trash us.

This is a good effort by Republicans and Democrats who believe that we need some fundamental change. One of the biggest changes we made in our bill was to change the impact on Federal employees and military retirees. That is the bulk of it. That is the bulk of the change. The rest of it stays essentially the same.

What I say to you is, rather than beating us into the ground, we ought to adopt this basic, fundamental, tiny little change in the way the Federal Government operates, because it sends a very strong signal for Republicans and Democrats to be able to work together down the road.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri [Mr. SKELTON].

Mr. SKELTON. Mr. Chairman, the more I hear about the Penny-Kasich proposal, I am reminded of what Mark Twain once said: "The more you explain it to me, the more I don't understand it."

Mr. Chairman, as Chairman of the Subcommittee on Military Forces and Personnel, I rise in opposition to the Penny-Kasich amendment. In its current form, there's both good news and bad news about the amendment. The good news is that its sponsors have dropped or revised several of the more onerous provisions from the amendment. The bad news is that the amendment still wields a meat axe to the future military retirement benefits of new recruits without generating any

outlay savings to the Federal budget for 20 years. In the meantime, however, the amendment would likely have a devastating effect on career retention and would also discourage those still willing to undergo the hardships of a full career from providing any survivor benefit coverage for their widows.

If further changes in military retirement are required—and I am certainly open to that idea—then they should be done in a deliberative fashion after full hearings. Despite the notion of the amendment's sponsors, over the past decade, Congress has made major changes to the military retirement system.

Contrary to the headline-grabbing story in today's Washington Post, Congress a decade ago, at the Armed Services Committee's behest, changed the funding for military retirement from pay-as-you-go to advance funding. As a result, the military pay account now includes an additional percentage of the payroll that represents the actuarily-determined cost of future retirement benefits for the current force.

Seven years ago, under the leadership of the full committee Chairman Les Aspin, a long-time critic of the military retirement system, the Armed Services Committee approved the Military Retirement Reform Act of 1986, which substantially reduced the value of retirement for those who entered the military after August 1, 1986.

Before we make additional changes affecting future retirees, good public policy demands that we at least analyze the potential impact on recruiting and retaining a high quality force. While retired colonels make the best headlines, the typical military retiree is an enlisted person, an Army sergeant or a Navy chief, who has spent many years away from home and family. The Penny-Kasich amendment providing no cost-of-living increase until age 62 will erode that sergeant's or chief's purchasing power by nearly 65 percent.

At the same time, the amendment won't provide outlay savings to the Federal Government for 20 years but will undoubtedly result in substantial, added near-term cost to the Defense budget in order to retain experienced personnel beyond the first reenlistment point. With the prospect of deployment to garden spots like Somalia, what's the incentive to that sergeant or chief to make the military a career?

Before undertaking major change, good public policy demands that we understand the ramifications. One example of the need for something other than a meat ax approach is the impact of Penny-Kasich on the survivor benefit plan. Unlike Social Security, where survivor benefits are automatic, the military survivor benefit plan is cost-shared between the Government and the retiree, requiring that the retiree take a reduction in his or her retired pay in order to provide an annuity for the survivor. The Penny-Kasich amendment exempts payments to survivors from the COLA freeze, as Congress did with the COLA delays included in reconciliation this year. That survivor exemption means, however, that the amount deducted from the retiree's pension to fund the survivor benefit will continue to increase while the retired pay itself is frozen for 20 or more years. By the time the retiree reaches age 62, the reduction from retired pay to finance survivor benefits will triple. What this means is that the retiree, already facing an almost two-thirds reduction in purchasing power, will be unwilling to see purchasing power eroded another 5 percent and will likely opt not to provide survivor coverage at all—clearly an unintended and potentially costly result.

Like the amendment's sponsors, I strongly support deficit reduction—but it is something we must do smartly and deliberately after weighing both the pros and cons of the actions taken. I urge my colleagues' defeat of the amendment.

Mr. SABO. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Tennessee [Mrs. LLOYD].

Mrs. LLOYD. Mr. Chairman, I rise in somewhat reluctant support for H.R. 3400, the Government Reform and Savings Act of 1993. While I support most of the reductions contained in the Sabo Amendment, there are some that I do object to. In particular, I am disturbed by the continuing trend in this Congress to gut our Nations advanced energy science projects.

However, I recognize that in order for any serious deficit reduction each Member is going to have to take their hits. The Senate must take action on a similar budget cutting proposal raises hopes that my concerns may be addressed in conference.

Mr. Chairman, I have greatest respect for both TIM PENNY and JOHN KASICH. I believe they are honest, straight shooters who are deeply committed to deficit reduction. I share their serious concerns over the need to cut Government spending.

Reluctantly, I must oppose the amendment offered by my two friends. While there are many reductions contained in Penny-Kasich which I strongly support, the fact of the matter is that there are others that have a direct impact on jobs in my district. Given that job creation and job preservation are first on the minds of my constituents, I cannot vote for this amendment.

Penny-Kasich proposes to cut the budget of the Tennessee Valley Authority by 30 percent. Should it pass, quite simply, it would mean a loss of up to 800 jobs in Tennessee. At the same time many of the projects and efforts conducted by T.V.A. That are important to Tennessee's Third District would be eliminated or scaled back dramatically. T.V.A. has been an important job creator in the Tennessee Valley. Thousands of people rely on them for their power generation. While there are indeed areas where T.V.A. can be more cost-effective, Penny-Kasich is simply too arbitrary a cut to be absorbed by the people of my district.

One more reason that I cannot vote for Penny-Kasich is that it complicates our ongoing efforts to reform the Nation's health care system. When the House passed the Omnibus Budget Reconciliation Act of 1993, the medicated budget was cut by $56 billion. Penny-Kasich cuts an additional $37 billion from Medicare.

I say to my colleagues that, we have a monumental task ahead of us as we debate and develop a health care reform plan. I plan to be especially active in this debate. The President has formally submitted his proposal. Already there are several competing reform proposals in circulation. It is anyone's guess what the final plan will look like. Regardless of what side the Members fall down on, it is going to cost big money to reform the health care system. By approving more cuts to the existing public health care programs, we are robbing ourselves of funds that will be needed to fund a new, comprehensive, cost effective health care program. And we will not be able to tame the growing health care budget which is a very large part of our national debt.

As I mentioned above, I know that everyone is going to have to make sacrifices for real deficit reduction. The pain should be spread evenly. Unfortunately, my constituents, under Penny-Kasich, are being asked to assume more of a burden than is fair.

The CHAIRMAN pro tempore (Mr. HUGHES). The Chair would announce that the gentleman from North Carolina [Mr. MCMILLAN] has 12 minutes remaining, and the gentleman from Minnesota [Mr. SABO] has 15 minutes remaining.

Mr. MCMILLAN. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Chairman, I rise in strong support again of the Penny-Kasich amendment. I would like to put in proper perspective what we are really talking about today.

Mr. Chairman, last year I stood in the well and tried to pass the balanced budget constitutional amendment. I listened to my colleagues who oppose the Penny-Kasich amendment, arguing that the balanced budget amendment is not what is needed. It does not make the hard choices.

Well, today the same people are criticizing the Penny-Kasich amendment because it makes the hard choices. You cannot have it both ways.

Mr. Chairman, let us talk about numbers. I have no quarrel with Chairman SABO, and I am proud to serve on the same committee, and find we are not going to fuss about the details of this. But I want to make this point: spending this year is $1 trillion 400 billion. Spending will go up by $2.2 trillion over the next 5 years under Penny-Kasich. Two point $2 trillion more we will have to spend.

Defense, the draconian cuts in defense just are not there. In 1993 it is $294 billion. The only difference in 1998 is $1 billion out of $252 billion. Nondefense discretionary, we have heard all this today. Let me give you the

numbers. Two hundred thirty-one billion we are spending in 1993, and $284 billion we will spend under Penny-Kasich, an increase of $53 billion in 1998 alone.

Entitlement spending, we have heard this over and over what we are doing to the senior citizens of this country. Let me tell you what we are doing. We are increasing the amount of money that we are spending, mostly on senior citizens, from $764 billion in 1993 to $1 trillion 25 billion in 1998, an increase of $261 billion. Yet some of my colleagues have the guts to come down here and say we are gutting it?

Mr. Chairman, what I am here to say is we can cut 1 percent of the growth in spending, and protect our grandchildren's future for just a moment tonight. That is the issue.

Mr. Chairman, I rise in strong support of the Penny-Kasich amendment. I would like to commend TIM PENNY and JOHN KASICH for their leadership in bringing together a bipartisan group to find common ground in an effort to take a step toward bringing our deficit under control.

Some have argued that the Penny-Kasich amendment represents a Draconian reduction in Federal spending that will devastate the economy. Nothing could be further from the truth. At a Budget Committee hearing earlier this year, I ask Alan Greenspan about the concern that Congress may cut the deficit more than the economy could handle. Mr. Greenspan's response is very relevant to the debate that we are having today:

I find misplaced the fear that deficit reduction would be overdone and create an undesirable degree of 'fiscal drag.' It seems to me highly unlikely that in the current political environment the Congress and the Administration would cut too much too soon from the deficit. . . Fiscal policymakers in turn, by taking difficult but necessary measures to reduce the structural deficit now, can enhance the growth of the economy and promote rising living standards for the American people for years to come.

Comments such as Mr. Greenspan's are the reason I am so pleased that the Penny-Kasich amendment guarantees that deficit reduction will result from the spending cuts. I personally have absolutely no interest in making the difficult choices of cutting certain programs simply to have those savings spent elsewhere. Therefore, the lowering of the caps and adjusting of the PayGo scorecard is a critical element to the Penny-Kasich amendment.

The entitlement savings in the Penny-Kasich amendment are simply reductions in the rapid growth of entitlement spending. Under the current budget, entitlement spending is projected to increase by an average of 7 percent a year. Under the budget that we passed earlier this year, entitlement spending will increase by $271 billion over the next 5 years. The Penny-Kasich amendment will modestly restrain the growth of entitlement programs by cutting entitlement spending by $37.9 billion. Even with the savings included in the Penny-Kasich amendment, entitlement spending will still increase by nearly $250 billion over the next 5 years. That does not seem like the Draconian cut that is being portrayed by the opponents of this amendment.

We are not reducing investment programs one dime in Penny-Kasich. Lowering the discretionary caps to ensure that the savings from Penny-Kasich are applied to deficit reduction will not threaten our ability to fund programs that invest in economic growth and other high priority programs. What it will do is require Congress and the President to set priorities in Federal spending so that we do not continue to borrow from our children's future to fund low-priority spending. Even with the reductions in the caps in the Penny-Kasich amendment, discretionary spending will increase by $53 billion over the next 5 years.

Having served as the Democratic chair of the Task Force on Health Reform, I would like to address the health changes involved in the amendment. The $36 billion in 5-year savings from Medicare Parts A and B reforms standardize copayments and adjust premium subsidies for high-income beneficiaries. This means testing of benefits is a concept which has been endorsed from the left to the right in the ideological spectrum. For years, the American Medical Association has supported high-income means testing and most recently the President included means testing in his reform package.

I reject entirely the argument that passage of Penny-Kasich will in some way preclude meaningful health reform later. Even if the Congress does approve a reform package of the magnitude of the President's which of course is yet to be seen, the administration build in $58 billion of deficit reduction. We are simply guaranteeing part of that deficit reduction up front, rather than end-loading—and never fulfilling the promise—as usual. There remain more than enough options for health reform which, after all, is supposed to reduce, not increase costs.

I have found utterly remarkable the wolf-crying carried on by countless special interest groups during the past few weeks. Despite the fact that the vast majority of these groups are not even involved in the programs mentioned by the Penny-Kasich amendment, these folks have run Chicken Little style to every Member of Congress, crying that the benevolent sky of their public largesse is falling.

What the Penny-Kasich amendment does do is allow domestic discretionary spending to increase—not be cut—by $53 billion over the next 5 years. Overall, spending will go up by $300 billion. We may eventually get to the point where we actually have to choose priorities among spending programs, although this amendment certainly doesn't drive us in that direction as far as we should go. Nonetheless, the panic has struck. Maybe every hospital, every family planning program, every Head Start program, every WIC program, every other program which has contacted us over the past few weeks doubts its ability to compete on a meritorious basis for funding. I personally have more confidence than these advocates of their own programs that they will continue to be deemed worthwhile and funded. Perhaps they know something I don't.

I particularly find important the copayments which we include for home health and laboratory services. While protecting the most poor, we would enact some of the first measures necessary to control utilization of unnecessary services which makes up one piece of the many faceted puzzle of health reform.

I find it interesting that many of the people who are opposing this proposal are the same folks who are opposing the Balanced Budget Amendment to the Constitution. The opponents of the balanced budget amendment insist over and over that we don't need a constitutional amendment to balance the budget, that we need to make tough choices. However, many of these same people have opposed every effort to make the tough choices necessary to balance the budget. Today, we will see who is willing to make those tough choices.

To the 260 of my colleagues who have joined me in cosponsoring the Constitutional amendment: now is the time to follow through on the commitment you made last week to take responsibility in dealing with our deficit. To those who say that we don't need a constitutional restrain to act responsibly, this is the time to put your votes behind your rhetoric.

The criticism of this proposal clearly illustrates why we need a balanced budget constitutional amendment. Over the last few weeks, we have been bombarded with calls and letters from virtually every special interest group that has a stake in maintaining the status quo of spending nearly a billion dollars a day that we don't have.

But let me remind you about those who have not called or written to us: our children and grandchildren. They don't have clout in the political process to match the special interests, but they and their generation are the ones who have the most at stake in what we do here today. What type of future do they have to look forward to? If we do not take action today to bring our budget deficit under control, we will mortgage the future of generations to come. The savings we propose are reasonable and necessary if we are to escape the ever-rising debt escalator which continues to carry our children farther and farther away from economic stability and prosperity. Now is the time to vote to brighten the future for generations to come. Vote "yes" on Penny-Kasich for the sake of the children.

MEDIPLEX,
Abilene, TX, November 22, 1993.

Hon. CHARLES STENHOLM,
1211 Longworth, Washington, DC

DEAR CONGRESSMAN STENHOLM: I am the chief executive for a group of home health care companies. Since 1987 our company has created 160 new jobs and successfully maintained a growth rate of 100% per year. I have a vast background in the operational management of retail pharmacy, hospital pharmacy, durable medical equipment sales/rentals, home infusion therapy, hospice, and certified home health care. We utilize a "managed care" concept to deliver a vast array of health care services to one's home. for the last 3 years, we have participated in a pilot study that utilized a standard rate of reimbursement in lieu of the traditional cost based reimbursement for our home care services.

With this experience from an operational aspect, I urge you to seriously consider passage of the home care proposals contained in the Penny/Kasich Amendment scheduled for a vote on November 22, 1993.

The most crucial home care component contained in this amendment is the Standard Reimbursement Rate set at 93% of the current cost limits and the scheduled January 1,

1994 implementation. Setting this rate would revolutionize the health care service arena by creating healthy competition.

The second crucial home care component contained in this amendment is the provision to mandate a co-pay provision to beneficiaries whose income level exceeds 150% of the federal poverty level. You will receive an intense lobbying effort from our industry in opposition to this provision. You must calm their fears. From my perspective, over 70% of our beneficiaries possess a Medi-Gap Policy to cover the 20% co-pay provisions. The remaining 30% would be unaffected by the co-pay provision as they fall below the 150% poverty level trigger.

Do not allow the special interest lobbyists to influence your vote with false facts. Support the Penny/Kasich Amendment and open the door to competition in the health care system. I will gladly testify and elaborate on my position when the time presents the opportunity.

Respectfully,

BILL ULMER, RPh., CEO,
Mediplex Health Care Companies.

Mr. SABO. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. SARPALIUS].

Mr. SARPALIUS. Mr. Chairman, 11 months ago we gathered in this chamber with the same goals and ideas in mind, reduce the deficit, streamline government, stimulate our economy, and put people back to work. For the past 11 months, if one had stopped and looked at our accomplishments, the Federal deficit for this year is down $35.4 billion; we have 590,000 more people working; interest rates are down; inflation is down. With the passage of NAFTA, there are more opportunities for more jobs and to put more people to work.

Mr. Chairman, I cannot support the Penny-Kasich tax bill. That is what I call it, a tax bill. Because as a Member who served in the State legislature, there is no question that this bill will force State legislatures throughout this country to raise their taxes to meet the mandates that this Government will be passing on to them through cuts in Medicare, and also by cuts in higher education, farm programs, $3 billion in economic development, and I firmly believe we are putting our national defense at risk.

Mr. MCMILLAN. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Indiana [Ms. LONG].

Ms. LONG. Mr. Chairman, I rise in support of the Penny-Kasich amendment.

Mr. Chairman, the Penny-Kasich amendment, I believe, offers our best hope to address the Federal deficit in a serious manner. Despite how critics have characterized this amendment, it is not a slash and burn approach to Federal spending. Rather, it is a measured and sensible framework for taking a much needed step toward fiscal responsibility. It cannot be denied that long-term economic growth would benefit from $90 billion in deficit reduction.

Opponents of the Penny-Kasich amendment would like the world to believe that this plan is the precursor to the apocalypse. While I fail to believe that cuts outlined in Penny-Kasich will cause social ruin, I do believe that the cries we all hear regarding this plan signify one point—that this is true deficit reduction. We all must face the fact that if this body is truly to address the deficit, then there are no easy answers or quick fixes. The Penny-Kasich amendment offers a reasonable approach to cutting Federal spending, and then locks in these cuts to achieve real deficit reduction.

It is also important to keep in perspective that the Penny-Kasich amendment is relatively modest in its scope. For example, during fiscal year 1994, the Penny-Kasich amendment would cut about $7 billion out of a $1.4 trillion budget, hardly revolutionary or dangerous. The home health benefit under Medicare is estimated to cost the Federal Government more over the next 5 years than this plan cuts over the same timeframe.

This amendment offers our best hope to start making the cuts necessary to bring Federal spending more in line with revenue. These are not easy or popular cuts. They may not be popular in my district. But then, we were not elected to just make easy choices. Nonetheless, I sincerely believe that it is time that we stop sacrificing future economic growth for present Federal spending. The Penny-Kasich amendment takes a significant step to slow the red ink flowing from the Federal budget, and I strongly urge its adoption.

Mr. MCMILLAN. Mr. Chairman, I yield 1½ minutes to the gentleman from Texas [Mr. SMITH].

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Mr. SMITH of Texas. Mr. Chairman, I rise in opposition to the Sabo amendment and in support of the Penny-Kasich amendment. Penny-Kasich is about one thing: cutting spending. Last Thursday Democrat leaders decided to delay a vote on the $90 billion Penny-Kasich spending cut amendment in order to accelerate a misinformation campaign.

They put off the vote here, just as they had the balanced budget amendment in the Senate a week earlier, for one reason.

Democrat decisionmakers are afraid spending cuts will pass and they will not get their hands on your money to spend as they see fit.

The vote on Penny-Kasich is not about defense.

The vote on Penny-Kasich is not about Medicare.

The vote on Penny-Kasich is about one thing: It is about cutting Federal spending now.

It is about cutting 1 cent from every $1 of Federal spending over 5 years, and it is the only legislation with a real chance to pass that will really reduce the deficit by even that 1 cent.

The White House's attempt to kill Congress' last best chance to cut Federal spending demonstrates their real agenda.

Yesterday is the right time to raise taxes; today is the right time for new spending, and tomorrow, always tomorrow, is the right time for spending cuts.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. BERMAN].

Mr. BERMAN. Mr. Chairman, I thank the gentleman for yielding time to me.

I rise in strong opposition to the Penny-Kasich amendment. While I have many concerns, I will use my time to focus on just one, crime.

By lowering the budget caps, the Penny-Kasich amendment makes it impossible to fund efforts to put more cops on the street. Specifically, it takes $22.3 billion earmarked for a crime reduction trust fund. Unless gutted by this amendment the trust fund would increase sixfold the annual subsidy now given to States and local governments to fight crime and it would put 100,000 more police officers on the street.

All across this country people are living in fear. Every day in my district people fall prey to gang killings, drive by shootings, robberies, rapes, and other acts of senseless violence. People are scared to leave their homes. The law abiding majority has been terrorized by criminals who operate without fear of being caught.

Criminals are less likely to commit crimes when they fear they will be caught. It's no wonder criminals in Los Angeles are so cavalier in their crimes, Los Angeles is the most underpoliced major city in the country. There are presently only 7,700 sworn officers serving a city of three and a half million people. Only 350 patrol cars cover 470 square miles. This means that there is only 1 police officer for every 457 residents.

When you live in a neighborhood full of graffiti, lurking corner gangs, drug peddlers, burned-out buildings, and police that are few and far between it's not hard to see how some might get the impression that anything goes. It's also not that hard to figure out why such areas are suffering financially. Los Angeles will not revive economically if crime continues to run rampant.

We cannot stem the violence unless we invest in crime prevention and putting more cops on the street. The Penny-Kasich amendment financially wipes out this possibility. While this amendment may be "Penny wise," it is "pound foolish." It hamstrings Congress' ability to make critical investments in areas such as crime prevention. Consequently, I urge a no vote on the Penny-Kasich amendment.

The CHAIRMAN. The Chair would advise that the gentleman from North Carolina [Mr. MCMILLAN] has 8½ minutes remaining, and the gentleman from Minnesota [Mr. SABO] has 12 minutes remaining.

Mr. SABO. Mr. Chairman, I yield 1 minute to the gentleman from Washington [Mr. KREIDLER].

Mr. KREIDLER. Mr. Chairman, since coming to Congress 11 months ago, I have worked very hard to cut Federal spending and bring down the deficit. We have made important progress this year, and will face even more difficult decisions next year.

I commend Mr. PENNY and Mr. KASICH, and those who worked with them on this amendment, for taking on such a tough job. I believe their hearts are in the right place, and that we share a common objective. But I think their zeal to cut spending has outrun their common sense.

I am going to vote against this amendment for three reasons:

First, the caps. Earlier this year, after much debate, we adopted caps to cut discretionary spending $78 billion over the next 5 years. The caps we adopted are tighter than those that Washington State voters just put on our State budget through an initiative. The caps we adopted earlier this year include some of the same cuts Penny-Kasich would impose, especially the reduction in Federal employees.

But Penny-Kasich lowers those caps another $43 billion without specifying all the cuts we would need to reach them. The Penny-Kasich caps are arbitrary. They abdicate real decisionmaking, and to adopt them would be rash and negligent.

Second, this is no way to legislate. This amendment makes major policy changes, but it has never been considered by any House or Senate committee. For example, it revises the Superfund law to emphasize containment of toxic waste rather than cleanup. That's a very serious policy change that could affect the health of every American.

More examples: The amendment apparently abolishes the Department of Commerce. That is pretty important to anyone involved with trade or economic development. It also eliminates the new child care block grant that took Congress years to pass. If we are going to take steps like those, we should do so after full consideration in the committees of Congress and a full debate—not just for the sake of cutting spending.

Finally, the Medicare cuts are just plain, irresponsible. The amendment cuts $34 billion more out of Medicare, on top of the $56 billion we already cut in the budget reconciliation bill. I worked on those cuts in the Energy and Commerce Committee. They affected doctors and hospitals, but not the older Americans who depend on Medicare. But the cuts before us today all come straight from the pocketbooks of senior citizens. Penny-Kasich takes $37 billion from senior. That's wrong.

Medicare is not sacrosanct. We should look at more cuts along with reforms in our health care system. The President and others have proposed some Medicare cuts in order to pay for reforms we all want—universal coverage and cost control.

Everyone in Congress says they are for health care reform. Everyone say they want reform that is properly financed. But Penny-Kasich doesn't finance reform. It just cuts Medicare, blowing a hole in the financing we will need to pass a reform bill next year. And if we fail to implement real health reform, that will cost all Americans a heck of a lot more than everything Penny-Kasich would save.

I am just as tempted as many of you to vote for this amendment. It's a feel-good vote that's a lot easier to sell than to defend. And some of its cuts are wise and necessary. But the authors of the amendment don't want us to pick and choose. They want us to swallow it whole. I urge you: Don't swallow this fiscal snake oil. Don't torpedo health care reform. Vote no on Penny-Kasich.

Mr. SABO. Mr. Chairman, I yield 1 minute to the gentleman from Washington [Mr. DICKS].

Mr. DICKS. Mr. Chairman, we all want to bring the deficit down and we are making real progress on the issue. We have approved an historic budget package that will provide $496 billion in deficit reduction, including $255 billion in spending cuts. We achieved a net $11 billion in reductions below the administration request for fiscal year 1994 and exceeded his request for rescissions in this package. Though little noticed, the actual deficit for fiscal year 1993 has come in well below the dire predictions at the beginning of the year.

There has been pain. Many worthy programs have been curtailed as we make tough priority decisions. The Congress has voted to terminate major initiatives, such as the supercollider, that had real promise. The ability to meet pressing national needs ranging from crime prevention to enhancing educational opportunities is tightly squeezed by pay as you do rules.

I want to especially focus on the devastating impact that the Penny-Kasich amendment could have on our national security. We are already engaging in a major downsizing of our defense forces under the administration's plans that will result in real reductions of more than 45 percent between 1985 and 1993. Many communities are already experiencing the serious economic consequences of this adjustment.

I am concerned that we may already be going too far in cutting defense. A wide range of current and retired military commanders are sounding warnings of hollow forces. The Defense Department estimates that just to meet the Clinton numbers will require identifying an additional $13 billion in cuts over the 5-year planning period. In addition, the Congress has set discretionary caps $56 billion below the Clinton budget, and there will be irresistible pressure to have a significant portion of this shortfall borne by defense.

On top of this very tight situation comes Penny-Kasich. It claims to make only minimal cuts in defense. But it could have devastating impact. The bottom line is that the amendment reduces discretionary caps by another $42.5 billion below the base bill. The firewalls are down, defense is part of discretionary spending. Wishful thinking that firewalls will be recreated in a way to hold defense harmless is a pipedream. Anyone who thinks that defense would only take around 3 percent of those cuts, as Penny-Kasich supporters assert, doesn't have a clue about political reality.

Penny-Kasich would also have tremendous adverse impact on military personnel. As Secretary of Defense Aspin and Chairman of the Joint Chiefs of Staff General Shalikashvili stated in a recent letter to the Speaker:

> Even if COLA changes are grandfathered, the lifetime loss to future retirees of over 20 percent would have immense implications for recruiting, retention and moral. * * * In fact, the costs of implementing this proposal may outweigh the projected savings.

Penny-Kasich could undermine deficit reduction by undercutting the savings needed to help finance what has the greatest promise for long term deficit reduction, health care reform. It will make it tougher to finance a crime package. This is another potential source of pressure to make cuts in defense to provide funding for these programs since the cuts we had planned to use will be gone.

This amendment was hastily assembled, and has not been subject to critical scrutiny. Many of its provisions have major long term implications that deserve deliberate consideration by the House.

Anyone who thinks this is the last opportunity to make further spending cuts simply doesn't understand the system. Every year when we consider the budget resolution there is an opportunity to adjust prior spending assumptions. I have no doubt that next spring we will be debating a number of proposals to further reduce spending. That is the proper forum and I urge my colleagues to oppose this amendment.

Mr. MCMILLAN. Mr. Chairman, I yield 1½ minutes to the gentleman from Delaware [Mr. CASTLE].

Mr. CASTLE. Mr. Chairman, I thank the gentleman for yielding time to me.

I rise in support of Penny-Kasich, the true deficit reduction plan. The special interests came out of the woodwork as soon as this began. My letters read, "We support efforts to reduce the Federal deficit but," and then they explained why theirs should not be reduced.

But what do the overwhelming majority of the American people really want us to do tonight and every day and night we are here? They want us to

eliminate waste. They want runaway government checked. They want outdated programs abolished. And most of all, they want us to control spending at the Federal Government level.

Tonight is a night that we can put pork barrel spending behind us. It does not work anyhow. It is bad politics.

Tonight is the night we can weigh the greater good as opposed to the individual interests of our congressional districts. Tonight is the night we can have the political courage to do what is right.

Remember what we campaigned on, that we were going to make Government more efficient, run better, make the programs help people more than they do today. We can show all these things tonight by a very clear vote. We can vote for real deficit reduction.

Vote for the Penny-Kasich amendment.

Mr. MCMILLAN. Mr. Chairman, I yield 1½ minutes to the gentleman from Arkansas [Mr. HUTCHINSON].

Mr. HUTCHINSON. Mr. Chairman, I rise in support of Penny-Kasich.

Over and over during this Congress on important votes, I would hear Members say "This vote is a defining moment in this Congress."

What I would suggest is that tonight we really do have a defining moment in this Congress. It is going to define who this Congress is. It is going to define who we are as freshmen. It is going to answer the question, are we any different or is it business as usual, more of the status quo and just rhetoric.

Everyone is in favor of deficit reduction in the abstract. Tonight we are going to find out how many are really in favor of deficit reduction in the concrete.

□ 1850

Mr. Chairman, I have been listening to the scare tactics of the opposition to this amendment. I started writing down some of the words that have been used: "devastating, ominous, catastrophic, mean-spirited, extreme pain, cruel." We are talking about one penny on the dollar over 5 years. That is what is cruel, and that is what is ominous.

Mr. Chairman, I had a constituent call me this morning and they put it in good perspective. They said, "Congressman, we are heading for the waterfall, and we must stop." A vote for Penny-Kasich this evening is one small step towards stopping. It is one small step toward fiscal responsibility.

Mr. SABO. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina [Mr. HEFNER].

Mr. HEFNER. Mr. Chairman, I am going to ask a question. I keep hearing about the one penny on the dollar on spending. If the chairman, the gentleman from Minnesota [Mr. SABO] would indulge me here, we talk about the $8 trillion we are going to spend over the next 5 years, and we talk about spending for the next 5 years.

One penny on the dollar, are we counting the $1.15 trillion in interest payments over the next 5 years?

Is that counted as spending?

Mr. SABO. Mr. Chairman, I would assume it is. I assume no one is suggesting we cut a penny off of the interest payments and do not cut a penny off Social Security.

Mr. HEFNER. The arguments are not exactly truthful. I would certainly hope that the proponents of the proposition would certainly not want to give out any wrongful information.

Mr. MCMILLAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. EWING].

Mr. EWING. Mr. Chairman, I rise in strong support of Penny-Kasich, the only true solution to our deficit problem.

Mr. Chairman, I rise in support of the Penny-Kasich deficit reduction amendment to H.R. 3400. This plan contains real spending cuts, real fiscal constraint, and real deficit reduction. This plan offers the best hope for fiscal responsibility and the best hope that we will stop piling more and more debt on our children and grandchildren.

Since I was first elected to Congress in July 1991, I have repeatedly stated that my No. 1 priority is to help bring fiscal responsibility to the Federal budget. Year after year of deficit spending—some $255 billion in 1993—has created a debt of over $4.4 trillion, more than quadrupling the Federal Government's debt since 1980. During this period, mandatory spending programs have grown exponentially, and interest payments on this debt have consumed a greater portion of the annual budget each year. The escalating debt has a profound negative impact on the ability of the Government to provide important social services, and it has hurt the economy.

During debate on President Clinton's tax increase package last summer, my offices and those of many other Members of Congress were flooded with phone calls and letters from constituents demanding that we cut spending first. It became clear during that debate that the American people want us to balance the budget by cutting spending, not raising taxes. I agreed with that position then, and I agree with it now.

Cutting spending challenges us to make tough decisions, and Penny-Kasich meets that challenge. The proposal achieves over $90 billion in deficit reduction over 5 years. It cuts or eliminates dozens of unnecessary programs including nonvital military projects, a freeze in construction of new Federal buildings, streamlining of operations at several Federal agencies, et cetera. But, in order to achieve such major deficit reduction, it also contains cuts in programs many of us would rather not cut.

In the past few days leading up to the vote on the Penny-Kasich amendment we have seen a tremendous lobbying campaign against deficit reduction led by special interest groups in Washington, DC, and by President Clinton and the leadership in Congress. Unfortunately, in their zeal to kill the spending cuts, these groups have distorted the facts about Penny-Kasich. I would like to set the record straight.

Penny-Kasich will reduce the increase of spending on Medicare, one of the fastest growing programs in the entire Federal budget, by $34 billion over 5 years. However, despite what some groups have depicted, it is important to note that much of these cuts will not be felt by most senior citizens. About one-third of the savings in Medicare come from asking part B recipients with income over $70,000—$90,000 for couples—to pay a higher portion of their premiums, for which the Government currently pays 75 percent, regardless of income. The plan also proposes increased hospital insurance deductibles for those with incomes over $70,000—$90,000 for couples.

I am sure that the Penny-Kasich amendment contains something for everyone to hate, which is probably a sign that this is a good proposal. For instance, I am concerned about the proposal to cut overhead costs for university research and development projects. The University of Illinois, in the heart of my district, will feel this cut. While I would prefer that this not be included, I also realize that on the whole, Penny-Kasich is good because it will reduce the deficit.

Finally, it is important to point out that we are guaranteed that Penny-Kasich will directly reduce the deficit, and won't be spent on other programs, because it actually reduces spending caps set forth in the annual budget resolution. Usually when the House votes to cut a program—which isn't very often—those caps are not lowered, and the money cut is therefore made available for appropriation to other programs. Penny-Kasich has teeth, it will cut spending, reduce the size of the budget, and it will cut the deficit.

We need to keep some perspective during this debate. While the President and the special interest groups would have us believe that Penny-Kasich would have devastating effects, the fact is that overall this amendment will only cut about 1 cent out of every Federal dollar. It would cut about $6.5 billion in fiscal year 1994—the current deficit is $255 billion—and $90 billion over 5 years. If we cannot even make this rather small cut, I doubt we will ever be able to balance the budget.

Mr. Chairman, for those of us who have been calling for deficit reduction, now is the time to stand up and be counted. It is time to make tough choices and to do what we said we will do. I strongly support the Penny-Kasich amendment and urge my colleagues to vote for it.

Mr. MCMILLAN. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. Mr. Chairman, for nearly a generation, Congress has repeatedly and consciously been willing to spend more than we take in. First, the deficit was small. As it grew, so did our anxiety and rhetoric, but we have not been willing to match our words with action.

In 1985 I was one of a small group that developed an alternative budget. We cut defense $25 billion. We cut discretionary programs line by line $25 billion for a total of $50 billion in cuts and a balanced budget in a few short

years. Everyone said—impressive, honest, courageous. The then-Budget Committee chairman commended us and said he was incorporating most of our ideas.

Mr. Chairman, it all sounded great, but when the final curtain came down, real cuts were small and the deficit grew, and the public was led to believe we had been tough. And so it has gone year after year. The deficit goes up and we go home and say how tough we have been.

Mr. Chairman, today is D-day. This is our last real chance to save our kids, to actually address the deficit that so endangers the economic strength of our country and the personal security of our people. We raised taxes a couple of months ago by over $300 billion. Now we must cut spending.

Mr. Chairman, Penny-Kasich is not draconian. Look at Medicare. We all agree wealthy retired seniors must pay more of their Medicare premiums than seniors retired on $6,000 or $20,000 or even $69,000. Even seniors support means testing on premiums. Most seniors have incomes higher than most single-parent households. If we want to adjust the income levels, closer to those recommended by President Clinton, we can do that in conference, but this is not draconian.

And let's look at the other Medicare cuts—all proposed by the President. If you don't like them we can give seniors the chance to join managed care programs, just as 15 States are now allowed under an HCFA demonstration program. We could even amend Medicare law to allow it to fund preventive service to reduce costs, though so far that has been too radical for this body.

No, the 1-percent Penny-Kasich cut is not draconian. Then why the ruckus? Listen up, America—listen up.

The ruckus is because the Penny-Kasich cuts are real.

The one-cent-in-every-dollar cuts are backed by budget caps and are enforceable. That's the big difference between the Sabo and Kasich budgets. That's why the threatening letters and the arm twisting. The game is over.

Yes, Penny-Kasich is real. It's good for your kids because it will slow deficit growth and every American now being whipped up to believe they'll be hurt will end up being better served by a Congress truly focused on fiscally responsible spending and taxing policy. We have no right to do health care reform until we have done our duty to bring current spending more in line with current revenues.

I urge your support of Penny-Kasich. It's a small but real drop in the bucket of our deficit. Even with Penny-Kasich, the U.S. Government will increase spending $2.2 trillion in the next 5 years. When is enough enough?

We increased taxes—now let's make good on a generation of promises, promises, promises to cut spending.

Mr. SABO. Mr. Chairman, I yield 1 minute to the gentleman from Georgia [Mr. BISHOP].

Mr. BISHOP. Mr. Chairman, I rise today reluctantly to oppose the Penny-Kasich proposal. I want to cut spending. I do believe in fiscal restraint. However, this proposal is a dangerous plan.

Penny-Kasich amounts to a $5 billion unfunded mandate on State governments. Prior to being elected to Congress, I served 16 years in the Georgia Legislature. I have seen first hand the devastating nature of unfunded mandates. I cannot, in good faith, support $5 billion in unfunded mandates on our State and local governments in the name of deficit reductions.

This proposal is also a slap in the face of the men and women who have valiantly served in our country's Armed Forces. I cannot support more cuts in veterans hospitals, many of which will have to be closed or have vital programs eliminated under Penny-Kasich. I cannot support more cuts for senior citizens, from children and from Federal workers—they are already cut to the bone.

I want to support a cut proposal above and beyond the $37 billion White House plan because I feel that it does not go far enough. And I have examined the Penny-Kasich proposal in detail. But I can not, Mr. Chairman, in good conscience, support it.

Mr. SABO. Mr. Chairman, I yield 1 minute to the gentlewoman from Georgia [Ms. MCKINNEY].

Ms. MCKINNEY. Mr. Chairman, I rise in reluctant opposition to the Penny-Kasich plan.

I am reluctant, because I strongly support the goal of deficit reduction.

But the outcry from my State has been so great—protesting the draconian impact of cuts so quick and so deep—that I must vote against this proposal. Georgians For Children expressed opposition to the proposal to lump block grants together. Without adequate childcare funding, Georgia's hard-fought welfare reform plans are doomed.

Officials of Grady Memorial Hospital—our huge, regional public hospital—raise concerns that this proposal will deal a death blow to any hope of health care reform. The Medicare cuts could cost Georgia $158 million.

I understand that this bill could force the closing of Warner-Robbins Air Force Base and further reduce the number of National Guard units in our State. Our communities are already reeling from the impact of base closings and military reductions.

I support the Frank-Shays amendment to cut an additional $51 billion over the next 5 years. This proposal eliminates big-ticket projects that I have consistently opposed such as the space station. Support responsible deficit reduction—oppose Penny-Kasich.

Mr. MCMILLAN. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. HYDE].

Mr. HYDE. Mr. Chairman, if I were to capsulize the so-called Sabo amendment, a short description would be "all flash and no cash." There are no cuts at all in the so-called Sabo amendment. It merely shuffles money around. It is a three shell game. It reprioritizes spending, but it does not make even a brush, a dent in the deficit.

Mr. Chairman, there are two groups of people that are most directly impacted by the so-called Sabo amendment. One are those Democrats who voted, painfully, for the President's budget on the promise that they would get to vote on some real cuts later on. They find out how hollow, how empty that promise really was.

Then there is a second group of Democrats, more sophisticated, who felt that this type of vote is a CYA vote, a cover your posterior vote. Now, if they think that, and when the public wises up to no cuts, no dents in the deficit, the CYA suddenly becomes a cellophone fig leaf. If they think that is going to cover them, I just suggest they may well get arrested for indecent exposure.

The CHAIRMAN. The gentleman from Minnesota [Mr. SABO] has 7 minutes remaining, and the gentleman from North Carolina [Mr. MCMILLAN] has 3 minutes remaining.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Chairman, I rise in very strong opposition to the Penny-Kasich amendment.

I suppose it has become fashionable in some quarters to blame all of our fiscal problems on senior citizens, but this amendment constitutes a reckless assault on older Americans. Nearly $40 billion of the $90 billion in savings from Penny-Kasich comes literally out of the pockets of senior citizens.

The so-called Medicare cuts in Penny-Kasich are not cuts at all. Penny-Kasich simply makes seniors—wealthy, middle-income, and low-income seniors—pay more for certain medical procedures under Medicare.

I hope seniors are listening carefully: Passage of Penny-Kasich will mean that over the next 5 years $40 billion will come out of seniors' bank accounts and go into the Federal Treasury account. It is really that simple.

Even worse, since these so-called savings come from Medicare, this $40 billion bill is payable only when seniors become ill. One has to question what this amendment says about our society.

A very serious problem with Penny-Kasich is that it eviscerates our national crime prevention strategy. Earlier today, Member after Member stood up and said that we are not focusing on the root causes of crime—that we need

more cops on the beat, more prisons, stiffer prison sentences. I agree with you, but where are we going to get the money?

The Senate has wisely earmarked the savings from the Federal work force reductions to finance our $22 billion crime package. Let me remind Penny-Kasich supporters of what is in the crime package: 100,000 new cops to patrol our neighborhoods, money to construct new prisons so criminals go to jail and stay in jail, drug treatment in prison so we don't send drug addicts back on the street, and boot camps to set juveniles on the right course.

If we pass the Penny-Kasich amendment, say goodbye to more cops, more prisons, and more peace of mind in the communities we represent.

Mr. Chairman, I am somewhat of a deficit hawk. If you look at my record, you'll see that I supported many amendments to cut spending. I support the bipartisan Frank-Shays amendment to cut the space station and other wasteful programs. I have drafted legislation with Representatives BREWSTER, EDWARDS, and HARMAN to earmark hard fought spending cuts to deficit reduction. I also supported the President's $500 billion deficit plan which remains the first and only serious attempt ever made to control Federal spending.

Therefore, I am baffled that proponents of Penny-Kasich have boasted of the courage it takes to make "real spending cuts." With the notable exception of Mr. Penny, nearly every supporter of this amendment not only opposed the President's budget plan but stood on the sidelines from the day the bill was introduced to its passage. That doesn't sound too courageous to me.

The Penny-Kasich amendment is bad legislation. It is an all-out assault on seniors and it guts our crime initiatives. I urge Members to make the right choice and vote "no" on Penny-Kasich.

□ 1900

And I ask my colleagues, if there is one consensus in America on spending, it is spending to fight crime, not throwing money at a problem, but dealing with the problem in a rational and careful way. People on the right, people on the left, Democrats, Republicans, we all support it.

But instead of coming to this floor year after year and pushing empty promises, we now, this time, for the first time have a potential to put our money where our mouth is and actually do the tough things on crime that we want to do, our public wants us to do, and the criminals are afraid of.

But if we pass Penny-Kasich that hope is all gone.

Mr. MCMILLAN. Mr. Chairman, I would like to suggest to the gentleman from New York that if he wants action on crime he could sign discharge petition No. 10.

Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Mr. Chairman, I rise tonight in strong support of Penny-Kasich. We were promised the opportunity to finally cut spending, and that is what this bill does.

No, it is not perfect. But let me tell you, with very few exceptions there is not a single budget cut out there that will not make someone howl. It is always, "Don't cut me, cut someone else behind that tree."

Well, Mr. Speaker, tonight we can make a difference. I have met with my Concord Coalition folks and my United We Stand folks too. They have read Bankruptcy 1995. They know we have to start making some tough choices now.

The taxpayers have had it up to here. Let us stop listening to the few folks walking around the hallways trying to protect their special pet programs. We can do it. We can do it for our kids and their kids too by starting to finally do something about the deficit tonight that otherwise will strangle us if we do not.

Please vote for Penny-Kasich.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Chairman, this is a very serious vote that we have before us tonight. Whether we are talking about $30 billion, $42 billion, $90 billion-plus, we are talking about an incredible amount of shifts in taxpayers' dollars. We are talking about huge expenditures. We are talking about amounts of money we can hardly imagine.

Yet tonight we are dealing with these huge sums in this ad hoc way we sometimes have of doing things. This is not the budget process. The gentleman from Minnesota [Mr. SABO] is chairman of the Budget Committee, and the gentleman from Ohio [Mr. KASICH] is the ranking member of the Budget Committee. They both worked long and hard on the budget we passed this summer.

Why did that budget vote pass by only one vote? Why did it pass by so close a vote? Because it was a very tough budget. It talked about tax increases. It talked about caps on discretionary spending. It talked about change, for the first time in a long time, about turning the budget around and going in the other direction by reducing the deficit; being realistic about where we are in this country, a country that has a huge debt. And it was done in the proper fashion; and it was very difficult.

Tonight we are going to have a vote that we all will argue about—what cut, or where that cut really is, or what is really happening. What is happening here is this is an extra vote and one we do not need. Rather, we should continue to build on the budget we passed in the regular process of the U.S. Congress. We did it right then. We went in the right direction.

Tonight's vote is not the right vote. Tonight's vote is a vote we should not have, but if we are going to have it, let us continue to build on the Sabo budget and do it in the right way, in a professional way, in a way that is going to take this country in the right direction: Orderly, real deficit reduction while at the same time keeping commitments to the American people already made in the budget process.

A vote for the Sabo amendment is the right vote. We would all love to cut and reduce the deficit more, but it is irresponsible to do it in this manner. Let us just keep going in the right direction knowing that we have to reduce the deficit and reduce it in the right way.

Mr. MCMILLAN. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. FAWELL].

Mr. FAWELL. Mr. Chairman, I thank the gentleman for yielding the time.

In 1985, when I first came to Congress, the national debt was $1.4 trillion. For 9 years I have watched Congress with all of its many 5-year plans and budgets promising trillions of dollars of deficit reduction. But what the people really got was trillions of dollars of new debt, a national debt now at $4.3 trillion.

Why? Because most of the heralded decreases in spending touted as deficit reductions were rerouted to alternative spending, exactly what the Sabo amendment does. So here we are, the Nation is drowning in debt, there will be new debt of at least another $2 trillion or $2.5 trillion at the end of the 5-year plan, and here we are, we are quivering about taking a step like this.

Winston Churchill has said that you can always count on the Americans to do the right thing—after they have exhausted every bloody alternative around. He must have had Congress in mind. The Sabo amendment is simply more a bloody alternative for rerouted spending. It is not a deficit reduction, and that is why, with all of the promises of literally trillions of dollars of deficit reduction those last 9 years, the only things the taxpayers got was a little bit older and deeper in debt.

Shape up, Washington, and support the Penny-Kasich amendment.

Mr. MCMILLAN. Mr. Chairman, I yield 30 seconds to the gentleman from Indiana [Mr. BUYER].

Mr. BUYER. Mr. Chairman, the message I am hearing from hard-working Hoosier families is to cut spending first. If they can balance their budget around the kitchen table, Congress should be able to balance the national budget. The Kasich-Penny amendment would represent the first step toward a balanced budget.

The hope of ridding our Nation of its Federal deficit will never be realized

until we stop the practice of cutting spending but funding new programs. The Kasich-Penny amendment specifically sets sending cuts to go exclusively to reduce the deficit. What Congress is doing now, by considering the Kasich-Penny amendment, is what it should have done when it passed the tax bill in July.

The opponents of Kasich-Penny just don't get it. If this Congress can't support $90 billion in cuts for deficit reduction, it will never come to grips with the growth of Government spending.

The Kasich-Penny amendment will be the litmus test for hypocrisy. Many of you who voted for tax increases will now vote against spending cuts. You will be judged. I applaud my Democratic colleagues who are now going to vote for real spending cuts to reduce the deficit.

During this year, we have seen the administration, flanked by forklifts of unnecessary Government rules and regulations, call for serious and genuine cuts and Government reform. The Vice President's reinventing Government plan claimed an estimated $108 billion in savings over 5 years. According to CBO, this plan, as it was introduced in Congress, contained only around $300 million in savings.

My colleagues, on both sides of the aisle, worked long and hard to put together the Kasich-Penny plan which would achieve real deficit reduction by over $90 billion over 5 years. It is sad the administration, now flanked by special interest groups, is leading the charge against the Kasich-Penny amendment to cut Federal spending, claiming it will wreck the economy, threaten our national security, and destroy the prospects for health care reform.

This plan will not have a detrimental impact on the economy. The plan amounts to 0.2 percent of the $37 trillion in U.S. economic activity projected over the next 5 years. If anything, rather than harming the economy, the achievement of a sizable deficit reduction would send a positive signal to the financial markets. Federal Reserve Chairman Alan Greenspan said the best thing Congress can do for the economy is adopt credible deficit reduction. The Kasich-Penny amendment achieves just that.

This plan does not threaten national security. This plan contains only around $1.8 billion in Defense spending reduction over the next 5 years. The administration's policies, which include $127 billion in cuts in the military without a risk assessment to national security, trying to put gays in the military, wrecking the operational tempo, and sending our troops abroad in peacekeeping missions without proper support, are far more detrimental to the preservation of national security than the Kasich-Penny plan.

This plan does not destroy the prospects for health care reform. In fact, these proposals are the same as provisions President Clinton included in his health care reform proposal. The Medicare provisions of the Kasich-Penny amendment, which include $34 billion in savings, are far less than the administration's proposal of $124 billion in cuts to Medicare. The administration's health care reform plan also includes a $45 billion cushion. The $34 billion reduction in the Kasich-Penny plan cannot possibly harm Clinton's health plan.

This amendment's savings represent around 1.1 percent of our Nation's entire budget over the next 5 years. This translates into a cut of 1 penny for every dollar the Federal Government spends. It mandates that these savings be used exclusively to reduce the deficit, not for new or existing programs.

Sure there are tough choices in the Kasich-Penny plan. These are the kinds of choices which are going to save this country from bankruptcy for our children and grandchildren. Most of the cuts in the Kasich-Penny plan will have little effect on everyday Americans. These types of cuts are long overdue.

If this Congress cannot overcome the business-as-usual agenda and pass this amendment, then this Congress will never tackle the deficit tiger. I urge my colleagues to support the demands of the American public. I urge my colleagues to stand for fiscal responsibility and support the Kasich-Penny amendment.

Mr. MCMILLAN. Mr. Chairman, I yield 30 seconds to the gentleman from Michigan [Mr. CAMP].

Mr. CAMP. Mr. Chairman, the Kasich-Penny proposal is the only serious proposal to cut spending here tonight.

Members who have argued for a balanced budget amendment say we need the amendment to have the courage to make serious cuts in Government spending. Members who have opposed a balanced budget amendment have said we don't need an amendment—just the courage to make serious cuts in Government spending. Opponents of the President's budget bill said we need to cut more spending. Many proponents of the President's budget bill said it was a first step to cutting spending, but they said we need to do more.

Well, if we really want to cut spending, this is our chance. If we want to send an honest message to American taxpayers that we're serious about cutting spending and reducing the deficit, this is our chance. If you want to go home and tell your constituents that you seriously cut spending, this is your chance.

Mr. Chairman, Kasich-Penny is a package that cuts 1 cent out of every tax dollar the Government will spend in the next 5 years. It is a package that was put together by 31 Democrats and Republicans, and supported by a lot of other Members, who have said we have had enough—enough of the fake spending cuts.

Tonight this is your chance to rise above partisanship and pass a package that is about the future.

Mr. Chairman, it is very basic, vote for Kasich—and Penny.

The CHAIRMAN. The gentleman from Minnesota [Mr. SABO] has 3 minutes remaining.

Mr. SABO. Mr. Chairman, I yield myself our remaining time.

Mr. Chairman, I simply rise to ask support of the amendment which provides for $37 billion of real spending cuts. It has $2.5 billion of rescissions of actual appropriations from this year. It makes some very fundamental reforms in how Government operates, provides for a personnel cap which reduces Federal employment by 252,000 employees over the next 5 years.

It is a good amendment, it is reasonable, and it is a responsible amendment. It is consistent with the budget that we adopted last summer, and I ask Members' support.

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

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Minnesota [Mr. SABO].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. MCMILLAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 272, noes 163, not voting 3, as follows:

[Roll No. 608]

AYES—272

Ackerman	Chapman	English (AZ)
Andrews (ME)	Clay	English (OK)
Andrews (TX)	Clayton	Eshoo
Applegate	Clement	Evans
Bacchus (FL)	Clyburn	Faleomavaega (AS)
Baesler	Coleman	Farr
Barca	Collins (GA)	Fazio
Barcia	Collins (IL)	Fields (LA)
Barlow	Collins (MI)	Filner
Barrett (NE)	Cooper	Fingerhut
Barrett (WI)	Coppersmith	Flake
Becerra	Costello	Foglietta
Beilenson	Coyne	Ford (MI)
Berman	Cramer	Ford (TN)
Bevill	Danner	Frank (MA)
Bilbray	Darden	Frost
Bilirakis	de la Garza	Furse
Bishop	de Lugo (VI)	Gejdenson
Blackwell	Deal	Gephardt
Boehlert	DeFazio	Geren
Bonior	DeLauro	Gibbons
Borski	Dellums	Gilman
Boucher	Derrick	Glickman
Brewster	Deutsch	Gonzalez
Brooks	Diaz-Balart	Goodlatte
Browder	Dicks	Gordon
Brown (CA)	Dingell	Green
Brown (FL)	Dixon	Gutierrez
Brown (OH)	Dooley	Hall (TX)
Bryant	Duncan	Hamburg
Byrne	Durbin	Hamilton
Cantwell	Edwards (CA)	Harman
Cardin	Edwards (TX)	Hastings
Carr	Engel	

Hayes
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Hoyer
Huffington
Hughes
Hutto
Inslee
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Lehman
Levin
Levy
Lewis (GA)
Lipinski
Lloyd
Long
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Miller (CA)
Mineta
Minge
Moakley
Mollohan
Montgomery
Moran
Morella
Murphy
Murtha
Nadler
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Pickett
Pickle
Pomeroy
Porter
Poshard
Price (NC)
Rahall
Rangel
Reed
Reynolds
Richardson
Roemer
Rogers
Romero-Barcelo (PR)
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Schenk
Schroeder
Schumer
Scott
Serrano
Sharp
Shays
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Tucker
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Washington
Watt
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOES—163

Abercrombie
Allard
Andrews (NJ)
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Bartlett
Barton
Bateman
Bentley
Bereuter
Billey
Blute
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Coble
Combest
Condit
Conyers
Cox
Crane
Crapo
Cunningham
DeLay
Dickey
Doolittle
Dornan
Dreier
Dunn
Emerson
Everett
Ewing
Fawell
Fields (TX)
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gallo
Gekas
Gilchrest
Gillmor
Gingrich
Goodling
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Grandy
Greenwood
Gunderson
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Hoekstra
Hoke
Horn
Houghton
Hunter
Hutchinson
Hyde
Inglis
Inhofe
Istook
Jacobs
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Leach
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Livingston
Machtley
Manzullo
McCandless
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
McMillan
Mica
Michel
Miller (FL)
Mink
Molinari
Moorhead
Myers
Nussle
Oxley
Packard
Paxon
Penny
Peterson (MN)
Petri
Pombo
Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Regula
Roberts
Rohrabacher
Royce
Santorum
Saxton
Schaefer
Schiff
Sensenbrenner
Shaw
Shuster
Skeen
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Talent
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Traficant
Underwood (GU)
Upton
Vucanovich
Walker
Walsh
Waters
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—3

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Hall (OH)
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□ 1927

Mr. OWENS changed his vote from "no" to "aye."

So the amendment in the nature of a substitute was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. It is now in order to consider amendment No. 2, printed in part 2 of House Report 103–403.

AMENDMENT OFFERED BY MR. PENNY

Mr. PENNY. Mr. Chairman, I offer an amendment made in order under the rule.

The text of the amendment is as follows:

Amendment offered by Mr. PENNY: Add at the end of the bill the following:

SECTION. 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Common Cents Deficit Reduction Act of 1993".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title and table of contents.

TITLE I—NATIONAL SECURITY

Sec. 101. Sense of Congress on increased burden sharing by allies of the United States.
Sec. 102. Streamlining and reorganization of Corps of Engineers.
Sec. 103. Rescission of certain defense add-ons.
Sec. 104. Rescission of funds for MK–19 grenade launcher program.
Sec. 105. Termination of C–26 aircraft program.
Sec. 106. Termination of mobile in-shore undersea warfare vans program.
Sec. 107. Rescission of certain defense operation and maintenance funds.
Sec. 108. Reduction in Public Law 480 Food for Peace Program.
Sec. 109. Rescission of funds for World Bank.
Sec. 110. Reduction in funding for International Development Association.
Sec. 111. Rescission of funds for foreign military financing.
Sec. 112. Rescission of funds for Agency for International Development, Department of state, and United States Information Agency.

TITLE II—PHYSICAL CAPITAL, NATURAL RESOURCES, AND SCIENCE

Sec. 201. Termination of spacelifter program.
Sec. 202. Department of Science, Space, Energy and Technology.
Sec. 203. Elimination of funding for MagLev prototype development program.
Sec. 204. Rescission of funds for federally sponsored university research and development.
Sec. 205. Recoupment of certain grants.
Sec. 206. Coverage of federally funded research and development centers by Competition in Contracting Act.
Sec. 207. Termination of modular high temperature gas reactor project.
Sec. 208. Department of Energy Facilities Closure and Reconfiguration Commission.
Sec. 209. Rescission of funds for fusion energy research and development.
Sec. 210. Rescission of funds for fossil energy research and development.
Sec. 211. Alaska Power Administration sale.
Sec. 212. Federal-private cogeneration of electricity.
Sec. 213. Termination of clean coal technology program.
Sec. 214. Rescission of funds from SPR petroleum account.
Sec. 215. Study of termination of helium subsidy.
Sec. 216. Rescission of funds for low-priority water projects.
Sec. 217. Preference for interim measures in Superfund response actions.
Sec. 218. Reservation of funds for disaster relief.
Sec. 219. Elimination of Weather Office closure certification procedures.
Sec. 220. Rescission of funds for NOAA research fleet.
Sec. 221. Rescission of funds for NOAA add-ons.
Sec. 222. Study concerning merger of Bureau of Reclamation and United States Army Corps of Engineers.
Sec. 223. Rescission of funds for agriculture building and facilities account.
Sec. 224. Repeal of authorizations for the airway science program, collegiate training initiative, and air carrier maintenance technician training facility grant program.
Sec. 225. Repeal of national recreational trails program.
Sec. 226. Rescission of funds for EDA.
Sec. 227. Elimination of funding for public telecommunications facilities.
Sec. 228. Moratorium on construction and acquisition of new Federal buildings.

TITLE III—GOVERNMENT MANAGEMENT

Sec. 301. Government information dissemination and printing improvement.
Sec. 302. Sense of Congress regarding reorganization of Bureau of Indian Affairs.
Sec. 303. Rescission of funds for printing and reproduction and for supplies and materials.
Sec. 304. Streamlining of Department of Housing and Urban Development.
Sec. 305. Termination of Interstate Commerce Commission.
Sec. 306. Rescission of funds from Tennessee Valley Authority Fund.
Sec. 307. Rescission of funds for Appalachian Regional Commission.
Sec. 308. Improvements to managment of veterans' hospitals.
Sec. 309. Rescission of funds for Legal Services Corporation.

Sec. 310. Termination State Justice Institute.
Sec. 311. Improvement of U.S. Marshals Service.
Sec. 312. Rescission of funds for BATF.
Sec. 313. Rescission of funds for construction of new Federal offices and courthouses.
Sec. 314. Limitation on office equipment and furnishings purchases by departing Members of House of Representatives.
Sec. 315. Rescission of funds for Executive Office of the President.
Sec. 316. Rescission of funds for Legislative Branch.
Sec. 317. Rescission of funds for House franking.
Sec. 318. Provisions relating to annual pay adjustments for Members of Congress.
Sec. 319. SES annual leave accumulation.
Sec. 320. Reduction of Federal full-time equivalent positions.
Sec. 321. Rescission of funds for travel accounts.
Sec. 322. Termination of Federal advisory committees.
Sec. 323. Increase in threshold for application of Davis-Bacon Act.
Sec. 324. Elimination of certain reports required on contracts covered by Davis-Bacon Act.
Sec. 325. Fees for applications for alcohol labeling and formula reviews.
Sec. 326. Increase in SEC registration fees.
Sec. 327. Travel, tourism, and export promotion fees.

TITLE IV—HUMAN RESOURCES

Sec. 401. Reduction in funding for arts and humanities programs.
Sec. 402. Elimination of operating subsidies for vacant public housing.
Sec. 403. Substitution of voucher assistance for public housing new construction.
Sec. 404. Reform of HUD multifamily property disposition.
Sec. 405. Termination of annual direct grant assistance.

TITLE V—SOCIAL SERVICES AND RETIREMENT

Sec. 501. Increase in retirement age under FERS to 65.
Sec. 502. Provision relating to Government contributions to the Thrift Savings Plan.
Sec. 503. Deferral until age 62 of cost-of-living adjustments for military retirees who first entered military service on or after January 1, 1994.
Sec. 504. Consolidation of certain social services programs into a single block grant program.
Sec. 505. Awards of Pell grants to prisoners prohibited.
Sec. 506. Elimination of education programs that have largely achieved their purpose.

TITLE VI—AGRICULTURE AND HEALTH CARE

Sec. 601. Department of Agriculture reorganization.
Sec. 602. Reduction in triple base for deficiency payments for basic agricultural commodities under agriculture programs.
Sec. 603. Imposition of 20 percent coinsurance on clinical laboratory services under Medicare.
Sec. 604. Imposition of 20 percent coinsurance on home health services under Medicare.
Sec. 605. Relating Medicare part B premium to income for certain high income individuals.
Sec. 606. Increase in Medicare hospital insurance deductible for certain high-income individuals.
Sec. 607. Establishment of standard payment rates for home health services.
Sec. 608. Eliminating Federal support for honey.

TITLE VII—ENFORCEMENT

Sec. 701. Dedication of savings to deficit reduction.

TITLE I—NATIONAL SECURITY

SEC. 101. SENSE OF CONGRESS ON INCREASED BURDEN SHARING BY ALLIES OF THE UNITED STATES.

(a) DEFENSE COST-SHARING AGREEMENTS.—It is the sense of Congress that the President should enter into negotiations with each foreign nation referred to in subsection (b)(1) that is not excluded by subsection (b)(2) to seek to conclude an agreement that provides for such nation to pay at least 50 percent of the overseas basing costs that are incurred for the stationing of members of the Armed Forces of the United States and related civilian employees of the Department of Defense in that nation as a result of the implementation of a bilateral or multilateral defense agreement with that nation.

(b) COVERED FOREIGN NATIONS.—(1) Except as provided in paragraph (2), subsection (a) applies with respect to the following foreign nations:

(A) Each member nation of the North Atlantic Treaty Organization (other than the United States).

(B) Every other foreign nation with which the United States has a bilateral or multilateral defense agreement that provides for the assignment of combat units of the Armed Forces of the United States to permanent duty ashore in that nation.

(2) Subsection (a) does not apply with respect to any foreign nation—

(A) that receives assistance or financing under—

(i) section 23 of the Arms Export Control Act (22 U.S.C. 2763), relating to the foreign military financing program; or

(ii) the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.);

(B) in which not more than 1,000 members of the Armed Forces of the United States and related civilian employees of the Department of Defense are assigned to permanent duty ashore as a result of the implementation of a bilateral or multilateral defense agreement; or

(C) that has agreed to assume, not later than January 1, 1995, at least 50 percent of the overseas basing costs of the United States in that nation.

(c) USE OF FUNDS FOR PAYING OVERSEAS BASING COSTS.—(1) It is the sense of Congress that funds should not be expended to pay more than the allowable percent of the overseas basing costs that are incurred during a fiscal year referred to in paragraph (2) for the stationing of members of the Armed Forces of the United States and related civilian employees of the Department of Defense in a nation referred to in subsection (a) as a result of the implementation of a bilateral or multilateral defense agreement with that nation.

(2) For purposes of paragraph (1), the allowable percent for a fiscal year is as follows:

(A) For fiscal year 1995, 84 percent.

(B) For fiscal year 1996, 75 percent.

(C) For fiscal year 1997, 60 percent.

(D) For each fiscal year that begins after September 30, 1997, 50 percent.

(d) OVERSEAS BASING COSTS DEFINED.—In this section, the term "overseas basing costs" means all costs related to the operation of installations in foreign countries at which forces of the Armed Forces of the United States are based, as determined by the Secretary of Defense using the methodology used in preparing the "Fiscal Year 1994 Budget Estimate, Department of Defense", dated April 1993, and the "Report on Allied Contributions to the Common Defense", dated May 1993. The term—

(1) includes, among other costs—

(A) pay for foreign nationals;

(B) costs of utilities;

(C) costs of local services;

(D) costs of military construction projects;

(E) costs of real property maintenance;

(F) costs of environmental restoration;

(G) leasing costs;

(H) taxes;

(I) user fees;

(J) tolls; and

(K) import duties;

(2) does not include—

(A) the rent value of land or facilities provided to the United States by foreign nations covered by this section in excess of amounts actually paid by such nations to private owners of such land or facilities; and

(B) revenue foregone by foreign nations covered by this section in providing rent-free land or facilities to the United States; and

(3) does not include the pay and allowances of members of the Armed Forces of the United States and civilian employees of the Department of Defense.

SEC. 102. STREAMLINING AND REORGANIZATION OF CORPS OF ENGINEERS.

The Secretary of the Army shall reorganize the United States Army Corps of Engineers by reorganizing the headquarters offices, reducing the number of division offices from 11 to not more than 6, and restructuring the district functions so as to increase the efficiency of the United States Army Corps of Engineers and reduce staff and costs, to achieve at least $50,000,000 in net annual savings by fiscal year 1998.

SEC. 103. RESCISSION OF CERTAIN DEFENSE ADD-ONS.

(a) MILITARY CONSTRUCTION.—Of the funds made available under the heading "Military Construction, Army Reserve" in the Military Construction Appropriations Act, 1994 (Pub. L. 103–110), $15,000,000 is rescinded, to be derived from the Georgia-Fort McPherson Command Headquarters, Phase I, project.

(b) DEFENSE PROCUREMENT.—Of the funds made available in the Department of Defense Appropriations Act, 1994 (Pub. L. 103–139), the following amounts are rescinded from the following accounts and programs:

(1) "Other Procurement, Army", $15,000,000, to be derived from common hardware and software.

(2) "Other Procurement, Navy", $30,000,000, to be derived from spare and repair parts.

(3) "Other Procurement, Navy", $12,000,000, to be derived from weapons range support equipment.

(4) "Other Procurement, Army", $10,000,000, to be derived from tactical trailers/dolly sets.

(5) "Shipbuilding and Conversion, Navy", $50,000,000, to be derived from advance procurement of LHD–7.

SEC. 104. RESCISSION OF FUNDS FOR MK–19 GRENADE LAUNCHER PROGRAM.

Of the funds made available under the heading "Procurement of Weapons and Tracked Combat Vehicles, Army" in the Department of Defense Appropriations Act, 1994

(Pub. L. 103–139), $15,000,000 is rescinded, to be derived from the MK–19 automatic grenade launcher program.

SEC. 105. TERMINATION OF C–26 AIRCRAFT PROGRAM.

The Secretary of Defense shall cancel the C–26 aircraft program. Funds appropriated for the Department of Defense may not be obligated after the date of the enactment of this Act for procurement of new aircraft under that program other than for contract termination or cancellation costs.

SEC. 106. TERMINATION OF MOBILE IN-SHORE UNDERSEA WARFARE VANS PROGRAM.

The Secretary of Defense shall cancel the Mobile In-Shore Undersea Warfare Vans program. Funds appropriated for the Department of Defense may not be obligated after the date of the enactment of this Act for procurement under that program other than for contract termination or cancellation costs.

SEC. 107. RESCISSION OF CERTAIN DEFENSE OPERATION AND MAINTENANCE FUNDS.

Of the funds made available in the Department of Defense Appropriations Act, 1994 (Pub. L. 103–139), the following amounts are rescinded from the following accounts:

(1) "Operation and Maintenance, Army", $88,020,000 to be derived from general reduction DBOF, and $15,180,000 to be derived from inventories.

(2) "Operation and Maintenance, Navy", $109,270,000 to be derived from general reduction DBOF, and $27,555,000 to be derived from inventories.

(3) "Operation and Maintenance, Air Force", $94,140,000 to be derived from general reduction DBOF, and $12,265,000 to be derived from inventories.

SEC. 108. REDUCTION IN PUBLIC LAW 480 FOOD FOR PEACE PROGRAM.

(a) IN GENERAL.—Section 103 of title I of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end the following:

"(f) MODIFICATION OF TERMS AND CONDITIONS DURING CERTAIN YEARS.—The Secretary shall set the terms and conditions of agreements entered into under this title after the date of the enactment of this subsection so that—

"(1) the length of the loan does not exceed 20 years;

"(2) the length of the grace period does not exceed 5 years;

"(3) the interest rate during the grace period is not less than 3 percent; and

"(4) the interest rate during the payback period is not less than 5 percent.".

(b) RESCISSION OF FUNDS.—Of the funds made available under the heading "Public Law 480 Program Account" in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1994 (Pub. L. 103–111)—

(1) $69,378,000 is rescinded from the amounts provided for programs under title I of the Agricultural Trade Development and Assistance Act of 1954 and the Food for Progress Act of 1985; and

(2) $56,017,000 is rescinded from the amount provided for commodities supplied in connection with dispositions abroad pursuant to title III of the Agricultural Trade Development and Assistance Act of 1954.

SEC. 109. RESCISSION OF FUNDS FOR WORLD BANK.

Of the funds made available under the heading "Contribution to the International Bank for Reconstruction and Development" in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1994 (Pub. L. 103–87)—

(1) $27,910,500 provided for paid-in capital is rescinded; and

(2) $902,439,500 provided for callable capital is rescinded.

SEC. 110. REDUCTION IN FUNDING FOR INTERNATIONAL DEVELOPMENT ASSOCIATION.

(a) IN GENERAL.—Section 526 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1994 (Public Law 103–87) is amended by inserting before the period at the end ", of which not more than $957,142,857 shall be available for fiscal year 1994, and not more than $957,142,857 shall be available for fiscal year 1995".

(b) RESCISSION OF FUNDS.—Of the funds made available under the heading "Contribution to the International Development Association" in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1994 (Pub. L. 103–87), $67,189,143 is rescinded.

SEC. 111. RESCISSION OF FUNDS FOR FOREIGN MILITARY FINANCING.

Of the funds made available under the heading "Foreign Military Financing Program" in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1994 (Pub. L. 103–87), $25,721,000 is rescinded, to be derived from grants.

SEC. 112. RESCISSION OF FUNDS FOR AGENCY FOR INTERNATIONAL DEVELOPMENT, DEPARTMENT OF STATE, AND UNITED STATES INFORMATION AGENCY.

(a) AID.—Of the funds made available under the heading "Agency for International Development—Development Assistance Fund" in appropriations Acts for fiscal year 1994 and prior fiscal years to carry out the provisions of sections 103 through 106 of the Foreign Assistance Act of 1961, $160,000,000 is rescinded.

(b) DEPARTMENT OF STATE.—Of the funds made available under the heading "Department of State—Administration of Foreign Affairs—Diplomatic and Consular Programs" in the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1994 (Pub. L. 103–121), $600,000 is rescinded.

(c) USIA.—

(1) SALARIES AND EXPENSES.—Of the funds made available under the heading "United States Information Agency—Salaries and Expenses" in the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1994 (Pub. L. 103–121), $3,000,000 is rescinded.

(2) NORTH/SOUTH CENTER.—Of the funds made available under the heading "United States Information Agency—North/South Center" in the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1994 (Pub. L. 103–121), $8,700,000 is rescinded.

TITLE II—PHYSICAL CAPITAL, NATURAL RESOURCES, AND SCIENCE

SEC. 201. TERMINATION OF SPACELIFTER PROGRAM.

(a) IN GENERAL.—The United States shall not obligate any funds for the acquisition or operation of any space launch system not in operation as of the date of enactment of this Act.

(b) RESCISSION OF FUNDS.—Of the funds made available under the heading "Research, Development, Test and Evaluation, Defense-Wide" in the Department of Defense Appropriations Act, 1994 (Pub. L. 103–139), $10,000,000 is rescinded, to be derived from the new medium lift vehicle (Spacelifter) program.

SEC. 202. DEPARTMENT OF SCIENCE, SPACE, ENERGY AND TECHNOLOGY.

(a) SHORT TITLE.—This section may be cited as the "Department of Science, Space, Energy, and Technology Organization Act of 1993".

(b) GENERAL PROVISIONS.—

(1) FINDINGS.—The Congress finds that—

(A) the advancement of science and technology is a vital national goal which is essential for the continued economic well being of the United States;

(B) the creation of new scientific information and technological development are generators of new wealth and jobs;

(C) consolidation of the Federal agencies which conduct and support science and technology activities will focus the resources of the Federal Government and will lead to better coordination of the overall effort of those agencies to carry out the research and development objectives of the United States;

(D) the elimination of duplication of functions within the scientific and technical agencies of the Federal Government will lead to cost savings for the Government; and

(E) the creation of the Department of Science, Space, Energy, and Technology will increase the dissemination of technology through the improved coordination of technology transfer from the Federal Government to the private sector.

(2) DEFINITIONS.—As used in this section, unless otherwise provided or indicated by the context—

(A) the term "Department" means the Department of Science, Space, Energy, and Technology;

(B) the term "Secretary" means the Secretary of Science, Space, Energy, and Technology;

(C) the term "Deputy Secretary" means the Deputy Secretary of Science, Space, Energy, and Technology;

(D) the term "function" includes any duty, obligation, power, authority, responsibility, right, privilege, activity, or program; and

(E) the term "office" includes any office, institute, council, unit, or organizational entity, or any component thereof.

(c) ESTABLISHMENT OF THE DEPARTMENT.—

(1) ESTABLISHMENT.—There is authorized an executive department to be known as the Department of Science, Space, Energy, and Technology. The Department shall be administered, in accordance with the provisions of this section, under the supervision and direction of a Secretary of Science, Space, Energy, and Technology. The Secretary shall be appointed by the President, by and with the advice and consent of the Senate. The Secretary shall receive basic pay at the rate payable for level I of the Executive Schedule under section 5312 of title 5, United States Code.

(2) PRINCIPAL OFFICERS.—

(A) DEPUTY SECRETARY.—(i) There shall be in the Department a Deputy Secretary of Science, Space, Energy, and Technology who shall be appointed by the President, by and with the advice and consent of the Senate. During the absence or disability of the Secretary, or in the event of a vacancy in the office of the Secretary, the Deputy Secretary shall act as Secretary. The Secretary shall designate the order in which other officials of the Department shall act for and perform the functions of the Secretary during the absence or disability of both the Secretary and Deputy Secretary or in the event of vacancies in both of those offices. The Deputy Secretary shall receive basic pay at the rate payable for level II of the Executive Schedule under section 5313 of title 5, United States Code.

(ii) The Deputy Secretary shall perform such other duties and exercise such powers as the Secretary may from time to time prescribe.

(B) UNDER SECRETARIES.—(i) There shall be in the Department—

(I) an Under Secretary of Research who shall, on the transfer of functions and offices under subsection (d), serve as the Director of the National Science Foundation;

(II) an Under Secretary of Technology who shall, on the transfer of functions and offices under subsection (d), serve as the Administrator of the National Institute of Standards and Technology, the National Technical Information Service, the National Telecommunications and Information Administration, and the Patent and Trademark Office;

(III) an Under Secretary of Energy who shall, on the transfer of functions and offices under subsection (d), serve as the Administrator of the National Energy Administration;

(IV) an Under Secretary of Space who shall, on the transfer of functions and offices under subsection (d), serve as the Administrator of the National Aeronautics and Space Administration; and

(V) an Under Secretary of Oceanic and Atmospheric Affairs who shall, on the transfer of functions and offices under subsection (d), serve as the Administrator of the National Oceanic and Atmospheric Administration.

(ii) Each of the Under Secretaries shall be appointed by the President, by and with the advice and consent of the Senate. The Under Secretaries shall receive basic pay at the rate payable for level III of the Executive Schedule under section 5314 of title 5, United States Code.

(C) ASSISTANT SECRETARIES.—(i) There shall be as many as 20 Assistant Secretaries in the Department. Among the Assistant Secretaries shall be—

(I) an Assistant Secretary for Administration who shall serve as the Chief Financial Officer of the Department;

(II) an Assistant Secretary for Policy and Budget;

(III) an Assistant Secretary for Congressional and Intergovernmental Affairs;

(IV) an Assistant Secretary for Technology Transfer and Commercial Programs; and

(V) an Assistant Secretary for International Programs.

(ii) Each of the Assistant Secretaries shall be appointed by the President, by and with the advice and consent of the Senate. The Assistant Secretaries shall receive basic pay at the rate payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(D) GENERAL COUNSEL.—There shall be in the Department a General Counsel who shall administer the Office of General Counsel. The General Counsel shall be appointed by the President, by and with the advice and consent of the Senate. The General Counsel shall receive basic pay at the rate payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(E) INSPECTOR GENERAL.—There shall be in the Department an Inspector General appointed in accordance with the Inspector General Act of 1978. The Inspector General shall receive basic pay at the rate payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(F) ADDITIONAL OFFICERS.—In addition to the officers specified in subparagraphs (A) through (E) and the 24 members of the Board of Directors of the National Science Foundation, there shall be in the Department not more than 10 additional officers who shall be appointed by the President, by and with the advice and consent of the Senate. The officers appointed under this subparagraph shall perform such functions as the Secretary shall prescribe.

(G) SPECIFICATION OF FUNCTIONS.—Whenever the President submits the name of an individual to the Senate for confirmation as an officer of the Department under this paragraph, the President shall state the particular functions of the Department such individual will exercise upon taking office, consistent with the requirements of this section.

(H) LINE OF AUTHORITY; ADDITIONAL FUNCTIONS.—Each officer of the Department referred to in subparagraphs (A) through (F) shall report directly to the Secretary and shall, in addition to any functions vested in or required to be delegated to such officer, perform such additional functions as the Secretary may prescribe.

(d) TRANSFERS OF FUNCTIONS AND OFFICES.—

(1) TRANSFER OF THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION.—There is transferred to the Department the National Aeronautics and Space Administration, along with all of its functions and offices.

(2) TRANSFER OF THE NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.—There is transferred to the Department the National Institute of Standards and Technology, along with all of its functions and offices.

(3) TRANSFER OF THE NATIONAL SCIENCE FOUNDATION.—There is transferred to the Department the National Science Foundation, along with all of its functions and offices.

(4) TRANSFER OF THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION.—There is transferred to the Department the National Oceanic and Atmospheric Administration, along with all of its functions and offices.

(5) TRANSFER OF THE NATIONAL TECHNICAL INFORMATION SERVICE.—There is transferred to the Department the National Technical Information Service, along with all of its functions and offices.

(6) TRANSFER OF THE PATENT AND TRADEMARK OFFICE.—There is transferred to the Department the Patent and Trademark Office, along with all of its functions and offices.

(7) TRANSFER OF THE DEPARTMENT OF ENERGY.—There is transferred to the Department the Department of Energy, which shall be renamed the National Energy Administration, along with all of its functions and offices, except for the following facilities, which shall be transferred to the Department of Defense:

(A) The Feed Materials Production Center at Fernald, Ohio.

(B) The Extrusion Plant at Ashtabula, Ohio.

(C) The Savannah River Plant, including the Savannah River Weapons Facility, at Aiken, South Carolina.

(D) The Hanford Production Operations at Richland, Washington.

(E) The Nevada Test Site.

(F) The Kansas City Plant at Kansas City, Missouri.

(G) The Rocky Flats Plant located between Golden and Boulder, Colorado.

(H) The Pantex Plant located near Amarillo, Texas.

(I) The Pinellas Plant at St. Petersburg, Florida.

(J) The Mound Facility at Miamisburg, Ohio.

(K) The Y-12 Plant at Oak Ridge, Tennessee.

(8) TRANSFER OF THE NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION.—There is transferred to the Department the National Telecommunications and Information Administration, along with all of its functions and offices.

(9) EFFECTIVE DATE.—This subsection shall take effect—

(A) 180 days after the first Secretary takes office under subsection (c)(1); or

(B) on any date earlier than the date described in subparagraph (A), but later than September 30, 1994, that the President designates through publication in the Federal Register.

(e) ADMINISTRATIVE PROVISIONS.—

(1) PERSONNEL PROVISIONS.—

(A) OFFICERS AND EMPLOYEES.—

(i) GENERAL AUTHORITY.—The Secretary is authorized to appoint and fix the compensation of such officers and employees as may be necessary to carry out the functions of the Secretary and the Department. Except as otherwise provided by law, such officers and employees shall be appointed in accordance with the civil service laws and their compensation fixed in accordance with title 5 of the United States Code.

(ii) TEMPORARY SUPER GRADE AND TECHNICAL POSITIONS.—(I)(aa) At the request of the Secretary, the Director of the Office of Personnel Management shall, under section 5108 of title 5, United States Code, provide for the establishment in each of the grade levels GS-16, GS-17, and GS-18 of a number of positions in the Department equal to the number of positions in that grade level which were used primarily for the performance of functions and offices transferred under subsection (d) and which were assigned and filled on the day before such transfer.

(bb) Appointments to positions provided for under this subclause may be made without regard to the provisions of section 3324 of title 5, United States Code, if the individual appointed in such position is an individual who is transferred in connection with the transfer of functions and offices under subsection (d) and, on the day before such transfer, holds a position and has duties comparable to those of the position to which appointed hereunder.

(II) At the request of the Secretary, the Director of the Office of Personnel Management shall, under section 3104 of title 5, United States Code, provide for the establishment in the Department of a number of scientific and professional positions outside of the General Schedule equal to the number of such positions which were used primarily for the performance of functions and offices transferred under subsection (d) and which were assigned and filled on the day before such transfer.

(III) The authority under this clause with respect to any position shall terminate when the person first appointed to fill such position ceases to hold such position.

(IV) For purposes of section 414(a)(3)(A) of the Civil Service Reform Act of 1978, an individual appointed under this clause shall be deemed to occupy the same position as the individual occupied on the day before the transfer of functions and offices under subsection (d).

(iii) TRANSITIONAL SENIOR EXECUTIVE SERVICE POSITIONS.—Notwithstanding any other provision of law, the Director of the Office of Personnel Management shall establish positions within the Senior Executive Service for 5 limited-term appointees. The Secretary shall appoint individuals to such positions as provided by section 3394 of title 5, United States Code. Such positions shall expire on the later of 3 years after the date of the

transfer of functions and offices under subsection (d) or 3 years after the initial appointment to each position. Positions in effect under this clause shall be taken into account in applying the limitation on positions prescribed under section 3134(e) and section 5108 of such title.

(B) EXPERTS AND CONSULTANTS.—The Secretary may as provided in appropriation Acts obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, and may compensate such experts and consultants at rates not to exceed the daily rate prescribed for GS–18 of the General Schedule under subchapter III of chapter 53 of such title.

(C) PERSONNEL REDUCTION.—

(i) FULL-TIME EMPLOYEE LIMITATIONS.—Not later than the end of the first fiscal year beginning after the date of the transfer of functions and offices under subsection (d), the number of full-time equivalent personnel positions available for performing functions transferred to the Secretary or the Department under such subsection shall be reduced by not less than 350.

(ii) COMPUTATIONS.—Computations required to be made for purposes of this subparagraph shall be made on the basis of all personnel employed by the Department, including experts and consultants employed under section 3109 of title 5, United States Code, and all other part-time and full-time personnel employed to perform functions of the Secretary or the Department, except personnel employed under special programs for students and disadvantaged youth (including temporary summer employment).

(iii) REPORT TO CONGRESS.—The Director of the Office of Personnel Management shall, as soon as practicable, but not later than one year after the date of the transfer of functions and offices under subsection (d), prepare and transmit to the Congress a report on the effects on employees of the reorganization under this section, which shall include—

(I) an identification of any position within the Department or elsewhere in the executive branch, which it considers unnecessary due to consolidation of functions under this section;

(II) a statement of the number of employees entitled to grade or pay retention under subchapter VI of chapter 53 of title 5, United States Code, by reason of the reorganization under this section;

(III) a statement of the number of employees who are voluntarily or involuntarily separated by reason of such reorganization;

(IV) an estimate of the personnel costs associated with such reorganization;

(V) the effects of such reorganization on labor management relations; and

(VI) such legislative and administrative recommendations for improvements in personnel management within the Department as the Director considers necessary.

(2) GENERAL ADMINISTRATIVE PROVISIONS.—

(A) GENERAL AUTHORITY.—In carrying out any function transferred by this section, the Secretary, or any officer or employee of the Department, may exercise any authority available by law with respect to such function to the official or agency from which such function is transferred, and the actions of the Secretary in exercising such authority shall have the same force and effect as when exercised by such official or agency.

(B) DELEGATION.—Except as otherwise provided in this section, the Secretary may delegate any function to such officers and employees of the Department as the Secretary may designate, and may authorize such successive redelegations of such functions within the Department as may be necessary or appropriate. No delegation of functions by the Secretary under this subparagraph or under any other provision of this section shall relieve the Secretary of responsibility for the administration of such functions.

(C) REORGANIZATION.—

(i) AUTHORITY OF SECRETARY.—Except as provided in clause (ii), the Secretary is authorized to allocate or reallocate functions among the officers of the Department, and to establish, consolidate, alter, or abolish such offices or positions within the Department as may be necessary or appropriate.

(ii) AUTHORITY WITH RESPECT TO STATUTORY ENTITIES.—The Secretary may not—

(I) abolish any office or position transferred to the Department and established by statute, or any function vested by statute in such an office or an officer of such an office;

(II) abolish any office or position established by this section; or

(III) alter the delegation of functions to any specific office or position required by this section,

unless a period of 90 days has passed after the receipt by the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science, Space, and Technology of the House of Representatives of notice given by the Secretary containing a full and complete statement of the action proposed to be taken pursuant to this clause and the facts and circumstances relied upon in support of such proposed action.

(D) REGULATIONS.—The Secretary is authorized to prescribe such rules and regulations as the Secretary determines necessary or appropriate to administer and manage the functions of the Secretary or the Department, in accordance with chapter 5 of title 5, United States Code.

(E) CONTRACTS.—

(i) IN GENERAL.—Subject to the Federal Property and Administrative Services Act of 1949 and other applicable Federal law, the Secretary is authorized to make, enter into, and perform such contracts, grants, leases, cooperative agreements, and other similar transactions with Federal or other public agencies (including State and local governments) and private organizations and persons, and to make such payments, by way of advance or reimbursement, as the Secretary may determine necessary or appropriate to carry out functions of the Secretary or the Department.

(ii) APPROPRIATION AUTHORITY REQUIRED.—No authority to enter into contracts or to make payments under this section shall be effective except to such extent or in such amounts as are provided in advance under appropriation Acts. This subsection shall not apply with respect to the authority granted under subparagraph (J).

(F) REGIONAL AND FIELD OFFICES.—The Secretary is authorized to establish, alter, discontinue, or maintain such regional or other field offices as the Secretary may find necessary or appropriate to perform functions of the Secretary or the Department.

(G) ACQUISITION AND MAINTENANCE OF PROPERTY.—

(i) AUTHORITY OF SECRETARY.—To the extent necessary to carry out functions under this and any other Act, the Secretary is authorized to provide appropriate facilities and services necessary for carrying out such functions or necessary for the health and welfare of the Department's employees, including—

(I) to acquire (by purchase, lease, condemnation, contract, or otherwise), construct, improve, repair, operate, maintain, and provide transportation to—

(aa) schools and related facilities;

(bb) laboratories;

(cc) research and testing sites and facilities;

(dd) quarters and related accommodations, including eating facilities, for employees and dependents of employees of the Department; and

(ee) personal property (including patents), or any interest therein; and

(II) to provide reimbursement for food, clothing, medicine, and other supplies furnished by such employees in emergencies for the temporary relief of distressed persons.

(ii) LIMITATION.—The authority granted by clause (i) shall be available only with respect to facilities of a special purpose nature or at a remote location that cannot readily be reassigned from similar Federal activities and are not otherwise available for assignment to the Department by the Administrator of General Services.

(H) USE OF FACILITIES.—

(i) AUTHORITY TO USE.—With their consent, the Secretary may, with or without reimbursement, use the research, equipment, services, and facilities of any agency or instrumentality of the United States, of any State or political subdivision thereof, or of any foreign government, in carrying out any function of the Secretary or the Department.

(ii) AUTHORITY TO PERMIT USE.—The Secretary is authorized to permit public and private agencies, corporations, associations, organizations, or individuals to use any real property, or any facilities, structures, or other improvements thereon, under the custody and control of the Secretary for Department purposes. The Secretary shall permit the use of such property, facilities, structures, or improvements under such terms and rates and for such period as may be in the public interest, except that the periods of such uses may not exceed 5 years. The Secretary may require permittees under this subparagraph to recondition and maintain, at their own expense, the real property, facilities, structures, and improvements used by such permittees to a standard satisfactory to the Secretary. This clause shall not apply to excess property as defined in section 3(e) of the Federal Property and Administrative Services Act of 1949.

(iii) CREDITING OF REIMBURSEMENTS.—Proceeds from reimbursements under this subparagraph shall be deposited in a separate fund which shall be available to the Secretary without appropriation or fiscal year limitation, for carrying out the functions of the Secretary under this or any other Act.

(iv) INTERESTS IN REAL PROPERTY.—Any interest in real property acquired pursuant to this section shall be acquired in the name of the United States Government.

(I) COPYRIGHTS AND PATENTS.—

(i) ACQUISITION OF RIGHTS.—The Secretary is authorized to acquire any of the following described rights if the rights acquired thereby are for use by or for, or useful to, the Department:

(I) Copyrights, patents, designs, processes, and manufacturing data.

(II) Licenses in connection with copyrights and patents.

(III) Releases for past infringement of patents or copyrights.

(ii) DISPOSITION.—Notwithstanding clause (i), the disposition of all copyrights and patents and other intellectual property owned or developed for the Department shall be governed by chapter 18 of title 35, United States Code (commonly referred to as the

Bayh-Dole Act), section 12 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710(a)), the National Aeronautics and Space Act of 1958 (42 U.S.C. 2451 et seq.), or the National Competitiveness Technology Transfer Act of 1989, as appropriate.

(J) GIFTS AND BEQUESTS.—The Secretary is authorized to accept, hold, administer, and utilize gifts, bequests, and devises of property, both real and personal, for the purpose of aiding or facilitating the work of the Department. Gifts, bequests, and devises of money, and proceeds from sales of other property received as gifts, bequests, or devises, shall be deposited in the Treasury and shall be available for disbursement upon the order of the Secretary.

(K) TECHNICAL ADVICE.—

(i) AUTHORITY TO PROVIDE.—The Secretary is authorized, upon request, to provide advice, counsel, and technical assistance to applicants or potential applicants for grants and contracts and other interested persons with respect to any functions of the Secretary or the Department.

(ii) CONSOLIDATION OF APPLICATIONS.—The Secretary may permit the consolidation of applications for grants or contracts with respect to two or more functions of the Secretary or the Department, but such consolidation shall not alter the statutory criteria for approval of applications for funding with respect to such functions.

(L) WORKING CAPITAL FUND.—

(i) ESTABLISHMENT AND USE.—The Secretary, with the approval of the Director of the Office of Management and Budget, is authorized to establish for the Department a working capital fund (in this subparagraph referred to as the "fund"), to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of an administrative services office to provide such common administrative services as the Secretary shall find to be desirable in the interests of economy and efficiency, including such services as—

(I) a central supply service for stationery and other supplies and equipment for which adequate stocks may be maintained to meet in whole or in part the requirements of the Department and its offices;

(II) central messenger, mail, telephone, and other communications services;

(III) office space, and central services for document reproduction, for graphics, and for visual aids; and

(IV) a central library service.

(ii) OPERATION OF FUND.—The capital of the fund shall consist of any appropriations made for the purpose of providing working capital and the fair and reasonable value of such stocks of supplies, equipment, and other assets and inventories on order as the Secretary may transfer to the administrative services office, less the related liabilities and unpaid obligations. There shall be transferred to the administrative services office the stocks of supplies, equipment, other assets, liabilities, and unpaid obligations relating to the services which the Secretary determines, with the approval of the Director of the Office of Management and Budget, will be performed. Administrative supplies and services provided by such office shall be paid for in advance from available funds of agencies and offices in the Department, or from other sources, at rates that will approximate the expense of operation. The fund shall also be credited with receipts from sale or exchange of property and receipts in payment for loss or damage to property.

(M) FUNDS TRANSFER.—The Secretary may, when authorized in an appropriation Act for any fiscal year, transfer funds from one appropriation to another within the Department, except that no appropriations for any fiscal year shall be either increased or decreased pursuant to this subparagraph by more than 10 percent and no such transfer shall result in increasing any such appropriation above the amount authorized to be appropriated therefor.

(N) SEAL OF DEPARTMENT.—The Secretary shall cause a seal of office to be made for the Department of such design as the Secretary shall approve. Judicial notice shall be taken of such seal.

(O) ANNUAL REPORT.—

(i) IN GENERAL.—The Secretary shall, as soon as practicable after the close of each fiscal year, make a single, comprehensive report to the President for transmission to the Congress on the activities of the Department during such fiscal year.

(ii) CONTRACTING-OUT REPORT.—The report required by clause (i) shall also include an estimate of the extent of the non-Federal personnel employed pursuant to contracts entered into by the Department under subparagraph (E) or under any other authority (including any subcontract thereunder), the number of such contracts and subcontracts pursuant to which non-Federal personnel are employed, and the total cost of those contracts and subcontracts.

(f) TRANSITIONAL, SAVINGS, AND CONFORMING PROVISIONS.—

(1) TRANSFER AND ALLOCATION OF APPROPRIATIONS AND PERSONNEL.—

(A) TRANSFER TO SECRETARY.—Except as otherwise provided in this section, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with, the functions and offices, or portions thereof, transferred by this section, subject to section 1531 of title 31, United States Code, shall be transferred to the Secretary for appropriate allocation. Unexpended funds transferred pursuant to this subparagraph shall be used only for the purposes for which the funds were originally authorized and appropriated.

(B) EFFECT OF TERMINATIONS.—Positions expressly specified by statute or reorganization plan to carry out functions or offices transferred by this section, personnel occupying those positions on the date of such transfer, and personnel authorized to receive compensation in such positions at the rate prescribed for offices and positions at level IV or V of the Executive Schedule under section 5315 or 5316 of title 5, United States Code, on the date of such transfer, shall be subject to paragraph (3) of this subsection.

(2) EFFECT ON PERSONNEL.—

(A) PRESERVATION OF GRADE AND COMPENSATION FOR 1 YEAR.—Except as otherwise provided in this section, the transfer pursuant to this section of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such employee to be separated or reduced in grade or compensation for 1 year after the date of transfer to the Department.

(B) PRESERVATION OF COMPENSATION FOR EXECUTIVE SCHEDULE APPOINTEES.—Any person who, on the day preceding the date of the transfer of functions and offices under subsection (d), held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in the Department to a position having duties comparable to the duties performed immediately preceding such appointment shall continue to be compensated in the new position at not less than the rate provided for the previous position, for the duration of the service of such person in the new position.

(3) AGENCY TERMINATIONS.—

(A) TERMINATIONS.—On the date of the transfer of functions and offices under subsection (d), the following entities shall terminate:

(i) The Office of the Secretary of Commerce.

(ii) The Office of the Deputy Secretary of Commerce.

(iii) The Office of the General Counsel of the Department of Commerce.

(iv) The Office of the Secretary of Energy.

(v) The Office of Deputy Secretary of Energy.

(vi) The Office of the Under Secretary of Commerce for Technology.

(vii) The Office of the Assistant Secretary of Commerce for Technology Policy.

(viii) The Office of Science and Technology Policy in the Executive Office of the President.

(B) TERMINATION OF EXECUTIVE SCHEDULE POSITIONS.—Each position which was expressly authorized by law, or the incumbent of which was authorized to receive compensation at the rate prescribed for levels I through V of the Executive Schedule under sections 5312 through 5315 of title 5, United States Code, in an office terminated pursuant to this section shall also terminate.

(4) ADDITIONAL TRANSFERS.—

(A) IN GENERAL.—The Director of the Office of Management and Budget, in conjunction with the Secretary, shall make such determinations as may be necessary with regard to the functions, offices, or portions thereof transferred by this section, and make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, offices, or portions thereof, as may be necessary to carry out this section. The Director shall provide for the termination of the affairs of all entities terminated by this section and, in conjunction with the Secretary, for such further measures and dispositions as may be necessary to effectuate the purposes of this section.

(B) ALLOCATION OF SES POSITIONS.—After consultation with the Director of the Office of Personnel Management, the Director of the Office of Management and Budget is authorized to make such determinations as may be necessary with regard to the transfer of positions within the Senior Executive Service in connection with functions and offices transferred by this section.

(C) MISCELLANEOUS FUNCTIONS.—(i) The Economics and Statistics Administration, including the Bureau of Census and the Bureau of Economic Analysis, and the Bureau of Export Administration shall be transferred to the Department of the Treasury.

(ii) The Economic Development Administration shall be transferred to the Department of Housing and Urban Development.

(iii) The International Trade Administration and the United States Travel and Tourism Administration shall be transferred to the Office of the United States Trade Representative.

(iv) The Minority Business Development Administration shall be transferred to the Small Business Administration.

(5) SAVINGS PROVISIONS.—

(A) CONTINUITY OF LEGAL FORCE AND EFFECT.—All orders, determinations, rules, regulations, permits, grants, contracts, certificates, licenses, and privileges—

(i) which have been issued, made, granted, or allowed to become effective by the President, by any Federal department or agency or official thereof, or by a court of competent jurisdiction, in the performance of functions which are transferred under this section to the Secretary or the Department; and

(ii) which are in effect at the time of such transfer,

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

(B) PENDING PROCEEDINGS.—(i) This section shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending on the date of the transfer of functions and offices under subsection (d) before any department, agency, commission, or component thereof, functions of which are transferred by this section. Such proceedings and applications, to the extent that they relate to functions so transferred, shall be continued, except as provided in clause (iii).

(ii) Orders may be issued in such proceedings, appeals may be taken therefrom, and payments may be made pursuant to such orders, as if this section had not been enacted. Orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by the Secretary, by a court of competent jurisdiction, or by operation of law.

(iii) Nothing in this subparagraph shall be considered to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section had not been enacted.

(iv) The Secretary is authorized to promulgate regulations providing for the orderly transfer of proceedings continued under this subparagraph to the Department.

(C) NO EFFECT ON JUDICIAL PROCEEDINGS.—Except as provided in subparagraph (E)—

(i) the transfer of functions and offices under subsection (d) shall not affect suits commenced prior to the date of such transfer; and

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

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

(E) CONTINUATION OF PROCEEDING WITH SUBSTITUTION OF PARTIES.—If, before the date of the transfer of functions and offices under subsection (d), any department or agency, or officer thereof in the official capacity of such officer, is a party to a suit, and under this section any function of such department, agency, or officer is transferred to the Secretary or any other official of the Department, then such suit shall be continued with the Secretary or other appropriate official of the Department substituted or added as a party.

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

(6) REFERENCE.—With respect to any function transferred by this section and exercised on or after the date of such transfer, reference in any other Federal law to any department, commission, or agency or any officer or office the functions of which so transferred shall be deemed to refer to the Secretary, other official, or component of the Department to which this section transfers such functions.

(7) AMENDMENTS.—

(A) DEPARTMENT OF ENERGY ORGANIZATION ACT.—Sections 201 through 203 of the Department of Energy Organization Act (42 U.S.C. 7131–7133) are repealed.

(B) INSPECTOR GENERAL ACT OF 1978.—THE INSPECTOR GENERAL ACT OF 1978 IS AMENDED—

(i) in section 8E(a)(2), by striking "the National Science Foundation,";

(ii) in section 8E(a)(4), by striking ", except that with respect to the National Science Foundation, such term means the National Science Board";

(iii) in section 11(1)—

(I) by striking "Commerce,";

(II) by striking "Energy,";

(III) by inserting "Science, Space, Energy, and Technology," after "the Interior, Labor,"; and

(IV) by striking "National Aeronautics and Space,"; and

(iv) in section 11(2)—

(I) by striking "Commerce,";

(II) by striking "Energy,";

(III) by inserting "Science, Space, Energy, and Technology," after "Justice, Labor,"; and

(IV) by striking "the National Aeronautics and Space Administration,".

(C) NATIONAL AERONAUTICS AND SPACE ACT OF 1958.—Section 207 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2476a) is repealed.

(8) TRANSITION.—

(A) USE OF FUNDS.—Funds available to any department or agency (or any official or component thereof), the functions or offices of which are transferred to the Secretary or the Department by this section, may, with the approval of the Director of the Office of Management and Budget, be used to pay the compensation and expenses of any officer appointed pursuant to this section and other transitional and planning expenses associated with the establishment of the Department or transfer of functions or offices thereto until such time as funds for such purposes are otherwise available.

(B) USE OF PERSONNEL.—With the consent of the appropriate department or agency head concerned, the Secretary is authorized to utilize the services of such officers, employees, and other personnel of the departments and agencies from which functions or offices have been transferred to the Secretary or the Department, for such period of time as may reasonably be needed to facilitate the orderly implementation of this section.

(9) INTERIM APPOINTMENTS.—

(A) AUTHORITY TO APPOINT.—Notwithstanding any other provision of law, in the event that one or more officers required by this section to be appointed by and with the advice and consent of the Senate shall not have entered upon office on the date of the transfer of functions and offices under subsection (d), the President may designate an officer in the executive branch to act in such office for 120 days or until the office is filled as provided in this section, whichever occurs first.

(B) COMPENSATION.—Any officer acting in an office in the Department pursuant to the provisions of subparagraph (A) shall receive compensation at the rate prescribed for such office under this section.

(g) RELATION TO OTHER PROVISIONS.—

(1) MODIFICATIONS IN AUTHORITY.—If any other section of this Act increases, restricts, or otherwise modifies any authority (including the authority to assess or collect fees) with respect to any function or office, or portion thereof, transferred by this section, the authority transferred by this section shall be the authority as so modified.

(2) RESCISSIONS.—If any other section of this Act rescinds funds that are to be transferred pursuant to this section, such rescission shall be made prior to such transfer.

SEC. 203. ELIMINATION OF FUNDING FOR MAGLEV PROTOTYPE DEVELOPMENT PROGRAM.

(a) IN GENERAL.—Section 1036(d) of the Intermodal Surface Transportation Efficiency Act of 1991 (49 U.S.C. 309 note; 105 Stat. 1986) is amended—

(1) in paragraph (1) by striking "the following" and all that follows through "DEMONSTRATION PROGRAM.—For" and inserting "for"; and

(2) in paragraph (2) by striking subparagraph (A) and by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

(b) RESCISSION OF FUNDS.—Of the funds made available under the heading "Federal Railroad Administration—Railroad Research and Development" in the Department of Transportation and Related Agencies Appropriations Act, 1994 (Pub. L. 103–122), $20,000,000 is rescinded, to be derived from magnetic levitation research and analysis activities.

SEC. 204. RESCISSION OF FUNDS FOR FEDERALLY SPONSORED UNIVERSITY RESEARCH AND DEVELOPMENT.

(a) IN GENERAL.—Of the aggregate funds made available for the accounts specified in subsection (b), $220,000,000 is rescinded, to be derived from university research and development programs. The Director of the Office of Management and Budget shall allocate such rescission among such accounts, and shall submit to the Congress a report setting forth such allocation.

(b) AFFECTED ACCOUNTS.—The funds subject to the rescission made by subsection (a) are the following:

(1) NATIONAL INSTITUTES OF HEALTH.—The amounts made available under the heading "Department of Health and Human Services—National Institutes of Health" in the Departments of Labor, Health and Human

Services, and Education, and Related Agencies Appropriations Act, 1994 (Pub. L. 103–112), for the following accounts:

(A) "National Cancer Institute".

(B) "National Heart, Lung, and Blood Institute".

(C) "National Institute of Dental Research".

(D) "National Institute of Diabetes and Digestive and Kidney Diseases".

(E) "National Institute of Neurological Disorders and Stroke".

(F) "National Institute of Allergy and Infectious Diseases".

(G) "National Institute of General Medical Sciences".

(H) "National Institute of Child Health and Human Development".

(I) "National Eye Institute".

(J) "National Institute of Environmental Health Sciences".

(K) "National Institute on Aging".

(L) "National Institute of Arthritis and Musculoskeletal and Skin Diseases".

(M) "National Institute on Deafness and Other Communication Disorders".

(N) "National Institute of Nursing Research".

(O) "National Institute on Alcohol Abuse and Alcoholism".

(P) "National Institute on Drug Abuse".

(Q) "National Institute of Mental Health".

(R) "National Center for Research Resources".

(S) "National Center for Human Genome Research".

(T) "John E. Fogarty International Center".

(U) "National Library of Medicine".

(V) "Office of the Director".

(2) INDEPENDENT AGENCIES.—The amounts made available in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994 (Pub. L. 103–124), for the following accounts:

(A) "National Science Foundation—Research and Related Activities".

(B) "National Aeronautics and Space Administration—Research and Development".

(3) DEPARTMENT OF DEFENSE.—The amounts made available in the Department of Defense Appropriations Act, 1994 (Pub. L. 103–139), for the following accounts:

(A) "Research, Development, Test and Evaluation, Army".

(B) "Research, Development, Test and Evaluation, Navy".

(C) "Research, Development, Test and Evaluation, Air Force".

(D) "Research, Development, Test and Evaluation, Defense-Wide".

SEC. 205. RECOUPMENT OF CERTAIN GRANTS.

Not later than 180 days after the date of enactment of this Act, the Secretary of Energy and the Secretary of Commerce shall establish procedures and criteria for the recoupment of the Federal share of all cost shared research, development, demonstration, and commercial application projects undertaken by such Departments. If required, such recoupment shall occur within a reasonable period of time following the date of completion of a project, but not later than 20 years following such date, taking into account the effect of recoupment on—

(1) the commercial competitiveness of the entity carrying out the project;

(2) the profitability of the project; and

(3) the commercial viability of the technology utilized.

The Secretary of Energy and the Secretary of Commerce may require recoupment under this section as appropriate.

SEC. 206. COVERAGE OF FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS BY COMPETITION IN CONTRACTING ACT.

(a) CONTRACTS WITH EXECUTIVE AGENCIES.—Section 303 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253) is amended in subsection (b)(1)(C) and in subsection (c)(3) by striking out "or a federally funded research and development center" each place it appears.

(b) CONTRACTS WITH DEPARTMENT OF DEFENSE.—Section 2304 of title 10, United States Code, is amended in subsection (b)(1)(C) and in subsection (c)(3) by striking out "or a federally funded research and development center" each place it appears.

SEC. 207. TERMINATION OF MODULAR HIGH-TEMPERATURE GAS-COOLED REACTOR PROJECT.

(a) IN GENERAL.—The United States shall not obligate any funds for the Modular High-Temperature Gas-Cooled Reactor program.

(b) AMENDMENTS.—Section 2122(b) of the Energy Policy Act of 1992 (42 U.S.C. 13492(b)) is amended—

(1) in paragraph (1)(B), by striking "the modular high-temperature gas-cooled reactor technology and"; and

(2) in paragraph (2)(C)—

(A) by striking "high-temperature gas-cooled reactor technology and"; and

(B) by striking "one or both of those technologies" and inserting in lieu thereof "that technology".

(c) RESCISSION OF FUNDS.—Of the funds made available under the heading "Department of Energy—Energy Supply, Research and Development Activities" in the Energy and Water Development Appropriations Act, 1994 (Pub. L. 103–126), $12,000,000 is rescinded, to be derived from the gas turbine-modular helium reactor program.

SEC. 208. DEPARTMENT OF ENERGY FACILITIES CLOSURE AND RECONFIGURATION COMMISSION.

(a) DEPARTMENT OF ENERGY FACILITIES CLOSURE AND RECONFIGURATION COMMISSION.—

(1) ESTABLISHMENT.—There is established an independent commission to be known as the "Department of Energy Facilities Closure and Reconfiguration Commission".

(2) DUTIES.—The Commission shall carry out the duties specified for the Commission in this section.

(3) APPOINTMENT.—

(A) IN GENERAL.—The Commission shall be composed of 7 members appointed by the President, by and with the advise and consent of the Senate. The President shall transmit to the Senate the nominations for appointment to the Commission not later than 3 months after the date of the enactment of this Act.

(B) CONSULTATION.—In selecting individuals for nominations for appointments to the Commission, the President should consult with—

(i) the Speaker of the House of Representatives concerning the appointment of 1 member;

(ii) the majority leader of the Senate concerning the appointment of 1 member;

(iii) the minority leader of the House of Representatives concerning the appointment of 1 member; and

(iv) the minority leader of the Senate concerning the appointment of 1 member.

(C) CHAIRPERSON.—At the time the President nominates individuals for appointment to the Commission, the President shall designate one such individual who shall serve as Chairperson of the Commission.

(4) TERMS.—Each member of the Commission shall serve until the termination of the Commission under paragraph (12).

(5) MEETINGS.—Each meeting of the Commission, other than meetings in which classified information is to be discussed, shall be open to the public.

(6) VACANCIES.—A vacancy in the Commission shall be filled in the same manner as the original appointment, but the individual appointed to fill the vacancy shall serve only for the unexpired portion of the term for which the individual's predecessor was appointed.

(7) PAY AND TRAVEL EXPENSES.—

(A) IN GENERAL.—

(i) BASIC PAY.—Each member, other than the Chairperson, shall be paid at a rate equal to the daily equivalent of the minimum annual rate of basic pay payable 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 actual performance of duties vested in the Commission.

(ii) PAY OF CHAIRPERSON.—The Chairperson shall be paid for each day referred to in clause (i) at a rate equal to the daily equivalent of the minimum annual rate of basic pay payable for level III of the Executive Schedule under section 5314 of title 5, United States Code.

(B) TRAVEL EXPENSES.—Members shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(8) DIRECTOR.—

(A) IN GENERAL.—The Commission shall, without regard to section 5311(b) of title 5, United States Code, appoint a Director who has not served as a civilian employee of the Department of Energy during the one-year period preceding the date of such appointment.

(B) PAY.—The Director shall be paid at the rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(9) STAFF.—

(A) APPOINTMENT BY DIRECTOR.—Subject to subparagraphs (B) and (C), the Director, with the approval of the Commission, may appoint and fix the pay of additional personnel.

(B) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Director may make such appointments without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and any personnel so appointed may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the annual rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(C) LIMITATION.—Not more than one-third of the personnel employed by or detailed to the Commission may be on detail from the Department of Energy.

(D) SUPPORT FROM OTHER AGENCIES.—Upon request of the Director, the head of a Federal agency may detail any of the personnel of that agency to the Commission to assist the Commission in carrying out its duties under this section.

(E) SUPPORT FROM COMPTROLLER GENERAL.—The Comptroller General of the United States shall provide assistance, including the detailing of employees, to the Commission in accordance with an agreement entered into with the Commission.

(10) OTHER AUTHORITY.—

(A) TEMPORARY AND INTERMITTENT SERVICES.—The Commission may procure by contract, to the extent funds are available, the temporary or intermittent services of experts or consultants pursuant to section 3109 of title 5, United States Code.

(B) AUTHORITY TO LEASE SPACE AND ACQUIRE CERTAIN PROPERTY.—The Commission may lease space and acquire personal property to the extent funds are available. To the extent practicable, the Commission shall use suitable real property available under the most recent inventory of real property assets published by the Resolution Trust Corporation under section 21A(b)(11)(F) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(b)(12)(F)).

(11) FUNDING.—There is appropriated for fiscal year 1994, out of any money in the Treasury not otherwise appropriated, $1,000,000 to the Commission to carry out its duties under this section. Such funds shall remain available until expended.

(12) TERMINATION.—The Commission shall terminate not later than 20 months after the date of the enactment of this Act.

(b) PROCEDURE FOR MAKING RECOMMENDATIONS FOR CLOSURE AND RECONFIGURATION OF FACILITIES.—

(1) SELECTION CRITERIA.—

(A) IN GENERAL.—Not later than 3 months after the date of the enactment of this Act, the Secretary of Energy shall publish in the Federal Register and transmit to the congressional energy committees the criteria proposed to be used by the Secretary in making recommendations for the closure or reconfiguration of Department of Energy facilities resulting in an overall budget for such facilities for a fiscal year in an amount equal to the amount appropriated for such facilities for the previous fiscal year reduced by 25 percent. The Secretary shall provide an opportunity for public comment on the proposed criteria for a period of at least 30 days and shall include notice of that opportunity in the publication required under this paragraph. In developing the criteria, the Secretary shall consider—

(i) the program costs and program distributions on a State and county basis, including real and personal property costs associated with each Department of Energy facility considered;

(ii) the number of participants in programs conducted through a Department of Energy facility and staff resources involved;

(iii) duplication of effort by Department of Energy facilities and overhead costs as a proportion of program benefits distributed through a Department of Energy facility; and

(iv) cost savings and increases that would accrue through the reconfiguration of Department of Energy facilities.

(B) FINAL CRITERIA.—Not later than 5 months after the date of the enactment of this Act, the Secretary shall publish in the Federal Register and transmit to the congressional energy committees the final criteria to be used in making recommendations for the closure or reconfiguration of Department of Energy facilities under this section.

(2) SECRETARY'S RECOMMENDATIONS.—

(A) PUBLICATION IN FEDERAL REGISTER.—Not later than 9 months after the date of the enactment of this Act, the Secretary shall publish in the Federal Register and transmit to the congressional energy committees and to the Commission a list of the Department of Energy facilities that the Secretary recommends for closure or reconfiguration on the basis of the final criteria referred to in paragraph (1).

(B) SUMMARY OF SELECTION PROCESS.—The Secretary shall include, with the list of recommendations published and transmitted pursuant to subparagraph (A), a summary of the selection process that resulted in the recommendation for each Department of Energy facility, including a justification for each recommendation.

(C) EQUAL CONSIDERATION OF FACILITIES.—In considering Department of Energy facilities for closure or reconfiguration, the Secretary shall consider all such facilities equally without regard to whether a facility has been previously considered or proposed for closure or reconfiguration by the Secretary.

(D) AVAILABILITY OF INFORMATION.—The Secretary shall make available to the Commission and the Comptroller General of the United States all information used by the Secretary in making recommendations to the Commission for closures and reconfiguration.

(3) REVIEW AND RECOMMENDATIONS BY THE COMMISSION.—

(A) PUBLIC HEARINGS.—After receiving the recommendations from the Secretary pursuant to paragraph (2), the Commission shall conduct public hearings on the recommendations.

(B) REPORT.—Not later than 15 months after the date of the enactment of this Act, the Commission shall transmit to the President and the congressional energy committees a report containing the Commission's findings and conclusions based on a review and analysis of the recommendations made by the Secretary, together with the Commission's recommendations for closures and reconfigurations of Department of Energy facilities.

(C) DEVIATION FROM SECRETARY'S RECOMMENDATIONS.—In making its recommendations, the Commission may make changes in any of the recommendations made by the Secretary if the Commission determines that the Secretary deviated substantially from the final criteria referred to in paragraph (1) in making recommendations. The Commission shall explain and justify in the report any recommendation made by the Commission that is different from the recommendations made by the Secretary.

(D) PROVISION OF CERTAIN INFORMATION.—After transmitting the report, the Commission shall promptly provide, upon request, to any Member of Congress information used by the Commission in making its recommendations.

(4) ASSISTANCE FROM COMPTROLLER GENERAL.—The Comptroller General of the United States shall—

(A) assist the Commission, to the extent requested, in the Commission's review and analysis of the recommendations made by the Secretary pursuant to paragraph (2); and

(B) not later than 12 months after the date of the enactment of this Act, transmit to the congressional energy committees and to the Commission a report containing a detailed analysis of the Secretary's recommendations and selection process.

(5) REVIEW BY THE PRESIDENT.—

(A) IN GENERAL.—Not later than 16 months after the date of the enactment of this Act, the President shall transmit to the Commission and to the congressional energy committees a report containing the President's approval or disapproval of the Commission's recommendations.

(B) PRESIDENTIAL APPROVAL.—If the President approves all of the recommendations of the Commission, the President shall transmit a copy of such recommendations to the congressional energy committees together with a certification of such approval.

(C) PRESIDENTIAL DISAPPROVAL.—If the President disapproves the recommendations of the Commission, in whole or in part, the President shall transmit to the Commission and the congressional energy committees the reasons for that disapproval. The Commission shall then transmit to the President, not later than 17 months after the date of the enactment of this Act, a revised list of recommendations for the closure and reconfiguration of Department of Energy facilities resulting in an overall budget for such facilities for a fiscal year in an amount equal to the amount appropriated for such facilities for the previous fiscal year reduced by 25 percent.

(D) CERTIFICATION.—If the President approves all of the revised recommendations of the Commission transmitted to the President under subparagraph (C), the President shall transmit a copy of such revised recommendations to the congressional energy committees, together with a certification of such approval.

(E) FAILURE TO CERTIFY.—If the President does not transmit to the congressional energy committees an approval and certification described in subparagraph (B) or (D) by 18 months after the date of the enactment of this Act, the process by which Department of Energy facilities may be selected for closure or reconfiguration under this section shall be terminated.

(c) CLOSURE AND RECONFIGURATION OF DEPARTMENT OF ENERGY FACILITIES.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall—

(A) close all Department of Energy facilities recommended for closure by the Commission in the report transmitted to the congressional energy committees by the President pursuant to subsection (b)(5);

(B) reconfigure all such facilities recommended for reconfiguration by the Commission in the report; and

(C) complete the closures and reconfigurations not later than the end of the 6-year period beginning on the date on which the President transmits the report pursuant to subsection (b)(5).

(2) CONGRESSIONAL DISAPPROVAL.—

(A) IN GENERAL.—The Secretary may not carry out any closure or reconfiguration of a facility recommended by the Commission in the report transmitted from the President pursuant to subsection (b)(5) if a joint resolution is enacted, in accordance with the provisions of subsection (g), disapproving the recommendations of the Commission before the earlier of—

(i) the end of the 45-day period beginning on the date on which the President transmits the report; or

(ii) the adjournment of Congress sine die for the session during which the report is transmitted.

(B) For purposes of subparagraph (A) of this paragraph and paragraphs (1) and (3) of subsection (g), the days on which either House of Congress is not in session because of an adjournment of more than three days to a day certain shall be excluded in the computation of a period.

(d) IMPLEMENTATION OF CLOSURE AND RECONFIGURATION ACTIONS.—

(1) ACTIONS OF THE SECRETARY.—In closing or reconfiguring a Department of Energy facility under this section, the Secretary shall—

(A) take such actions as may be necessary to close or reconfigure the facility;

(B) provide outplacement assistance to any employees employed by the Department of

Energy at the office whose employment is being terminated, and may use for such purpose funds in the Account or funds appropriated to the Department of Energy for outplacement assistance to employees;

(C) take such steps as may be necessary to ensure the safe keeping of all records stored at the facility; and

(D) reimburse other Federal agencies for actions performed at the request of the Secretary with respect to any such closure or reconfiguration, and may use for such purpose funds in the Account or funds appropriated to the Department of Energy and available for such purpose.

(2) MANAGEMENT AND DISPOSAL OF PROPERTY.—

(A) IN GENERAL.—The Administrator of General Services shall delegate to the Secretary of Energy, with respect to excess and surplus real property and facilities located at a Department of Energy facility closed or reconfigured under this section—

(i) the authority of the Administrator to utilize excess property under section 202 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483);

(ii) the authority of the Administrator to dispose of surplus property under section 203 of that Act (40 U.S.C. 484);

(iii) the authority of the Administrator to grant approvals and make determinations under section 13(g) of the Surplus Property Act of 1944 (50 U.S.C. App. 1622(g)); and

(iv) the authority of the Administrator to determine the availability of excess or surplus real property for wildlife conservation purposes in accordance with the Act of May 19, 1948 (16 U.S.C. 667b).

(B) EXERCISE OF AUTHORITY.—

(i) IN GENERAL.—Subject to clause (iii), the Secretary shall exercise the authority delegated to the Secretary pursuant to subparagraph (A) in accordance with—

(I) all regulations in effect on the date of the enactment of this Act governing the utilization of excess property and the disposal of surplus property under the Federal Property and Administrative Services Act of 1949; and

(II) all regulations in effect on the date of the enactment of this Act governing the conveyance and disposal of property under section 13(g) of the Surplus Property Act of 1944 (50 U.S.C. App. 1622(g)).

(ii) REGULATIONS.—The Secretary, after consulting with the Administrator of General Services, may issue regulations that are necessary to carry out the delegation of authority required by subparagraph (A).

(iii) LIMITATION.—The authority required to be delegated by subparagraph (A) to the Secretary by the Administrator of General Services shall not include the authority to prescribe general policies and methods for utilizing excess property and disposing of surplus property.

(3) WAIVER.—The Secretary may close or reconfigure Department of Energy facilities under this section without regard to any provision of law restricting the use of funds for closing or reconfiguring such facilities included in any appropriations or authorization Act.

(e) ACCOUNT.—

(1) ESTABLISHMENT.—There is hereby established on the books of the Treasury an account to be known as the "Department of Energy Facility Closure Account" which shall be administered by the Secretary as a single account.

(2) CONTENT OF ACCOUNT.—There shall be deposited into the Account—

(A) funds authorized for and appropriated to the Account;

(B) any funds that the Secretary may, subject to approval in an appropriation Act, transfer to the Account from funds appropriated to the Department of Energy for any purpose, except that such funds may be transferred only after the date on which the Secretary transmits written notice of, and justification for, such transfer to the congressional energy committees; and

(C) proceeds received from the transfer or disposal of any property at an office closed or reconfigured under this section.

(3) USE OF FUNDS.—The Secretary may use the funds in the Account only for the purposes described in subsection (d)(1).

(4) REPORTS.—

(A) IN GENERAL.—Not later than 60 days after the end of each fiscal year in which the Secretary carries out activities under this section, the Secretary shall transmit a report to the congressional energy committees of the amount and nature of the deposits into, and the expenditures from, the Account during such fiscal year and of the amount and nature of other expenditures made pursuant to subsection (d)(1) during such fiscal year.

(B) UNOBLIGATED FUNDS.—Unobligated funds which remain in the Account after the termination of the Commission shall be held in the Account until transferred by law after the congressional energy committees receive the report transmitted under subparagraph (C).

(C) ACCOUNTING REPORT.—Not later than 60 days after the termination of the Commission, the Secretary shall transmit to the congressional energy committees a report containing an accounting of—

(i) all the funds deposited into and expended from the Account or otherwise expended under this section; and

(ii) any amount remaining in the Account.

(f) REPORTS ON IMPLEMENTATION.—As part of the budget request for each fiscal year in which the Secretary will carry out activities under this section, the Secretary shall transmit to the congressional energy committees—

(1) a schedule of the closure and reconfiguration actions to be carried out under this section in the fiscal year for which the request is made and an estimate of the total expenditures required and cost savings to be achieved by each such closure and reconfiguration and of the time period in which these savings are to be achieved in each case; and

(2) a description of the Department of Energy facilities, including those under construction and those planned for construction, to which functions are to be transferred as a result of such closures and reconfigurations.

(g) CONGRESSIONAL CONSIDERATION OF COMMISSION REPORT.—

(1) TERMS OF THE RESOLUTION.—For purposes of subsection (c)(2), the term "joint resolution" means only a joint resolution which is introduced within the 10-day period beginning on the date on which the President transmits the report to the Congress under subsection (b)(5), and—

(A) which does not have a preamble;

(B) the matter after the resolving clause of which is as follows: "That Congress disapproves the recommendations of the Department of Energy Facilities Closure and Reconfiguration Commission as submitted by the President on _____", the blank space being filled in with the appropriate date; and

(C) the title of which is as follows: "Joint resolution disapproving the recommendations of the Department of Energy Facilities Closure and Reconfiguration Commission.".

(2) REFERRAL.—A resolution described in paragraph (1) that is introduced in the House of Representatives shall be referred to the Committee on Armed Services and the Committee on Science, Space, and Technology of the House of Representatives. A resolution described in paragraph (1) introduced in the Senate shall be referred to the Committee on Armed Services and the Committee on Energy and Natural Resources of the Senate.

(3) DISCHARGE.—If the committee to which a resolution described in paragraph (1) is referred has not reported such resolution (or an identical resolution) by the end of the 20-day period beginning on the date on which the President transmits the report to the Congress under subsection (b)(5), such committee shall be, at the end of such period, discharged from further consideration of such resolution, and such resolution shall be placed on the appropriate calendar of the House involved.

(4) CONSIDERATION.—

(A) IN GENERAL.—On or after the third day after the date on which the committee to which such a resolution is referred has reported, or has been discharged (under paragraph (3)) from further consideration of, such a resolution, it is in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the resolution (but only on the day after the calendar day on which such Member announces to the House concerned the Member's intention to do so). All points of order against the resolution (and against consideration of the resolution) are waived. The motion is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the respective House shall immediately proceed to consideration of the joint resolution without intervening motion, order, or other business, and the resolution shall remain the unfinished business of the respective House until disposed of.

(B) DEBATE.—Debate on the resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 2 hours, which shall be divided equally between those favoring and those opposing the resolution. An amendment to the resolution is not in order. A motion further to limit debate is in order and not debatable. A motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the resolution is not in order. A motion to reconsider the vote by which the resolution is agreed to or disagreed to is not in order.

(C) QUORUM CALL.—Immediately following the conclusion of the debate on a resolution described in paragraph (1) and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on final passage of the resolution shall occur.

(D) APPEALS FROM DECISION OF CHAIR.—Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution described in paragraph (1) shall be decided without debate.

(5) CONSIDERATION BY OTHER HOUSE.—

(A) If, before the passage by one House of a resolution of that House described in paragraph (1), that House receives from the other House a resolution described in paragraph (1), then the following procedures shall apply:

(i) The 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)(II).

(ii) With respect to a resolution described in paragraph (1) of the House receiving the resolution—

(I) the procedure in that House shall be the same as if no resolution had been received from the other House; but

(II) the vote on final passage shall be on the resolution of the other House.

(B) CONSIDERATION AFTER DISPOSITION BY OTHER HOUSE.—Upon disposition of the resolution received from the other House, it shall no longer be in order to consider the resolution that originated in the receiving House.

(6) RULES OF THE SENATE AND HOUSE.—This subsection is enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a resolution described in paragraph (1), and it supersedes other rules only to the extent that it is inconsistent with such rules; and

(B) with full recognition of the constitutional right of either House to change the rules (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.

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

(1) The term "Account" means the Department of Energy Facility Closure Account established in subsection (e)(1).

(2) The term "Commission" means the Department of Energy Facilities Closure and Reconfiguration Commission.

(4) The term "congressional energy committees" means the Committees on Armed Services of the Senate and House of Representatives, the Committee on Science, Space, and Technology of the House of Representatives, and the Committee on Energy and Natural Resources of the Senate.

(5) The term "Secretary" means the Secretary of Energy.

SEC. 209. RESCISSION OF FUNDS FOR FUSION ENERGY RESEARCH AND DEVELOPMENT.

Of the funds made available under the heading "Department of Energy—Energy Supply, Research and Development Activities" in the Energy and Water Development Appropriations Act, 1994 (Pub. L. 103-126), $70,000,000 is rescinded, to be derived from the fusion energy program.

SEC. 210. RESCISSION OF FUNDS FOR FOSSIL ENERGY RESEARCH AND DEVELOPMENT.

Of the funds made available under the heading "Department of Energy—Fossil Energy Research and Development" in the Department of the Interior and Related Agencies Appropriations Act, 1994 (Pub. L. 103-138), $54,007,000 is rescinded.

SEC. 211. ALASKA POWER ADMINISTRATION SALE.

(a) SALE OF SNETTISHAM AND EKLUTNA HYDROELECTRIC PROJECTS..—(1) The Secretary of Energy may sell the Snettisham Hydroelectric Project (referred to in this section as "Snettisham") to the State of Alaska Power Authority (now known as the Alaska Industrial Development and Export Authority, and referred to in this section as the "Authority"), or its successor, in accordance with the February 10, 1989, Snettisham Purchase Agreement between the Alaska Power Administration of the United States Department of Energy and the Authority.

(2) The Secretary of Energy may sell the Eklutna Hydroelectric Project (referred to in this section as "Eklutna") to the Municipality of Anchorage doing business as Municipal Light and Power, the Chugach Electric Association, Inc., and the Matanuska Electric Association, Inc. (referred to in this section as "Eklutna Purchasers") in accordance with the August 2, 1989, Eklutna Purchase Agreement between the United States Department of Energy and the Eklutna Purchasers.

(3) The heads of other affected Federal departments and agencies, including the Secretary of the Interior, shall assist the Secretary of Energy in implementing the sales authorized by this Act.

(4) The Secretary of Energy shall deposit sale proceeds in the Treasury of the United States to the credit of miscellaneous receipts.

(5) There are authorized to be appropriated such sums as are necessary to prepare or acquire Eklutna and Snettisham assets for sale and conveyance, such preparations to provide sufficient title to ensure the beneficial use, enjoyment, and occupancy to the purchasers of the assets to be sold.

(6) No later than one year after both of the sales authorized in this subsection have occurred, as measured by the Transaction Dates stipulated in the Purchase Agreements, the Secretary of Energy shall—

(A) complete the business of, and close out, the Alaska Power Administration; and

(B) prepare and submit to Congress a report documenting the sales.

(b) ASSESSMENT OF ALTERNATIVE OPTIONS.—Before taking any action authorized in subsection (a), the Secretary shall assess the feasibility of alternative options for maximizing the return to the Treasury from the sale of the Alaska Power Marketing Administration.

SEC. 212. FEDERAL-PRIVATE COGENERATION OF ELECTRICITY.

Section 804(2)(B) of the National Energy Conservation Policy Act (42 U.S.C. 8287c(2)(B)) is amended by striking ", excluding any cogeneration process for other than a federally owned building or buildings or other federally owned facilities".

SEC. 213. TERMINATION OF CLEAN COAL TECHNOLOGY PROGRAM.

(a) IN GENERAL.—The United States shall not obligate any funds for the Clean Coal Technology program.

(b) REPEAL.—

(1) IN GENERAL.—Except as provided in paragraph (2), the matter under the heading "DEPARTMENT OF ENERGY, CLEAN COAL TECHNOLOGY" in the Act entitled "An Act making appropriations for the Department of the Interior and Related Agencies for the fiscal year ending September 30, 1986, and for other purposes" enacted by section 101(d) of the Joint Resolution entitled "Joint Resolution making further continuing appropriations for the fiscal year 1986, and for other purposes" (Public Law 99-190; 99 Stat. 1251) is repealed.

(2) EXCEPTION.—The authority provided in the matter repealed by paragraph (1) of this subsection shall be preserved to the extent necessary to carry out obligations of the United States with respect to clean coal technology projects selected by the Secretary of Energy pursuant to the fifth general request for proposals issued by the Secretary under such section 101(d) (and pursuant to any such general request issued before the fifth general request).

SEC. 214. RESCISSION OF FUNDS FROM SPR PETROLEUM ACCOUNT.

The unobligated balance of the funds in the SPR petroleum account on the date of the enactment of this Act is rescinded.

SEC. 215. STUDY OF TERMINATION OF HELIUM SUBSIDY.

(a) FINDINGS.—The Congress finds that—

(1) the United States Government's helium recovery program was instituted in 1925, when helium conservation was deemed to be a matter of national security and no private sector helium recovery industry existed;

(2) today, as compared to 1925, there is little likelihood that the United States will have to field a fleet of blimps on an emergency basis;

(3) private sources of helium are more than adequate for serving existing and foreseeable future national needs;

(4) since 1925, there has been a dramatic increase in private industry's involvement in helium recovery, as a result of the free market discovery of numerous commercial uses for helium;

(5) currently, private industry accounts for 90 percent of all helium extraction and consumption;

(6) the Government's helium recovery program currently owes the Department of the Treasury $1,400,000,000 and loses an additional $120,000,000 yearly on interest alone, and there is no prospect for repayment of this debt without significant reform; and

(7) with combined public and private helium reserves considerably in excess of foreseeable national helium needs, there is no longer any need for the Federal Government to own and operate a helium refining and marketing program.

(b) STUDY.—(1) The Secretary of the Interior, in consultation with private industry, shall conduct a study to determine how best to—

(A) sell or otherwise dispose of, at the best possible terms available to the United States, all facilities, equipment, and other real or personal property, or rights thereto, held by the United States in connection with activities carried out under the Helium Act, unless such facilities, equipment, or other real or personal property, or rights thereto, are required for other Federal purposes;

(B) sell or otherwise dispose of, at the best possible terms available to the United States, the helium reserves held by the United States other than amounts required for the specific immediate needs of the Federal Government, in a manner consistent with the orderly conduct of commercial helium markets; and

(C) ensure the full repayment of loans made under section 12 of the Helium Act.

(2) The Secretary of the Interior shall transmit to the Congress within one year after the date of enactment of this Act a report containing the results of the study conducted under paragraph (1).

SEC. 216. RESCISSION OF FUNDS FOR LOW-PRIORITY WATER PROJECTS.

(a) CORPS OF ENGINEERS GENERAL INVESTIGATIONS.—Of the funds made available under the heading "Corps of Engineers-Civil—General Investigations" in the Energy and Water Development Appropriations Act, 1994 (Pub. L. 103-126), $24,970,000 is rescinded, to be derived from projects that—

(1) are not continuations of ongoing work under contract;

(2) are not economically justified, or environmentally beneficial in a manner commensurate with costs;

(3) are not environmentally acceptable;

(4) are not in compliance with standard cost sharing;

(5) do not have available the necessary non-Federal sponsorship and funding;

(6) represent a Federal assumption of traditionally non-Federal responsibility; or

(7) have not completed normal executive branch project review requirements.

(b) CORPS OF ENGINEERS CONSTRUCTION.—Of the funds made available under the heading "Corps of Engineers-Civil—Construction, General" in the Energy and Water Development Appropriations Act, 1994 (Pub. L. 103–126), $97,319,000 is rescinded, to be derived from projects that—

(1) are not continuations of ongoing work under contract;

(2) are not economically justified, or environmentally beneficial in a manner commensurate with costs;

(3) are not environmentally acceptable;

(4) are not in compliance with standard cost sharing;

(5) do not have available the necessary non-Federal sponsorship and funding;

(6) represent a Federal assumption of traditionally non-Federal responsibility; or

(7) have not completed normal executive branch project review requirements.

(c) BUREAU OF RECLAMATION.—Of the funds made available under the heading "Department of the Interior—Bureau of Reclamation—Construction Program" in the Energy and Water Development Appropriations Act, 1994 (Pub. L. 103–126), $16,000,000 is rescinded, to be derived from projects that—

(1) are not continuations of ongoing work under contract;

(2) in the case of new projects, are inconsistent with the priorities of the Secretary of the Interior;

(3) are not environmentally beneficial in a manner commensurate with costs; or

(4) do not have available the necessary non-Federal cost sharing.

SEC. 217. PREFERENCE FOR INTERIM MEASURES IN SUPERFUND RESPONSE ACTIONS.

(a) AMENDMENT OF CERCLA.—Section 121(a) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9621(a)) is amended by adding at the end the following: "Notwithstanding any other provision of this Act, in selecting appropriate remedial actions in any record of decision issued on or after October 1, 1994, the President shall give a preference to the use of institutional controls (such as deed and access restrictions, monitoring, and provision of alternate water supplies), containment methods (including caps, slurry walls, and surface water diversion), and other interim measures, rather than permanent treatment technologies, if such measures are sufficient to assure the protection of human health and the environment.".

(b) CLEANUP STANDARDS.—Section 121(d)(2) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9621(d)(2)) shall not apply to any remedial action described in the amendment made by subsection (a).

(c) AUTHORIZATION OF APPROPRIATIONS.—(1) Section 517(b) of the Superfund Amendments and Reauthorization Act of 1986 is amended by striking "and" at the end of paragraph (8), by striking paragraph (9) and by inserting the following after paragraph (8):

"(9) 1995, $1,065,536,000,

"(10) 1996, $1,100,198,000,

"(11) 1997, $1,254,824,000, and

"(12) 1998, $1,321,018,000,".

(2) Section 9507(c) of the Internal Revenue Code of 1986 is amended by adding the following new paragraph at the end thereof:

"(3) LIMITATION ON APPROPRIATIONS FROM FUND.—For fiscal years 1995, 1996, 1997, and 1998, the total of all amounts authorized to be appropriated from the Superfund shall not exceed the amounts specified in paragraphs (9) through (12) of the Superfund Amendments and Reauthorization Act of 1986.".

(d) REPORT REQUIREMENT.—(1) The President shall submit to Congress a report, during each of the 5 years listed in paragraph (2), on the use of measures under the last sentence of section 121(a) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9621), as required by the amendment made by subsection (a). The report shall cover the preceding fiscal year and shall include the estimated savings resulting from the use of such measures in comparison to using permanent treatment technologies.

(2) The President shall submit the report required by paragraph (1) by December 1 of 1995, 1996, 1997, 1998, and 1999.

SEC. 218. RESERVATION OF FUNDS FOR DISASTER RELIEF.

(a) ESTABLISHMENT OF DISASTER RELIEF ACCOUNT.—On the date of the enactment of this Act the Secretary of the Treasury shall establish a Disaster Relief Account within the Office of the Secretary of the Treasury.

(b) RESERVATION OF FUNDS.—For each domestic discretionary spending account, the head of each Federal agency shall transfer 1 percent of all funds appropriated for each fiscal year beginning after September 30, 1993, to the account established under subsection (a) upon enactment of the appropriations Act for the agency for the fiscal year.

(c) TRANSFER OF FUNDS.—Upon enactment of an emergency disaster supplemental appropriations Act, the Secretary of the Treasury shall transfer such sums as are specified in such Act with respect to a disaster declared by the President from the Disaster Relief Account to the accounts specified by such Act.

(d) USE OF DISASTER RELIEF ACCOUNT PRIOR TO PROVISION OF EMERGENCY FUNDS IN EXCESS OF CAPS.—All funds in the Disaster Relief Account established under subsection (a) shall be exhausted before any funds shall be made available pursuant to section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(e) RELEASE OF FUNDS.—Any funds reserved under subsection (b) for a fiscal year which have not been transferred under subsection (c) by August 1 of such fiscal year shall after that date be returned to the account from which they were reserved in an amount proportionate to the amount originally reserved under subsection (b) if no emergency disaster supplemental appropriations bill has been reported from a committee of, or passed by, the House of Representatives or the Senate. If such a bill has been so reported or passed by August 1, such funds as may be required by such bill shall be retained in the Disaster Relief Account established under subsection (a) until transferred under subsection (c). Any funds in excess of those required for such bill shall be returned to the accounts from which they were reserved in an amount proportionate to the amount originally reserved under subsection (b) upon enactment of such bill as law.

(f) DEFINITION.—For purposes of this section, the term "domestic discretionary spending account" means each budget account that was for purposes of section 601(a) of the Congressional Budget Act of 1974 considered to be with respect to fiscal year 1993 within the domestic discretionary category, and each new account not classified as within function 050 or 150.

(g) RESCISSION OF FUNDS.—Of the funds made available under the heading "Federal Emergency Management Agency—Disaster Relief" in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994 (Pub. L. 103–124), $15,000,000 is rescinded.

SEC. 219. ELIMINATION OF WEATHER OFFICE CLOSURE CERTIFICATION PROCEDURES.

(a) IN GENERAL.—Title VII of the National Oceanic and Atmospheric Administration Authorization Act of 1992 is repealed.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that the repeal made by subsection (a) will not result in a degradation of weather forecasting service.

(c) RESCISSION OF FUNDS.—Of the funds made available under the heading "National Oceanic And Atmospheric Administration—Operations, Research, and Facilities" in the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1994 (Pub. L. 103–121), $20,000,000 is rescinded, to be derived from the National Weather Service.

SEC. 220. RESCISSION OF FUNDS FOR NOAA RESEARCH FLEET.

Of the funds made available under the heading "National Oceanic And Atmospheric Administration—Fleet Modernization, Shipbuilding and Conversion" in the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1994 (Pub. L. 103–121), $77,064,000 is rescinded.

SEC. 221. RESCISSION OF FUNDS FOR NOAA ADD-ONS.

Of the funds made available under the heading "National Oceanic And Atmospheric Administration" in the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1994 (Pub. L. 103–121), there are rescinded the following amounts from the following accounts:

(1) "Operations, Research, and Facilities", $71,298,000.

(2) "Construction", $29,840,000.

(3) "Aircraft Procurement and Modernization", $43,000,000.

SEC. 222. STUDY CONCERNING MERGER OF BUREAU OF RECLAMATION AND UNITED STATES ARMY CORPS OF ENGINEERS.

(a) FINDING.—The Congress finds—

(1) that similar functions should be administered in the same agency;

(2) that the Bureau of Reclamation is currently reevaluating its mission; and

(3) now is the proper time for the Bureau of Reclamation and the Corps of Engineers to evaluate the feasibility of a merger.

(b) STUDY.—Not later than one year after the date of enactment of this Act, the Secretary of the Interior, acting through the Commissioner of Reclamation, and the Secretary of the Army, acting through the Chief of Engineers, shall jointly conduct a study and submit a report to the Congress on merging the Bureau of Reclamation with the Corps of Engineers. The study shall include an examination of the administrative efficiencies that could be achieved in addition to the change and reorganization referred to in subsection (a), including—

(1) a the financial savings through administrative efficiency that would be obtained through such a merger; and

(2) the realignment of water projects such that similar projects are treated in a similar manner.

SEC. 223. RESCISSION OF FUNDS FOR AGRICULTURE BUILDING AND FACILITIES ACCOUNT.

Of the funds made available under the heading "Cooperative State Research Service—Buildings and Facilities" in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1994 (Pub. L. 103–111), $56,874,000 is rescinded.

SEC. 224. REPEAL OF AUTHORIZATIONS FOR THE AIRWAY SCIENCE PROGRAM, COLLEGIATE TRAINING INITIATIVE, AND AIR CARRIER MAINTENANCE TECHNICIAN TRAINING FACILITY GRANT PROGRAM.

(a) AIRWAY SCIENCE PROGRAM.—All authority for—

(1) the Secretary of Transportation to enter into grant agreements with universities or colleges having an airway science curriculum recognized by the Federal Aviation Administration for conducting demonstration projects with respect to the development, advancement, and expansion of airway science programs, and

(2) the Federal Aviation Administration to enter into competitive grant agreements with institutions of higher education having airway science curricula,

and all authorizations to appropriate funds for such purposes, including all authorizations for which funds were appropriated for such purposes under the heading "Federal Aviation Administration, Facilities and Equipment" in the Department of Transportation and Related Agencies Appropriations Acts, 1994 are repealed.

(b) COLLEGIATE TRAINING INITIATIVE.—Section 362 of the Department of Transportation and Related Agencies Appropriations Act, 1993 (106 Stat. 1560) is repealed. Notwithstanding such repeal, the Administrator of the Federal Aviation Administration may continue to convert appointment of persons who have been appointed pursuant to such section prior to the effective date of this Act from the excepted service to a career conditional or career appointment in the competitive civil service, pursuant to subsection (c) of such section.

(c) AIR CARRIER MAINTENANCE TECHNICIAN TRAINING FACILITY GRANT PROGRAM.—Section 119 of the Airport and Airway Safety, Capacity, Noise Improvement, and Intermodal Transportation Act of 1992 (49 U.S.C. App. 1354 note; 106 Stat. 4883–4884) is repealed.

(d) RESCISSION OF FUNDS.—

(1) FAA OPERATIONS.—Of the funds made available under the heading "Federal Aviation Administration—Operations" in the Department of Transportation and Related Agencies Appropriations Act, 1994 (Pub. L. 103–122), $2,750,000 is rescinded, to be derived from grants to the Mid-American Aviation Resource Consortium and vocational technical institutions.

(2) FAA FACILITIES AND EQUIPMENT.—Of the unobligated balance of funds made available under the heading "Federal Aviation Administration—Facilities and Equipment" in appropriations Acts for fiscal year 1994 and prior fiscal years, $40,257,111 is rescinded, to be derived from the airway science program.

SEC. 225. REPEAL OF NATIONAL RECREATIONAL TRAILS PROGRAM.

The Symms National Recreational Trails Act of 1991 (16 U.S.C. 1261–1262; 105 Stat. 2064–2069) is repealed.

SEC. 226. RESCISSION OF FUNDS FOR EDA.

Of the funds made available under the heading "Economic Development Administration—Economic Development Assistance Programs"in the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1994 (Pub. L. 103–121), $159,892,000 is rescinded.

SEC. 227. ELIMINATION OF FUNDING FOR PUBLIC TELECOMMUNICATIONS FACILITIES.

(a) REPEAL OF AUTHORIZATION OF APPROPRIATIONS.—Subpart A of Part IV of title III of the Communications Act of 1934 (47 U.S.C. 390-393a) is repealed.

(b) RESCISSION OF FUNDS.—Of the funds made available under the heading "National Telecommunications and Information Administration—Public Telecommunications Facilities, Planning and Construction" in the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1994 (Pub. L. 103–121), $24,000,000 is rescinded.

SEC. 228. MORATORIUM ON CONSTRUCTION AND ACQUISITION OF NEW FEDERAL BUILDINGS.

(a) GENERAL RULE.—After the date of the enactment of this Act and before October 1, 1998, the Administrator of General Services may not obligate any funds for construction or acquisition of any public building under the authority of the Public Buildings Act of 1959 or any other provision of law (other than a public building under construction or under contract for acquisition on such date of enactment).

(b) PUBLIC BUILDING DEFINED.—In this section, the term "public building" has the meaning such term has under the Public Buildings Act of 1959.

TITLE III—GOVERNMENT MANAGEMENT

SEC. 301. GOVERNMENT INFORMATION DISSEMINATION AND PRINTING IMPROVEMENT.

(a) TRANSFER OF FUNCTIONS.—

(1) PUBLIC PRINTER.—The position of Public Printer and all functions of the position of Public Printer (other than functions of the Superintendent of Documents) under title 44, United States Code, or any other provision of law are transferred from the legislative branch of the Government to the executive branch of the Government.

(2) SUPERINTENDENT OF DOCUMENTS.—The position of Superintendent of Documents and all functions of the position of Superintendent of Documents under title 44, United States Code, or any other provision of law are transferred to the Library of Congress and shall be carried out by the Superintendent of Documents under the direction of the Librarian of Congress. The Superintendent of Documents shall be appointed by, and serve at the pleasure of, the Librarian of Congress.

(3) REVOCATION OF CHARTERS.—All printing plant charters authorized under section 501 of title 44, United States Code, are revoked.

(4) EFFECTIVE DATE.—The transfer under paragraph (1) and the revocation under paragraph (3) shall each take effect 2 years after the date of the enactment of this Act. The transfer under paragraph (2) shall take effect one year after the date of the enactment of this Act.

(b) GOVERNMENT PUBLICATIONS TO BE AVAILABLE THROUGHOUT THE GOVERNMENT.—All Government publications shall be available throughout the Government to any department, agency, or entity of the Government for use or redissemination.

(c) INVENTORY AND FURNISHING OF GOVERNMENT PUBLICATIONS.—Each department, agency, and other entity of the Government shall—

(1) establish and maintain a comprehensive inventory of its Government publications;

(2) make such inventory available through the electronic directory under chapter 41 of title 44, United States Code; and

(3) in the form and manner prescribed by the Superintendent of Documents, furnish its Government publications to the Superintendent of Documents.

(d) ADDITIONAL RESPONSIBILITIES OF THE PUBLIC PRINTER.—

(1) IN GENERAL.—The Public Printer shall, with respect to the executive branch of the Government and the judicial branch of the Government—

(A) use all necessary measures to remedy neglect, delay, duplication, and waste in the public printing and binding of Government publications, including the reduction and elimination of internal printing and high-speed duplicating capacities of departments, agencies, and entities;

(B) prescribe Government publishing standards, which, to the greatest extent practicable, shall be consistent with the United States Government Printing Office Style Manual;

(C) prescribe Government procurement and manufacturing requirements for printing paper and writing paper, which, to the greatest extent practicable, shall be consistent with Government Paper Specification Standards;

(D) authorize the acquisition and transfer of equipment requisitioned by publishing facilities authorized under section 501 of title 44, United States Code;

(E) authorize the disposal of such equipment pursuant to section 312 of title 44, United States Code; and

(F) establish policy for the acquisition of printing, which, to the greatest extent practicable, shall be consistent with (i) Printing Procurement Regulation (GPO Publication 305.3), (ii) Government Printing and Binding Regulations (JCP No. 26), and (ii) Printing Procurement Department Instruction (PP304.1B).

(2) POLICY STANDARDS.—The policy referred to in paragraph (1)(F) shall be formulated to maximize competitive procurement from the private sector. Government in-house printing and duplicating operations authorized under section 501 of title 44, United States Code, or otherwise authorized by law, may be used if they provide printing at the lowest cost to the Government, taking into consideration the total expense of production, materials, labor, equipment, and general and administrative expense, including all levels of overhead.

(e) ADDITIONAL RESPONSIBILITIES OF THE SUPERINTENDENT OF DOCUMENTS.—

(1) GOVERNMENT PUBLICATIONS TO BE FURNISHED TO THE SUPERINTENDENT OF DOCUMENTS.—If a department, agency, or other entity of the Government publishes a Government publication, the head of the department, agency, or entity shall furnish the Government publication to the Superintendent of Documents not later than the date of release of the material to the public.

(2) DISSEMINATION OR REPUBLICATION.—In addition to any other dissemination provided for by law, the Superintendent of Documents shall disseminate or republish Government publications, if, as determined by the Superintendent, the dissemination by the department, agency, or entity of the Government is inadequate. The Superintendent shall have authority to carry out the preceding sentence by appropriate means, including the dissemination and republication of Government publications furnished under paragraph (1), with the cost of dissemination and republication to be borne by the department, agency, or entity involved.

(3) COST.—The cost charged to the public by the superintendent of documents under paragraph (2) for any government publication (whether such government publication is made available to the public by a department, agency, or entity of the government, or by the superintendent of documents) may include the incremental cost of dissemination, but may not include any profit.

(f) DEPOSITORY LIBRARIES.—In addition to any other distribution provided for by law, the Superintendent of Documents shall make Government publications available to designated depository libraries and State libraries. The Superintendent shall have authority to carry out the preceding sentence by appropriate means, including the dissemination and republication of Government publications furnished under subsection (e)(1), with the cost of dissemination and republication to be borne by the department, agency, or entity involved.

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

(1) the term "Government publication" means any informational matter that is published at Government expense, or as required by law; and

(2) the term "publish" means, with respect to informational matter, make available for dissemination.

SEC. 302. SENSE OF CONGRESS REGARDING REORGANIZATION OF BUREAU OF INDIAN AFFAIRS.

It is the sense of the Congress that—

(1) the Bureau of Indian Affairs should be reorganized, with special attention given to the reorganizing the Bureau's 12 area offices into not more than 5 regional service centers and 2 special service offices; and

(2) such reorganization should be pursued in coordination with the Task Force on Bureau of Indian Affairs reorganization, as provided in the Department of the Interior and Related Agencies Appropriations Act, 1994 (Pub. L. 103–138).

SEC. 303. RESCISSION OF FUNDS FOR PRINTING AND REPRODUCTION AND FOR SUPPLIES AND MATERIALS.

(a) IN GENERAL.—Of the funds made available in appropriations Acts for fiscal year 1994 to the following agencies for printing and reproduction and for supplies and materials, the following amounts are rescinded:

(1) Department of Agriculture, $186,000,000.

(2) Department of Commerce, $6,000,000.

(3) Department of Health and Human Services, $22,400,000.

(4) Department of the Interior, $14,400,000.

(5) Department of Justice, $15,600,000.

(6) Department of Labor, $2,000,000.

(7) Department of State, $4,400,000.

(8) Department of the Treasury, $13,200,000.

(9) Department of Education, $400,000.

(10) Department of Energy, $2,800,000.

(11) Environmental Protection Agency, $11,200,000.

(12) Department of Transportation, $33,200,000.

(13) Department of Housing and Urban Development $240,000.

(14) Department of Veterans Affairs, $97,200,000.

(b) ALLOCATION.—The Director of the Office of Management and Budget shall allocate the rescissions made by subsection (a) among the appropriate accounts, and shall submit to the Congress a report setting forth such allocation.

SEC. 304. STREAMLINING OF DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

(a) IN GENERAL.—During the 5-year period beginning on the date of the enactment of this Act, the Secretary of Housing and Urban Development shall streamline the headquarters, regional, and field office structure of the Department of Housing and Urban Development by consolidating various of such offices and reducing the size of the Department, without regard to the requirements of section 7(p) of the Department of Housing and Urban Development Act.

(b) WORKFORCE REDUCTIONS.—In carrying out subsection (a), during the period referred to in such subsection, the Secretary of Housing and Urban Development shall eliminate not less than 1,500 full-time employment positions in the Department of Housing and Urban Development.

SEC. 305. TERMINATION OF INTERSTATE COMMERCE COMMISSION.

(a) IN GENERAL.—There are transferred to the Secretary, effective January 1, 1994, all functions of the Commission.

(b) AUTHORITY OF OFFICE OF MANAGEMENT AND BUDGET.—The Director of the Office of Management and Budget, in consultation with the Commission and the Secretary, may make such determinations as may be necessary with regard to the functions transferred by this section, and to make such additional incidental dispositions of assets, liabilities, contracts, property, and records, as may be necessary to carry out the provisions of this section. The unobligated funds of the Commission shall not be transferred to the Department of Transportation in order to carry out the transfer of functions under this section, and the number of fulltime employee positions within the Department of Transportation shall not be increased as a result of such transfer of functions.

(c) JOINT PLANNING FOR TRANSFER.—The Chairman of the Commission and the Secretary shall, beginning as soon as practicable after the date of enactment of this section, jointly plan for the orderly transfer of functions under this section.

(d) INTERIM USE OF INTERSTATE COMMERCE COMMISSION PERSONNEL.—Prior to January 1, 1994, and with the consent of the Commission, the Secretary may use the services of officers, employees, and other personnel of the Commission under such terms and conditions as will reasonably facilitate the orderly transfer of functions under this section.

(e) SAVINGS PROVISIONS.—

(1) IN GENERAL.—All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(A) which have been issued, made, granted, or allowed to become effective by any agency or official thereof, or by a court of competent jurisdiction, in the performance of any function which is transferred by this section to the Secretary from the Commission; and

(B) which are in effect immediately before the transfer of functions by this section,

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

(2) CONTINUATION OF PROCEEDINGS.—The transfer of functions by this section shall not affect any proceedings, including rulemaking proceedings, or any application for any license, permit, or certificate, pending before the Commission immediately before the transfer takes effect. Such proceedings and applications shall be continued at the Department of Transportation. Orders shall be issued in such proceedings, and appeals shall be taken therefrom, as if this section had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by the Secretary of Transportation, by a court of competent jurisdiction, or by operation of law. Nothing in this subsection shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section had not been enacted.

(3) EFFECT ON PENDING CIVIL ACTIONS.—Except as provided in paragraph (5)—

(A) the transfer of any function under this section shall not affect any civil action relating to such function which is commenced prior to the date the transfer takes effect; and

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

(4) NONABATEMENT OF ACTIONS.—No action or other proceeding commenced by or against any officer in that officer's official capacity as an officer of the Commission shall abate by reason of the transfer of any function under this section. No cause of action by or against the Commission, or by or against any officer thereof in that officer's official capacity, shall abate by reason of the transfer of any function under this section.

(5) JUDICIAL ADMINISTRATIVE PROVISION.—If immediately before the transfer of functions by this section the Commission or any officer thereof in that officer's official capacity is a party to an action relating to a function transfer by this section, then such action shall be continued with the Secretary or other appropriate official of the Department of Transportation substituted or added as a party.

(6) REFERENCES.—With respect to any function transferred by this section and performed on or after the effective date of the transfer, reference in any Federal law to the Interstate Commerce Commission or the Commission (insofar as such term refers to the Interstate Commerce Commission), or to any officer or office thereof, shall be deemed to refer to the Department of Transportation, or other official or component of the Department of Transportation in which such function vests.

(7) EXERCISE OF FUNCTIONS BY SECRETARY.—In the exercise of any function transferred by this section, the Secretary shall have the same authority as that vested in the Commission with respect to such function immediately preceding its transfer, and actions of the Secretary shall have the same force and effect as when exercised by the Commission. Orders and actions of the Secretary in the exercise of the functions transferred under this section shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the Commission in the exercise of such functions immediately preceding their transfer. Any statutory requirements relating to notice, hearings, actions upon the record, or administrative review that apply to any functions transferred by this section shall apply to the exercise of such functions by the Secretary.

(f) REPORTS.—No later than July 1, 1994, the Secretary shall submit to the appropriate committees of Congress a report on the functions transferred from the Commission to the Department of Transportation under this section. The report shall include—

(1) an assessment of benefits compared to costs associated with each of these functions, both with respect to persons affected directly and to the public generally;

(2) recommendations for the elimination of functions identified as redundant, or substantially the same as functions or services which are performed by the Department of Transportation or other public or private organizations prior to the transfer of functions under this section; and

(3) recommendations to modify or eliminate those functions that do not provide substantial economic or safety benefits to the general public.

(g) CONFORMING AMENDMENTS.—

(1) EXECUTIVE LEVEL PAY RATES.—

(A) Section 5314 of title 5, United States Code, is amended by striking "Chairman, Interstate Commerce Commission.".

(B) Section 5315 of title 5, United States Code, is amended by striking "Members, Interstate Commerce Commission.".

(2) TERMINATION OF COMMISSION.—Sections 10301 through 10308 of title 49, United States Code, are repealed.

(3) EFFECTIVE DATE.—The amendments made by this section shall become effective on January 1, 1994.

(h) DEFINITIONS.—In this section—

(1) the term "Commission" means the Interstate Commerce Commission;

(2) the term "function" means a function, power, or duty; and

(3) the term "Secretary" means the Secretary of Transportation.

(i) RESCISSION AND TRANSFER OF FUNDS.—Of the funds made available under the heading "Interstate Commerce Commission—Salaries and Expenses" in the Department of Transportation and Related Agencies Appropriations Act, 1994 (Pub. L. 103–122)—

(1) $18,000,000 is rescinded; and

(2) $15,000,000 shall be transferred to and merged with the appropriation in such Act for "DEPARTMENT OF TRANSPORTATION—OFFICE OF THE SECRETARY—Immediate Office of the Secretary".

SEC. 306. RESCISSION OF FUNDS FROM TENNESSEE VALLEY AUTHORITY FUND.

Of the funds in the Area and Regional Account of the Tennessee Valley Authority Fund, $23,000,000 is rescinded.

SEC. 307. RESCISSION OF FUNDS FOR APPALACHIAN REGIONAL COMMISSION.

Of the funds made available under the heading "Appalachian Regional Commission" in the Energy and Water Development Appropriations Act, 1994 (Pub. L. 103-126), $59,000,000 is rescinded.

SEC. 308. IMPROVEMENTS TO MANAGEMENT OF VETERANS' HOSPITALS.

The Secretary of Veterans Affairs, in consultation with the Secretary of Health and Human Services, shall implement for the Veterans Health Administration a financing system known as a "Prospective Payment System". In implementing such a system, the Secretary shall classify each individual receiving health care and services under chapter 17 of title 38, United States Code, in a Diagnosis-Related Group (DRG). The Prospective Payment System implemented by the Secretary shall be modeled as closely as is practicable on the Prospective Payment System in use for the Medicare program under title XVIII of the Social Security Act. The Secretary may, to the extent necessary to implement this section, waive any provisions of law inconsistent with this section. In implementing this section, it shall be a goal of the Secretary to achieve savings in outlays for the Department of Veterans Affairs medical system of not less than $1,000,000,000 over the five-year period of fiscal years 1994 through 1998.

SEC. 309. RESCISSION OF FUNDS FOR LEGAL SERVICES CORPORATION.

Of the funds made available under the heading "Legal Services Corporation—Payment to the Legal Services Corporation" in the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1994 (Pub. L. 103–121), $20,000,000 is rescinded.

SEC. 310. TERMINATION STATE JUSTICE INSTITUTE.

(a) IN GENERAL.—The State Justice Institute Act of 1984 (42 U.S.C. 10701 et seq.) is repealed.

(b) RESCISSION OF FUNDS.—Of the funds made available under the heading "State Justice Institute—Salaries and Expenses" in the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1994 (Pub. L. 103–121), $6,775,000 is rescinded.

SEC. 311. IMPROVEMENT OF U.S. MARSHALS SERVICE.

(a) PHASING OUT OF POLITICAL APPOINTEES.—

(1) UNCONFIRMED APPOINTEES.—Any individual serving as a United States marshal to whose appointment to such office the Senate has not given its advice and consent as of the date of the enactment of this Act, may no longer serve in such position on or after such date of enactment, except pursuant to appointment by the Attorney General under the amendments made by this section. The Attorney General shall, before appointing any other individual to such vacated position, offer such vacated position to the individual then serving as deputy marshal in that office of United States marshal. The individual appointed to fill such vacated position shall be appointed for the remainder of the unexpired term of his or her predecessor.

(2) CONFIRMED APPOINTEES.—Any individual who, on the date of the enactment of this Act, is a United States marshal to whose appointment the Senate has given its advice and consent, may not serve in such position on or after December 31, 1994, except pursuant to appointment by the Attorney General under the amendments made by this section. The Attorney General shall, before appointing any other individual to such vacated position, offer such vacated position to the individual then serving as deputy marshal in that office of United States marshal. The individual appointed to fill such vacated position shall be appointed for the remainder of the unexpired term of his or her predecessor.

(b) APPOINTMENT OF UNITED STATES MARSHALS.—Section 561 of title 28, United States Code, is amended—

(1) in subsection (c) by striking "The President shall appoint, by and with the advice and consent of the Senate," and inserting "The Attorney General shall appoint"; and

(2) in subsection (d) by striking "President" and inserting "Attorney General".

(c) OVERALL REDUCTION IN NUMBER OF POSITIONS.—

(1) ELIMINATION OF POSITIONS OF DEPUTY MARSHAL.—The position of deputy marshal in the 70 judicial districts having the least population of all judicial districts shall be abolished, as of—

(A) the date of the enactment of this Act, in a case in which subsection (a)(1) applies; or

(B) the date on which the United States marshal leaves office under the first sentence of subsection (a)(2), in a case in which such subsection applies;

and no equivalent position in such districts shall thereafter be created.

(2) OVERALL REDUCTION.—The number of full-time equivalent positions in the United States Marshals Service as of January 1, 1995, may not exceed the number of full-time equivalent positions in the United States Marshals Service on the date of the enactment of this Act, minus 70.

(d) CONFORMING AMENDMENTS.—(1) Section 562 of title 28, United States Code, and the item relating to such section in the table of sections at the beginning of chapter 37 of such title, are repealed.

(2) Section 569 of such title is amended—

(A) by striking "(a)"; and

(B) by striking subsection (b).

SEC. 312. RESCISSION OF FUNDS FOR BATF.

Of the funds made available under the heading "Bureau of Alcohol, Tobacco and Firearms—Salaries and Expenses" in the Treasury, Postal Service, and General Government Appropriations Act, 1994 (Pub. L. 103–123), $2,000,000 is rescinded.

SEC. 313. RESCISSION OF FUNDS FOR CONSTRUCTION OF NEW FEDERAL OFFICES AND COURTHOUSES.

Of the funds made available under the heading "General Services Administration—Federal Buildings Fund" in the Treasury, Postal Service, and General Government Appropriations Act, 1994 (Pub. L. 103–123), $288,000,000 is rescinded.

SEC. 314. LIMITATION ON OFFICE EQUIPMENT AND FURNISHINGS PURCHASES BY DEPARTING MEMBERS OF HOUSE OF REPRESENTATIVES.

The first section of the Act entitled "An Act to authorize the disposition of certain office equipment and furnishings, and for other purposes", enacted October 20, 1974 (2 U.S.C. 59a) is repealed.

SEC. 315. RESCISSION OF FUNDS FOR EXECUTIVE OFFICE OF THE PRESIDENT.

(a) IN GENERAL.—Of the funds made available for each account under the heading "Executive Office of the President and Funds Appropriated to the President" in the Treasury, Postal Service, and General Government Appropriations Act, 1994 (Pub. L. 103–123), there is rescinded an amount equal to 5 percent of such funds.

(b) ADDITIONAL OFFICES.—Of the funds made available for each account under the heading "Executive Office of the President" in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994 (Pub. L. 103–124), there is rescinded an amount equal to 5 percent of such funds.

SEC. 316. RESCISSION OF FUNDS FOR LEGISLATIVE BRANCH.

(a) IN GENERAL.—Of the funds made available for each account in the Legislative Branch Appropriations Act, 1994 (Pub. L. 103–69), there is rescinded an amount equal to 7.5 percent of such funds.

(b) EXCEPTIONS.—Subsection (a) shall not apply to—

(1) funds made available under the heading "Congressional Operations—Senate"; or

(2) funds for which amounts are rescinded by section 317.

SEC. 317. RESCISSION OF FUNDS FOR HOUSE FRANKING.

Of the funds made available under the heading "House of Representatives—Salaries and Expenses" in the Legislative Branch Appropriations Act, 1994 (Pub. L. 103–69), $12,000,000 is rescinded, to be derived from "Official Mail Costs".

SEC. 318. PROVISIONS RELATING TO ANNUAL PAY ADJUSTMENTS FOR MEMBERS OF CONGRESS.

(a) CALENDAR YEAR 1994.—Notwithstanding section 601(a)(2) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31(2)), the cost of living adjustment (relating to pay for

Members of Congress) which would become effective under such provision of law during calendar year 1994 shall not take effect.

(b) LIMITATION ON FUTURE ADJUSTMENTS.—Effective as of December 31, 1994, paragraph (2) of section 601(a) of the Legislative Reorganization Act of 1946 is amended—

(1) by striking "(2) Effective" and inserting "(2)(A) Subject to subparagraph (B), effective"; and

(2) by adding at the end the following:

"(B) In no event shall the percentage adjustment taking effect under subparagraph (A) in any calendar year exceed the percentage adjustment taking effect in such calendar year under section 5303 of title 5, United States Code, in the rates of pay under the General Schedule.".

SEC. 319. SES ANNUAL LEAVE ACCUMULATION.

(a) IN GENERAL.—Effective on the last day of the last applicable pay period beginning in calendar year 1993, subsection (f) of section 6304 of title 5, United States Code, is repealed.

(b) SAVINGS PROVISION.—Notwithstanding the amendment made by subsection (a), in the case of an employee who, on the effective date of subsection (a), is subject to subsection (f) of section 6304 of title 5, United States Code, and who has to such employee's credit annual leave in excess of the maximum accumulation otherwise permitted by subsection (a) or (b) of section 6304, such excess annual leave shall remain to the credit of the employee and be subject to reduction, in the same manner as provided in subsection (c) of section 6304.

(c) CONFORMING AMENDMENT.—Section 6304(a) of title 5, United States Code, is amended by striking "(e), (f), and (g)" and inserting "(e) and (g)", effective as of the effective date of subsection (a).

(d) RESCISSION OF FUNDS.—Of the aggregate funds made available to executive departments and agencies in appropriations Act for fiscal year 1994 for purposes of payments for accrued leave upon termination of employment, $2,000,000 is rescinded. The Director of the Office of Management and Budget shall allocate such rescission among the appropriate accounts, and shall submit to the Congress a report setting forth such allocation.

SEC. 320. REDUCTION OF FEDERAL FULL-TIME EQUIVALENT POSITIONS.

(a) DEFINITION.—For purposes of this section, the term "agency" means an Executive agency as defined under section 105 of title 5, United States Code, but does not include the General Accounting Office.

(b) LIMITATIONS ON FULL-TIME EQUIVALENT POSITIONS.—The President, through the Office of Management and Budget (in consultation with the Office of Personnel Management), shall ensure that the total number of full-time equivalent positions in all agencies shall not exceed—

(1) 2,053,600 during fiscal year 1994;

(2) 1,999,600 during fiscal year 1995;

(3) 1,945,600 during fiscal year 1996;

(4) 1,895,600 during fiscal year 1997; and

(5) 1,851,600 during fiscal year 1998.

(c) MONITORING AND NOTIFICATION.—The Office of Management and Budget, after consultation with the Office of Personnel Management, shall—

(1) continuously monitor all agencies and make a determination on the first date of each quarter of each applicable fiscal year of whether the requirements under subsection (b) are met; and

(2) notify the President and the Congress on the first date of each quarter of each applicable fiscal year of any determination that any requirement of subsection (b) is not met.

(d) COMPLIANCE.—If at any time during a fiscal year, the Office of Management and Budget noifies the President and the Congress that any requirement under subsection (b) is not met, no agency may hire any employee for any position in such agency until the Office of Mangement and Budget notifies the President and the Congress that the total number of full-time equivalent positions for all agencies equals or is less than the applicable number required under subsection (b).

(e) WAIVER.—Any provision of this section may be waived upon—

(1) a determination by the President of the existence of war or a national security requirement; or

(2) the enactment of a joint resolution upon an affirmative vote of three-fifths of the Members of each House of the Congress duly chosen and sworn.

(f) RESCISSION OF FUNDS.—Of the aggregate funds made available to executive departments and agencies in appropriations Act for fiscal year 1994 for purposes of employee compensation, $2,122,000,000 is rescinded. The Director of the Office of Management and Budget shall allocate such rescission among the appropriate accounts, and shall submit to the Congress a report setting forth such allocation.

SEC. 321. RESCISSION OF FUNDS FOR TRAVEL ACCOUNTS.

(a) IN GENERAL.—Of the funds made available in any appropriations Act for fiscal year 1994 to any executive department or agency, or any entity in the legislative branch, for purposes of official travel, 15 percent is rescinded. The Director of the Office of Management and Budget shall allocate such rescission among the appropriate accounts, and shall submit to the Congress a report setting forth such allocation.

(b) EXCEPTIONS.—Subsection (a) shall not apply to—

(1) the Department of Defense, the Department of Justice, the Department of State, the Department of the Treasury, the Department of Veterans Affairs, or any agency or office within any such department; or

(2) the Office of Personnel Management in carrying out its responsibilities under the Voting Rights Act of 1965.

SEC. 322. TERMINATION OF FEDERAL ADVISORY COMMITTEES.

(a) TERMINATION.—The entities described in subsection (b) are terminated.

(b) ENTITIES DESCRIBED.—The entities referred to in subsection (a) are the following:

(1) Preservation of Jazz Advisory Commission.

(2) Mt. Saint Helen's Scientific Advisory Board.

(3) Advisory Panel for the Dictionary of Occupational Titles.

(4) U.S. Army Medical Research and Development Advisory Board.

(5) Secretary of the Navy's Advisory Committee on Naval History.

(6) Scientific Advisory Committee on Effects.

(7) Advisory Committee on Publications Subvention.

(8) National Advisory Council on Educational Research and Improvement.

(9) Advisory Panel for the Decontamination of TMI-2.

(10) Technical Advisory Group on Cigarette Fire Safety.

(11) Advisory Commission of Swine Health Protection.

(c) SAVINGS PROVISIONS.—

(1) CONTINUATION OF AGREEMENTS, GRANTS, CONTRACTS, PRIVILEGES, AND OTHER ADMINISTRATIVE ACTIONS.—All agreements, grants, contracts, privileges, and other administrative actions—

(A) which have been issued, made, granted, or allowed to become effective by an entity described in subsection (b) in the performance of its functions or by a court of competent jurisdiction with respect to those functions, and

(B) which are in effect on the date of the enactment of this Act, or were final before that date of enactment and are to become effective on or after that date of enactment,

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

(2) SUITS NOT AFFECTED.—The provisions of this section shall not affect suits commenced before the date of the enactment of this Act, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this section had not been enacted.

(3) SUITS INVOLVING COUNCIL OR OFFICE.—No suit, action, or other proceeding commenced by or against an entity described in subsection (b), or by or against any individual in the official capacity of such individual as an officer or employee of such an entity, shall abate by reason of the enactment of this section.

SEC. 323. INCREASE IN THRESHOLD FOR APPLICATION OF DAVIS-BACON ACT.

(a) IN GENERAL.—Subsection (a) of the first section of the Act of March 3, 1931 (40 U.S.C. 276a et seq.) (known as the "Davis-Bacon Act") is amended by striking "$2,000" and inserting "$100,000".

(b) RESCISSION OF FUNDS.—Of the aggregate funds made available to executive departments and agencies in appropriations Act for fiscal year 1994 for purposes of construction activities under the Act of March 3, 1931 (40 U.S.C. 276a et seq.) (known as the "Davis-Bacon Act") or similar prevailing wage requirements applicable to projects assisted by Federal funds, $62,000,000 is rescinded. The Director of the Office of Management and Budget shall allocate such rescission among the appropriate accounts, and shall submit to the Congress a report setting forth such allocation.

SEC. 324. ELIMINATION OF CERTAIN REPORTS REQUIRED ON CONTRACTS COVERED BY DAVIS-BACON ACT.

(a) IN GENERAL.—The first sentence of section 2 of the Act of June 13, 1934, entitled "An Act to effectuate the purpose of certain statutes concerning rates of pay for labor, by making it unlawful to prevent anyone from receiving the compensation contracted for thereunder, and for other purposes" (40 U.S.C. 276c) (known as the "Copeland Act") is amended by striking "shall furnish weekly a statement with respect to the wages paid each employee during the preceding week" and inserting "shall furnish, at least once per month, a statement of compliance with the labor standards provisions of applicable law, certifying the payroll with respect to the wages paid employees during the preceding period for which the statement is furnished, covering each week any contract work is performed".

(b) RESCISSION OF FUNDS.—Of the aggregate funds made available to executive departments and agencies in appropriations Act for fiscal year 1994 for purposes of construction activities submitted under section 2 of the Act of June 13, 1934 (40 U.S.C. 276c) (known as the "Copeland Act"), $55,000,000 is rescinded.

The Director of the Office of Management and Budget shall allocate such rescission among the appropriate accounts, and shall submit to the Congress a report setting forth such allocation.

SEC. 325. FEES FOR APPLICATIONS FOR ALCOHOL LABELING AND FORMULA REVIEWS.

(a) IN GENERAL.—The Secretary of the Treasury or his delegate (in this section referred to as the 'Secretary') shall establish a program requiring the payment of user fees for—

(1) requests for each certificate of alcohol label approval required under the Federal Alcohol Administration Act (27 U.S.C. 201 et seq.) and for each request for exemption from such requirement, and

(2) requests for each formula review, and requests for each statement of process (including laboratory tests and analyses), under such Act or under chapter 51 of the Internal Revenue Code of 1986.

(b) PROGRAM CRITERIA.—

(1) IN GENERAL.—The fees charged under the program required by subsection (a) shall be determined such that the Secretary estimates that the aggregate of such fees received during any fiscal year will be $5,000,000.

(2) MINIMUM FEES.—The fee charged under the program required by subsection (a) shall not be less than—

(A) $50 for each request referred to in subsection (a)(1), and

(B) $250 for each request referred to in subsection (a)(2).

(c) APPLICATION OF SECTION.—Subsection (a) shall apply to requests made on or after the 90th day after the date of the enactment of this Act.

(d) DEPOSIT AND CREDIT AS OFFSETTING RECEIPTS.—The amounts collected by the Secretary under the program required by subsection (a) (to the extent such amounts do not exceed $5,000,000) shall be deposited into the Treasury as offsetting receipts and ascribed to the alcohol compliance program of the Bureau of Alcohol, Tobacco, and Firearms.

SEC. 326. INCREASE IN SEC REGISTRATION FEES.

(a) SECURITIES ACT OF 1933.—Section 6(b) of the Securities Act of 1933 (15 U.S.C. 77f(b)) is amended by striking "one-fiftieth of 1 per centum" and inserting "1/29 of 1 percent".

(b) SECURITIES EXCHANGE ACT OF 1934.—Sections 13(e)(3) and 14(g)(1)(A)(i) of the Securities Exchange Act of 1934 (47 U.S.C. 78m(e)(3), 78n(g)(1)(A)(i)) are each amended by striking "1/50 of 1 per centum" and inserting "1/29 of 1 percent".

(c) DEPOSIT AND CREDIT AS OFFSETTING RECEIPTS.—The amounts collected under the provisions amended by this section shall be deposited into the Treasury as offsetting receipts and ascribed to the salaries and expenses account of the Securities and Exchange Commission.

(d) APPLICABILITY.—The amendments made by subsections (a) and (b) shall not apply after September 30, 1998.

SEC. 327. TRAVEL, TOURISM, AND EXPORT PROMOTION FEES.

(a) TRAVEL AND TOURISM FEES.—

(1) IN GENERAL.—Each State that participates in marketing activities or tourism promotion abroad through the United States Travel and Tourism Administration shall pay a fee in an amount determined by such Administration so that the total receipts from such fees shall equal the budget of such Administration.

(2) DEPOSIT AND CREDIT AS OFFSETTING RECEIPTS.—The amounts collected under this subsection shall be deposited into the Treasury as offsetting receipts and ascribed to the salaries and expenses account of the United States Travel and Tourism Adminsitration.

(b) EXPORT PROMOTION FEES.—

(1) IN GENERAL.—The Secretary of Commerce or his delegate (in this subsection referred to as the "Secretary") shall establish a program requiring the payment of user fees for all services provided to all entities outside the Federal Government by the International Trade Administration in carrying out its export promotion programs.

(2) SETTING OF FEES.—The fees charged under the program required by paragraph (1) shall be determined such that the Secretary estimates that the aggregate of such fees received during the following fiscal years will equal the following amounts:

(A) $100,000,000 during fiscal year 1994.

(B) $212,154,000 during fiscal year 1995.

(C) $224,821,000 during fiscal year 1996.

(D) $237,830,000 during fiscal year 1997.

(E) $251,648,000 during fiscal year 1998.

(3) APPLICATION OF SECTION.—Paragraph (1) shall apply to services provided on or after the 90th day after the date of the enactment of this Act.

(4) DEFINITION.—As used in this subsection, the term "export promotion program" has the meaning given that term in section 201(d) of the export administration amendments act of 1985 (15 U.S.C. 4051(d)) and includes—

(A) the provision of information and technical assistance; and

(B) any form of assistance in the marketing of goods and services.

(5) DEPOSIT AND CREDIT AS OFFSETTING RECEIPTS.—The amounts collected by the Secretary under the program required by paragraph (1) (to the extent such amounts do not exceed the amounts specified in paragraph (2)) shall be deposited into the Treasury as offsetting receipts and ascribed to the operations and administrations account of the International Trade Administration.

TITLE IV—HUMAN RESOURCES

SEC. 401. REDUCTION IN FUNDING FOR ARTS AND HUMANITIES PROGRAMS.

(a) NATIONAL ENDOWMENT FOR THE ARTS.—Section 11(d)(1) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(d)(1)) is amended by striking subparagraphs (A), (B), and (C), and inserting the following:

"(A) for fiscal year 1994, $166,823,000,

"(B) for fiscal year 1995, $163,487,000 or an amount equal to 98 percent of the total amount appropriated for fiscal year 1994 to carry out the activities of the Endowment, whichever is less,

"(C) for fiscal year 1996, $160,217,000 or an amount equal to 98 percent of the total amount appropriated for fiscal year 1995 to carry out the activities of the Endowment, whichever is less,

"(D) for fiscal year 1997, $157,012,000 or an amount equal to 98 percent of the total amount appropriated for fiscal year 1996 to carry out the activities of the Endowment, whichever is less, and

"(E) for fiscal year 1998, $153,872,000 or an amount equal to 98 percent of the total amount appropriated for fiscal year 1997 to carry out the activities of the Endowment, whichever is less.".

(b) NATIONAL ENDOWMENT FOR THE HUMANITIES.—Section 11(d)(2) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(d)(2)) is amended by striking subparagraphs (A), (B), and (C), and inserting the following:

"(A) for fiscal year 1994, $173,941,000,

"(B) for fiscal year 1995, $170,462,000 or an amount equal to 98 percent of the total amount appropriated for fiscal year 1994 to carry out the activities of the Endowment, whichever is less,

"(C) for fiscal year 1996, $167,053,000 or an amount equal to 98 percent of the total amount appropriated for fiscal year 1995 to carry out the activities of the Endowment, whichever is less,

"(D) for fiscal year 1997, $163,712,000 or an amount equal to 98 percent of the total amount appropriated for fiscal year 1996 to carry out the activities of the Endowment, whichever is less, and

"(E) for fiscal year 1998, $160,438,000 or an amount equal to 98 percent of the total amount appropriated for fiscal year 1997 to carry out the activities of the Endowment, whichever is less.".

(c) SMITHSONIAN INSTITUTION.—Notwithstanding any other law, the funds appropriated for the Smithsonian Institution for fiscal year 1994, 1995, 1996, 1997, or 1998 may not be obligated in an amount that exceeds 98 percent of the funds appropriated for such purpose for the preceding fiscal year.

(d) NATIONAL GALLERY OF ART.—Notwithstanding any other law, the funds appropriated for the National Gallery of Art for fiscal year 1994, 1995, 1996, 1997, or 1998 may not be obligated in an amount that exceeds 98 percent of the funds appropriated for such purpose for the preceding fiscal year.

(e) CORPORATION FOR PUBLIC BROADCASTING.—Notwithstanding any other law, the funds appropriated for the Corporation for Public Broadcasting for fiscal year 1995, 1996, 1997, or 1998 may not be obligated in an amount that exceeds 98 percent of the funds appropriated for such purpose for the preceding fiscal year.

(f) RESCISSION OF FUNDS.—Of the funds made available under each of the headings "National Endowment for the Arts", "National Endowment for the Humanities", "Smithsonian Institution", and "National Gallery of Art" in the Department of the Interior and Related Agencies Appropriations Act, 1994 (Pub. L. 103-138), 2 percent is rescinded.

SEC. 402. ELIMINATION OF OPERATING SUBSIDIES FOR VACANT PUBLIC HOUSING.

(a) IN GENERAL.—Section 9(a)(3)(B) of the United States Housing Act of 1937 (42 U.S.C. 1437g(a)(3)(B)) is amended—

(1) in clause (iv), by striking "and" at the end;

(2) in clause (v), by striking the period at the end and inserting "; and"; and

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

"(vi) no payment may be provided under this section for any dwelling unit that has been vacant for a period of 180 days or more unless such unit is vacant because of comprehensive modernization, major reconstruction, demolition, or disposition activities that have been funded or approved.".

(b) ELIMINATION OF ANNUAL CONTRIBUTION RESERVE.—Section 14(p) of the United States Housing Act of 1937 (42 U.S.C. 1437l(p)) is amended by striking paragraph (3).

(c) RECAPTURE OF ANNUAL CONTRIBUTION RESERVE.—The Secretary of Housing and Urban Development shall recapture any amounts reserved from annual contributions for public housing agencies and deposited in accounts established on behalf of the agencies pursuant to paragraph (3) of section 14(p) of the United States Housing Act of 1937 (as in effect immediately before the date of the enactment of this Act).

(d) RESCISSION OF FUNDS.—Of the funds made available under the heading "Department of Housing and Urban Development—Housing Programs—Payments for Operation of Low-Income Housing Projects" in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994 (Pub. L. 103–124), $54,000,000 is rescinded.

SEC. 403. SUBSTITUTION OF VOUCHER ASSISTANCE FOR PUBLIC HOUSING NEW CONSTRUCTION.

(a) TERMINATION OF ASSISTANCE FOR CONSTRUCTION OF PUBLIC HOUSING.—

(1) LOAN AUTHORITY.—After the date of the enactment of this Act, the Secretary of Housing and Urban Development may not enter into any new commitment to make loans under section 4 of the United States Housing Act of 1937 to public housing agencies for the development or acquisition of public housing projects by such agencies.

(2) CONTRIBUTION AUTHORITY.—After the date of the enactment of this Act, the Secretary of Housing and Urban Development may not enter into any new contract to make contributions under section 5 of the United States Housing Act of 1937 to public housing agencies for the development or acquisition of public housing projects by such agencies.

(3) EXISTING COMMITMENTS.—After the date of the enactment of this Act, the Secretary of Housing and Urban Development may make contributions and loans for the development or acquisition of public housing projects only pursuant to legally binding commitments to make such loans or contracts for such contributions entered into on or before the date of the enactment of this Act.

(4) INAPPLICABILITY TO INDIAN HOUSING.—The provisions of this section shall not apply to public housing developed pursuant to a contract between the Secretary of Housing and Urban Development and an Indian housing authority.

(5) DEFINITIONS.—For purposes of this section, the terms "Indian housing authority", "project", "public housing", and "public housing agency" have the meanings given the terms in section 3(b) of the United States Housing Act of 1937.

(b) PERMISSIBLE USES.—Vouchers for rental assistance provided with the amounts made available under this section may be used for the rental of dwelling units or costs of residency, as determined by qualified voucher recipients.

(c) RESCISSION AND TRANSFER OF FUNDS.—Of the funds made available under the heading "Department of Housing and Urban Development—Housing Programs—Annual Contributions for Assisted Housing" in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994 (Pub. L. 103–124)—

(1) $367,000,000 is rescinded from the total amount under such heading and from the amount specified under such heading for the development or acquisition cost of public housing; and

(2) $230,701,000 of the amount specified under such heading for the development or acquisition cost of public housing shall be reallocated to and merged with the amount specified under such heading for the housing voucher program under section 8(o) of the United States Housing Act of 1937.

SEC. 404. REFORM OF HUD MULTIFAMILY PROPERTY DISPOSITION.

(a) FINDINGS.—The Congress finds that—

(1) the portfolio of multifamily housing project mortgages insured by the FHA is severely troubled and at risk of default, requiring the Secretary to increase loss reserves from $5,500,000,000 in 1991 to $11,900,000,000 in 1992 to cover estimated future losses;

(2) the inventory of multifamily housing projects owned by the Secretary has more than tripled since 1989, and, by the end of 1993, may exceed 75,000 units;

(3) the cost to the Federal Government of owning and maintaining multifamily housing projects escalated to approximately $250,000,000 in fiscal year 1992;

(4) the inventory of multifamily housing projects subject to mortgages held by the Secretary has increased dramatically, to more than 2,400 mortgages, and approximately half of these mortgages, with over 230,000 units, are delinquent;

(5) the inventory of insured and formerly insured multifamily housing projects is rapidly deteriorating, endangering tenants and neighborhoods;

(6) over 5 million families today have a critical need for housing that is affordable and habitable; and

(7) the current statutory framework governing the disposition of multifamily housing projects effectively impedes the Government's ability to dispose of properties, protect tenants, and ensure that projects are maintained over time.

(b) MANAGEMENT AND DISPOSITION OF MULTIFAMILY HOUSING PROJECTS.—Section 203 of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z-11) is amended to read as follows:

"SEC. 203. MANAGEMENT AND DISPOSITION OF MULTIFAMILY HOUSING PROJECTS.

"(a) GOALS.—The Secretary of Housing and Urban Development (in this section referred to as the 'Secretary') shall manage or dispose of multifamily housing projects that are owned by the Secretary or that are subject to a mortgage held by the Secretary in a manner that—

"(1) is consistent with the National Housing Act and this section;

"(2) will protect the financial interests of the Federal Government; and

"(3) will, in the least costly fashion among reasonable available alternatives, further the goals of—

"(A) preserving housing so that it can remain available to and affordable by low-income persons;

"(B) preserving and revitalizing residential neighborhoods;

"(C) maintaining existing housing stock in a decent, safe, and sanitary condition;

"(D) minimizing the involuntary displacement of tenants;

"(E) maintaining housing for the purpose of providing rental housing, cooperative housing, and homeownership opportunities for low-income persons; and

"(F) minimizing the need to demolish multifamily housing projects.

The Secretary, in determining the manner in which a project is to be managed or disposed of, may balance competing goals relating to individual projects in a manner that will further the purposes of this section.

"(b) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

"(1) MULTIFAMILY HOUSING PROJECT.—The term 'multifamily housing project' means any multifamily rental housing project which is, or prior to acquisition by the Secretary was, assisted or insured under the National Housing Act, or was subject to a loan under section 202 of the Housing Act of 1959.

"(2) SUBSIDIZED PROJECT.—The term 'subsidized project' means a multifamily housing project receiving any of the following types of assistance immediately prior to the assignment of the mortgage on such project to, or the acquisition of such mortgage by, the Secretary:

"(A) Below market interest rate mortgage insurance under the proviso of section 221(d)(5) of the National Housing Act.

"(B) Interest reduction payments made in connection with mortgages insured under section 236 of the National Housing Act.

"(C) Direct loans made under section 202 of the Housing Act of 1959.

"(D) Assistance in the form of—

"(i) rent supplement payments under section 101 of the Housing and Urban Development Act of 1965;

"(ii) housing assistance payments made under section 23 of the United States Housing Act of 1937 (as in effect before January 1, 1975); or

"(iii) housing assistance payments made under section 8 of the United States Housing Act of 1937 (excluding payments made for tenant-based assistance under section 8),

if (except for purposes of section 183(c) of the Housing and Community Development Act of 1987) such assistance payments are made to more than 50 percent of the units in the project.

"(3) FORMERLY SUBSIDIZED PROJECT.—The term 'formerly subsidized project' means a multifamily housing project owned by the Secretary that was a subsidized project immediately prior to its acquisition by the Secretary.

"(4) UNSUBSIDIZED PROJECT.—The term 'unsubsidized project' means a multifamily housing project owned by the Secretary that is not a subsidized project or a formerly subsidized project.

"(c) MANAGEMENT OR DISPOSITION OF PROPERTY.—

"(1) DISPOSITION TO PURCHASERS.—The Secretary is authorized, in carrying out this section, to dispose of a multifamily housing project owned by the Secretary on a negotiated, competitive bid, or other basis, on such terms as the Secretary deems appropriate considering the low-income character of the project and the requirements of subsection (a), to a purchaser determined by the Secretary to be capable of—

"(A) satisfying the conditions of the disposition;

"(B) implementing a sound financial and physical management program that is designed to enable the project to meet anticipated operating and repair expenses to ensure that the project will remain in decent, safe, and sanitary condition;

"(C) responding to the needs of the tenants and working cooperatively with tenant organizations;

"(D) providing adequate organizational staff and financial resources to the project; and

"(E) meeting such other requirements as the Secretary may determine.

"(2) CONTRACTING FOR MANAGEMENT SERVICES.—The Secretary is authorized, in carrying out this section—

"(A) to contract for management services for a multifamily housing project that is owned by the Secretary (or for which the Secretary is mortgagee in possession), on a negotiated, competitive bid, or other basis at a price determined by the Secretary to be reasonable, with a manager the Secretary has determined is capable of—

"(i) implementing a sound financial and physical management program that is designed to enable the project to meet anticipated operating and maintenance expenses to ensure that the project will remain in decent, safe, and sanitary condition;

"(ii) responding to the needs of the tenants and working cooperatively with tenant organizations;

"(iii) providing adequate organizational, staff, and other resources to implement a management program determined by the Secretary; and

"(iv) meeting such other requirements as the Secretary may determine; and

"(B) to require the owner of a multifamily housing project that is subject to a mortgage held by the Secretary to contract for management services for the project in the manner described in subparagraph (A).

"(d) MAINTENANCE OF HOUSING PROJECTS.—

"(1) HOUSING PROJECTS OWNED BY THE SECRETARY.—In the case of multifamily housing projects that are owned by the Secretary (or for which the Secretary is mortgagee in possession), the Secretary shall—

"(A) to the greatest extent possible, maintain all such occupied projects in a decent, safe, and sanitary condition;

"(B) to the greatest extent possible, maintain full occupancy in all such projects; and

"(C) maintain all such projects for purposes of providing rental or cooperative housing.

"(2) HOUSING PROJECTS SUBJECT TO A MORTGAGE HELD BY THE SECRETARY.—In the case of any multifamily housing project that is subject to a mortgage held by the Secretary, the Secretary shall require the owner of the project to carry out the requirements of paragraph (1).

"(e) REQUIRED ASSISTANCE.—In carrying out the goal specified in subsection (a)(3)(A), the Secretary shall take not less than one of the following actions:

"(1) CONTRACT WITH OWNER.—Enter into contracts under section 8 of the United States Housing Act of 1937, to the extent budget authority is available, with owners of multifamily housing projects that are acquired by a purchaser other than the Secretary at foreclosure or after sale by the Secretary.

"(A) SUBSIDIZED OR FORMERLY SUBSIDIZED PROJECTS RECEIVING CERTAIN ASSISTANCE.—In the case of a subsidized or formerly subsidized project referred to in subparagraphs (A) through (C) of subsection (b)(2)—

"(i) the contract shall be sufficient to assist at least all units covered by an assistance contract under any of the authorities referred to in subsection (b)(2)(D) before acquisition, unless the Secretary acts pursuant to the provisions of subparagraph (C);

"(ii) in the case of units requiring project-based rental assistance pursuant to this paragraph that are occupied by families who are not eligible for assistance under section 8, a contract under this subparagraph shall also provide that when a vacancy occurs, the owner shall lease the available unit to a family eligible for assistance under section 8; and

"(iii) the Secretary shall take actions to ensure the availability and affordability, as defined in paragraph (3)(B), for the remaining useful life of the project, as defined by the Secretary, of any unit located in any project referred to in subparagraphs (A) through (C) of subsection (b)(2) that does not otherwise receive project-based assistance under this subparagraph. To carry out this clause, the Secretary may require purchasers to establish use or rent restrictions maintaining affordability, as defined in paragraph (3)(B).

"(B) SUBSIDIZED OR FORMERLY SUBSIDIZED PROJECTS RECEIVING OTHER ASSISTANCE.—In the case of a subsidized or formerly subsidized project referred to in subsection (b)(2)(D)—

"(i) the contract shall be sufficient to assist at least all units in the project that are covered, or were covered immediately before foreclosure on or acquisition of the project by the Secretary, by an assistance contract under any of the authorities referred to in such subsection, unless the Secretary acts pursuant to provisions of subparagraph (C); and

"(ii) in the case of units requiring project-based rental assistance pursuant to this paragraph that are occupied by families who are not eligible for assistance under section 8, a contract under this paragraph shall also provide that when a vacancy occurs, the owner shall lease the available unit to a family eligible for assistance under section 8.

"(C) EXCEPTIONS TO SUBPARAGRAPHS (A) AND (B).—In lieu of providing project-based assistance under subparagraph (A) or (B), the Secretary may require certain units in unsubsidized projects to contain use restrictions providing that such units will be available to and affordable by very low-income families for the remaining useful life of the project, as defined by the Secretary, if—

"(i) the Secretary matches any reduction in units otherwise required to be assisted with project-based assistance under subparagraph (A) or (B) with at least an equivalent increase in units made affordable to very low-income persons within unsubsidized projects;

"(ii) low-income tenants residing in units otherwise requiring project-based assistance under subparagraph (A) or (B) upon disposition receive section 8 tenant-based assistance; and

"(iii) the units described in clause (i) are located within the same market area.

"(D) CONTRACT REQUIREMENTS FOR UNSUBSIDIZED PROJECTS.—Notwithstanding actions taken pursuant to subparagraph (C), in unsubsidized projects, the contract shall at least be sufficient to provide—

"(i) project-based rental assistance for all units that are covered or were covered immediately before foreclosure or acquisition by an assistance contract under—

"(I) section 8(b)(2) of the United States Housing Act of 1937 (as such section existed before October 1, 1983) (new construction and substantial rehabilitation); section 8(b) of such Act (property disposition); section 8(d)(2) of such Act (project-based certificates); section 8(e)(2) of such Act (moderate rehabilitation); section 23 of such Act (as in effect before January 1, 1975); or section 101 of the Housing and Urban Development Act of 1965 (rent supplements); or

"(II) section 8 of the United States Housing Act of 1937, following conversion from section 101 of the Housing and Urban Development Act of 1965; and

"(ii) tenant-based assistance under section 8 of the United States Housing Act of 1937 for tenants currently residing in units that were covered by an assistance contract under the Loan Management Set-Aside program under section 8(b) of the United States Housing Act of 1937 immediately before foreclosure or acquisition of the project by the Secretary.

"(2) ANNUAL CONTRIBUTION CONTRACTS.—In the case of multifamily housing projects that are acquired by a purchaser other than the Secretary at foreclosure or after sale by the Secretary, enter into annual contribution contracts with public housing agencies to provide tenant-based assistance under section 8 of the United States Housing Act of 1937 to all low-income families who are eligible for such assistance on the date that the project is acquired by the purchaser. The Secretary shall take action under this paragraph only after making a determination that there is available in the area an adequate supply of habitable affordable housing for low-income families. Actions taken pursuant to this paragraph may be taken in connection with not more than 10 percent of the aggregate number of units in subsidized or formerly subsidized projects disposed of by the Secretary annually.

"(3) OTHER ASSISTANCE.—

"(A) IN GENERAL.—In accordance with the authority provided under the National Housing Act, reduce the selling price, apply use or rent restrictions on certain units, or provide other financial assistance to the owners of multifamily housing projects that are acquired by a purchaser other than the Secretary at foreclosure, or after sale by the Secretary, on terms which will ensure that—

"(i) at least those units otherwise required to receive project-based section 8 assistance pursuant to subparagraphs (A), (B), or (D) of paragraph (1) are available to and affordable by low-income persons; and

"(ii) for the remaining useful life of the project, as defined by the Secretary, there shall be in force such use or rent restrictions as the Secretary may prescribe.

"(B) DEFINITION.—A unit shall be considered affordable under this paragraph if—

"(i) for very low-income tenants, the rent for such unit does not exceed 30 percent of 50 percent of the area median income, as determined by the Secretary, with adjustments for family size; and

"(ii) for low-income tenants other than very low-income tenants, the rent for such unit does not exceed 30 percent of 80 percent of the area median income, as determined by the Secretary, with adjustments for family size.

"(C) VERY LOW-INCOME TENANTS.—The Secretary shall provide assistance under section 8 of the United States Housing Act of 1937 to any very low-income tenant currently residing in a unit otherwise required to receive project-based assistance under section 8, pursuant to subparagraph (A), (B), or (D) of paragraph (1), if the rents charged such tenants as a result of actions taken pursuant to this paragraph exceed the amount payable as rent under section 3(a) of the United States Housing Act of 1937.

"(4) TRANSFER FOR USE UNDER OTHER PROGRAMS OF THE SECRETARY.—

"(A) IN GENERAL.—Enter into an agreement providing for the transfer of a multifamily housing project—

"(i) to a public housing agency for use of the project as public housing; or

"(ii) to an owner or another appropriate entity for use of the project under section 202 of the Housing Act of 1959 or under section 811 of the Cranston-Gonzalez National Affordable Housing Act.

"(B) REQUIREMENTS FOR AGREEMENT.—The agreement described in subparagraph (A) shall—

"(i) contain such terms, conditions, and limitations as the Secretary determines appropriate, including requirements to assure use of the project under the public housing, section 202, and section 811 programs; and

"(ii) ensure that no current tenant will be displaced as a result of actions taken under this paragraph.

"(f) OTHER ASSISTANCE.—In addition to the actions authorized by subsection (e), the Secretary may take any of the following actions:

"(1) SHORT-TERM LOANS.—Provide short-term loans to facilitate the sale of multifamily housing projects to nonprofit organizations or to public agencies if—

"(A) authority for such loans is provided in advance in an appropriations Act;

"(B) such loans are for a term of not more than 5 years;

"(C) the Secretary is presented with satisfactory documentation, evidencing a commitment of permanent financing to replace such short-term loan, from a lender who meets standards set forth by the Secretary; and

"(D) the terms of such loans are consistent with prevailing practices in the marketplace or the provision of such loans results in no cost to the Government, as defined in section 502 of the Congressional Budget Act.

"(2) TENANT-BASED ASSISTANCE.—In connection with projects referred to in subsection (e), make available tenant-based assistance under section 8 of the United States Housing Act of 1937 to very low-income families (as defined in section 3(b)(2) of the United States Housing Act of 1937) that do not otherwise qualify for project-based assistance.

"(3) ALTERNATIVE USES.—

"(A) IN GENERAL.—Notwithstanding any other provision of law, and subject to notice to and comment from existing tenants, allow not more than—

"(i) 5 percent of the total number of units in multifamily housing projects that are disposed of by the Secretary during any 1-year period to be made available for uses other than rental or cooperative uses, including low-income homeownership opportunities, or in any particular project, community space, office space for tenant or housing-related service providers or security programs, or small business uses, if such uses benefit the tenants of the project; and

"(ii) 5 percent of the total number of units in multifamily housing projects that are disposed of by the Secretary during any 1-year period to be used in any manner, if the Secretary and the unit of general local government or area-wide governing body determine that such use will further fair housing, community development, or neighborhood revitalization goals.

"(B) DISPLACEMENT PROTECTION.—The Secretary shall make available tenant-based rental assistance under section 8 of the United States Housing Act of 1937 to any tenant displaced as a result of actions taken by the Secretary pursuant to subparagraph (A), and the Secretary shall take such actions as the Secretary determines necessary to ensure the successful use of any tenant-based assistance.

"(g) AUTHORIZATION OF USE OR RENT RESTRICTIONS IN UNSUBSIDIZED PROJECTS.—In carrying out the goals specified in subsection (a), the Secretary may require certain units in unsubsidized projects to contain use or rent restrictions providing that such units will be available to and affordable by very low-income persons for the remaining useful life of the property, as defined by the Secretary.

"(h) CONTRACT REQUIREMENTS.—

"(1) CONTRACT TERM.—

"(A) IN GENERAL.—Contracts for project-based rental assistance under section 8 of the United States Housing Act of 1937 provided pursuant to this section shall be for a term of not more than 15 years; and

"(B) CONTRACT TERM OF LESS THAN 15 YEARS.—Notwithstanding subparagraph (A), to the extent that units receive project-based assistance for a contract term of less than 15 years, the Secretary shall require that rents charged to tenants for such units not exceed the amount payable for rent under section 3(a) of the United States Housing Act of 1937 for a period of at least 15 years.

"(2) CONTRACT RENT.—

"(A) IN GENERAL.—The Secretary shall set contract rents for section 8 project-based rental contracts issued under this section at levels that, in conjunction with other resources available to the purchaser, provide for the necessary costs of rehabilitation of such project and do not exceed the percentage of the existing housing fair market rents for the area (as determined by the Secretary under section 8(c) of the United States Housing Act of 1937) as the Secretary may prescribe.

"(B) UP-FRONT GRANTS AND LOANS.—If such an approach is determined to be more cost-effective, the Secretary may utilize the budget authority provided for project-based section 8 contracts issued under this section to—

"(i) provide project-based section 8 rental assistance; and

"(ii)(I) provide up-front grants for the necessary cost of rehabilitation; or

"(II) pay for any cost to the Government, as defined in section 502 of the Congressional Budget Act, for loans made pursuant to subsection (f)(1).

"(i) DISPOSITION PLAN.—

"(1) IN GENERAL.—Prior to the sale of a multifamily housing project that is owned by the Secretary, the Secretary shall develop a disposition plan for the project that specifies the minimum terms and conditions of the Secretary for disposition of the project, the initial sales price that is acceptable to the Secretary, and the assistance that the Secretary plans to make available to a prospective purchaser in accordance with this section. The initial sales price shall reflect the intended use of the property after sale.

"(2) COMMUNITY AND TENANT INPUT INTO DISPOSITION PLANS AND SALES.—

"(A) IN GENERAL.—In carrying out this section, the Secretary shall develop procedures to obtain appropriate and timely input into disposition plans from officials of the unit of general local government affected, the community in which the project is situated, and the tenants of the project.

"(B) TENANT ORGANIZATIONS.—The Secretary shall develop procedures to facilitate, where feasible and appropriate, the sale of multifamily housing projects to existing tenant organizations with demonstrated capacity or to public or nonprofit entities which represent or are affiliated with existing tenant organizations.

"(C) TECHNICAL ASSISTANCE.—

"(i) USE OF FUNDS.—To carry out the procedures developed under subparagraphs (A) and (B), the Secretary is authorized to provide technical assistance, directly or indirectly, and to use amounts appropriated for technical assistance under the Emergency Low Income Housing Preservation Act of 1987, the Low-Income Housing Preservation and Resident Homeownership Act of 1990, subtitle B of title IV of the Cranston-Gonzalez National Affordable Housing Act, or under this section for the provision of technical assistance under this section.

"(ii) SOURCE OF FUNDS.—Recipients of technical assistance funding under the Emergency Low Income Housing Preservation Act of 1987, the Low-Income Housing Preservation and Resident Homeownership Act of 1990, subtitle B of title IV of the Cranston-Gonzalez National Affordable Housing Act, or under this section shall be permitted to provide technical assistance to the extent of such funding under any of such programs or under this section, notwithstanding the source of funding.

"(j) RIGHT OF FIRST REFUSAL.—

"(1) PROCEDURE.—

"(A) NOTIFICATION BY SECRETARY OF THE ACQUISITION OF TITLE.—Not later than 30 days after acquiring title to a project, the Secretary shall notify the unit of general local government and the State agency or agencies designated by the Governor of the acquisition of such title.

"(B) EXPRESSION OF INTEREST.—Not later than 45 days after receiving notification from the Secretary under subparagraph (A), the unit of general local government or designated State agency may submit to the Secretary a preliminary expression of interest in the project. The Secretary may take such actions as may be necessary to require the unit of general local government or designated State agency to substantiate such interest.

"(C) TIMELY EXPRESSION OF INTEREST.—If the unit of general local government or designated State agency has expressed interest in the project before the expiration of the 45-day period referred to in subparagraph (B), and has substantiated such interest if requested, the Secretary, upon approval of a disposition plan for a project, shall notify the unit of general local government and designated State agency of the terms and conditions of the disposition plan and give the unit of general local government or designated State agency not more than 90 days after the date of such notification to make an offer to purchase the project.

"(D) NO TIMELY EXPRESSION OF INTEREST.—If the unit of general local government or designated State agency does not express interest before the expiration of the 45-day period referred to in subparagraph (B), or does not substantiate an expressed interest if requested, the Secretary, upon approval of a disposition plan, may offer the project for sale to any interested person or entity.

"(2) ACCEPTANCE OF OFFERS.—Where the Secretary has given the unit of general local government or designated State agency 90 days to make an offer to purchase the project, the Secretary shall accept an offer that complies with the terms and conditions of the disposition plan. The Secretary may accept an offer that does not comply with the terms and conditions of the disposition plan if the Secretary determines that the offer will further the goals specified in subsection (a) by actions that include extension of the duration of low-income affordability restrictions or otherwise restructuring the transaction in a manner that enhances the long-term affordability for low-income persons. The Secretary shall, in particular, have discretion to reduce the initial sales price in exchange for the extension of low-income affordability restrictions beyond the period of assistance contemplated by the attachment of assistance pursuant to subsection (e). If the Secretary and the unit of general local government or designated State agency cannot reach agreement within 90 days, the Secretary may offer the project for sale to the general public.

"(3) PURCHASE BY UNIT OF GENERAL LOCAL GOVERNMENT OR DESIGNATED STATE AGENCY.—Notwithstanding any other provision of law, a unit of general local government (including a public housing agency) or designated State agency may purchase a subsidized or formerly subsidized project in accordance with this subsection.

"(4) APPLICABILITY.—This subsection shall apply to projects that are acquired on or after the effective date of this subsection. With respect to projects acquired before such effective date, the Secretary may apply—

"(A) the requirements of paragraphs (2) and (3) of section 203(e) as such paragraphs

existed immediately before the effective date of this subsection; or

"(B) the requirements of paragraphs (1) and (2) of this subsection, if the Secretary gives the unit of general local government or designated State agency—

"(i) 45 days to express interest in the project; and

"(ii) if the unit of general local government or designated State agency expresses interest in the project before the expiration of the 45-day period, and substantiates such interest if requested, 90 days from the date of notification of the terms and conditions of the disposition plan to make an offer to purchase the project.

"(k) DISPLACEMENT OF TENANTS AND RELOCATION ASSISTANCE.—

"(1) IN GENERAL.—Whenever tenants will be displaced as a result of the disposition of, or repairs to, a multifamily housing project that is owned by the Secretary (or for which the Secretary is mortgagee in possession), the Secretary shall identify tenants who will be displaced, and shall notify all such tenants of their pending displacement and of any relocation assistance which may be available. In the case of a multifamily housing project that is not owned by the Secretary (and for which the Secretary is not mortgagee in possession), the Secretary shall require the owner of the project to carry out the requirements of this paragraph.

"(2) RIGHTS OF DISPLACED TENANTS.—The Secretary shall assure for any such tenant (who continues to meet applicable qualification standards) the right—

"(A) to return, whenever possible, to a repaired unit;

"(B) to occupy a unit in another multifamily housing project owned by the Secretary;

"(C) to obtain housing assistance under the United States Housing Act of 1937; or

"(D) to receive any other available relocation assistance as the Secretary determines to be appropriate.

"(l) MORTGAGE AND PROJECT SALES.—

"(1) IN GENERAL.—The Secretary may not approve the sale of any loan or mortgage held by the Secretary (including any loan or mortgage owned by the Government National Mortgage Association) on any subsidized project or formerly subsidized project, unless such sale is made as part of a transaction that will ensure that such project will continue to operate at least until the maturity date of such loan or mortgage, in a manner that will provide rental housing on terms at least as advantageous to existing and future tenants as the terms required by the program under which the loan or mortgage was made or insured prior to the assignment of the loan or mortgage on such project to the Secretary.

"(2) SALE OF CERTAIN PROJECTS.—The Secretary may not approve the sale of any subsidized project—

"(A) that is subject to a mortgage held by the Secretary; or

"(B) if the sale transaction involves the provision of any additional subsidy funds by the Secretary or a recasting of the mortgage, unless such sale is made as part of a transaction that will ensure that such project will continue to operate at least until the maturity date of the loan or mortgage, in a manner that will provide rental housing on terms at least as advantageous to existing and future tenants as the terms required by the program under which the loan or mortgage was made or insured prior to the proposed sale of the project.

"(3) MORTGAGE SALES TO STATE AND LOCAL GOVERNMENTS.—Notwithstanding any provision of law that may require competitive sales or bidding, the Secretary may carry out negotiated sales of subsidized or formerly subsidized mortgages held by the Secretary, without the competitive selection of purchasers or intermediaries, to units of general local government or State agencies, or groups of investors that include at least one such unit of general local government or State agency, if the negotiations are conducted with such agencies, except that—

"(A) the terms of any such sale shall include the agreement of the purchasing agency or unit of local government or State agency to act as mortgagee or owner of a beneficial interest in such mortgages, in a manner consistent with maintaining the projects that are subject to such mortgages for occupancy by the general tenant group intended to be served by the applicable mortgage insurance program, including, to the extent the Secretary determines appropriate, authorizing such unit of local government or State agency to enforce the provisions of any regulatory agreement or other program requirements applicable to the related projects; and

"(B) the sales prices for such mortgages shall be, in the determination of the Secretary, the best prices that may be obtained for such mortgages from a unit of general local government or State agency, consistent with the expectation and intention that the projects financed will be retained for use under the applicable mortgage insurance program for the life of the initial mortgage insurance contract.

"(4) SALE OF MORTGAGES COVERING UNSUBSIDIZED PROJECTS.—Notwithstanding any other provision of law, the Secretary may sell mortgages held on unsubsidized projects on such terms and conditions as the Secretary may prescribe.

"(m) REPORT TO CONGRESS.—Not later than June 1 of each year, the Secretary shall submit 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, a report describing the status of multifamily housing projects owned by or subject to mortgages held by the Secretary, which report shall include—

"(1) the name, address, and size of each project;

"(2) the nature and date of assignment;

"(3) the status of the mortgage;

"(4) the physical condition of the project;

"(5) an occupancy profile of the project, including the income, family size, and race of current residents as well as the rents paid by such residents;

"(6) the proportion of units in a project that are vacant;

"(7) the date on which the Secretary became mortgagee in possession;

"(8) the date and conditions of any foreclosure sale;

"(9) the date of acquisition by the Secretary;

"(10) the date and conditions of any property disposition sale;

"(11) a description of actions undertaken pursuant to this section, including—

"(A) a comparison of results between actions taken after enactment of the Housing and Community Development Act of 1993 and actions taken in years prior to such enactment;

"(B) a description of any impediments to the disposition or management of multifamily housing projects, together with a recommendation of proposed legislative or regulatory changes designed to ameliorate such impediments;

"(C) a description of actions taken to restructure or commence foreclosure on delinquent multifamily mortgages held by the Department; and

"(D) a description of actions taken to monitor and prevent the default of multifamily housing mortgages held by the Federal Housing Administration;

"(12) a description of any of the functions performed in connection with this section that are contracted out to public or private entities or to States, including—

"(A) the costs associated with such delegation;

"(B) the implications of contracting out or delegating such functions for current Department field or regional personnel, including anticipated personnel or work load reductions;

"(C) necessary oversight required by Department personnel, including anticipated personnel hours devoted to such oversight;

"(D) a description of any authority granted to such public or private entities or States in conjunction with the functions that have been delegated or contracted out or that are not otherwise available for use by Department personnel; and

"(E) the extent to which such public or private entities or States include tenants of multifamily housing projects in the disposition planning for such projects;

"(13) a description of the activities carried out under subsection (j) during the preceding year; and

"(14) a description and assessment of the rules, guidelines, and practices governing the Department's management of multifamily housing projects that are owned by the Secretary (or for which the Secretary is mortgagee in possession) as well as the steps that the Secretary has taken or plans to take to improve the management performance of the Department.".

(c) EFFECTIVE DATE.—The Secretary shall, by notice published in the Federal Register, which shall take effect upon publication, establish such requirements as may be necessary to implement the amendments made by this section. The notice shall invite public comments, and the Secretary shall issue final regulations based on the initial notice, taking into account any public comments received.

SEC. 405. TERMINATION OF ANNUAL DIRECT GRANT ASSISTANCE

(a) TERMINATION.—Pursuant to section 704(d) of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America (48 U.S.C. 1681 note), the annual payments under section 702 of the Covenant shall terminate as of September 30, 1993.

(b) REPEAL.—Sections 3 and 4 of the Act of March 24, 1976 (Public Law 94-241; 48 U.S.C. 1681 note), as amended, are repealed, effective October 1, 1993.

TITLE V—SOCIAL SERVICES AND RETIREMENT

SEC. 501. INCREASE IN RETIREMENT AGE UNDER FERS TO 65.

(a) IN GENERAL.—Chapter 84 of title 5, United States Code, is amended by adding at the end the following:

"SUBCHAPTER VIII—SPECIAL RULES FOR CERTAIN POST-1993 NEW EMPLOYEES AND MEMBERS

"§ 8481. Applicability

"(a) This subchapter sets forth special rules in conformance with which this chapter shall be applied with respect to any employee who first becomes an employee subject to this chapter, or who is first elected as a Member, after December 31, 1993.

"(b) Nothing in this subchapter shall be considered to apply with respect to any employee or Member not described in subsection (a) or to have any effect except for the purpose referred to in such subsection.

"§ 8482. Immediate retirement

"Deem section 8412 to be amended as follows:

"(1) Subsection (c) is amended by striking '62' and inserting '65'.

"(2) Subsections (a), (b), (f), and (g) are repealed.

"§ 8483. Deferred retirement

"Deem section 8413 to be amended as follows:

"(1) Subsection (a) is amended by striking '62' and inserting '65'.

"(2) Subsection (b) is repealed.

"§ 8484. References to age 62

"(a) Deem section 8415 to be amended as follows:

"(1) Subsection (f) is repealed.

"(2) Subsection (g)(2)(B) is amended by striking 'is at least 62 years of age and'.

"(b) Deem section 8442 to be amended in subsections (c)(2)(B) and (g)(2)(B) by striking '62' each place it appears and inserting '65'.

"(c) Deem section 8452(b)(1) to be amended by striking 'sixty-second' and inserting 'sixty-fifth'.".

(b) CHAPTER ANALYSIS.—The analysis for chapter 84 of title 5, United States Code, is amended by adding at the end the following:

"SPECIAL RULES FOR CERTAIN POST-1993 NEW EMPLOYEES AND MEMBERS

"8481. Applicability.
"8482. Immediate retirement.
"8483. Deferred retirement.
"8484. References to age 62.".

SEC. 502. PROVISION RELATING TO GOVERNMENT CONTRIBUTIONS TO THE THRIFT SAVINGS PLAN.

Section 8432(c)(2)(B) of title 5, United States Code, is amended by adding at the end the following:

"Clause (ii) shall not apply with respect to any employee or Member described in section 8481(a).".

SEC. 503. DEFERRAL UNTIL AGE 62 OF COST-OF-LIVING ADJUSTMENTS FOR MILITARY RETIREES WHO FIRST ENTERED MILITARY SERVICE ON OR AFTER JANUARY 1, 1994.

Section 1401a(b)(1) of title 10, United States Code, is amended by adding at the end the following new sentence: "In the case of a member or former member under age 62 (other than a member retired under chapter 61 of this title) who first became a member on or after January 1, 1994, such increase shall not become payable as part of the retired pay of the member or former member until the month in which the member or former member becomes 62 years of age.".

SEC. 504. CONSOLIDATION OF CERTAIN SOCIAL SERVICES PROGRAMS INTO A SINGLE BLOCK GRANT PROGRAM.

(a) AT-RISK CHILD CARE PROGRAM MERGED INTO PROGRAM OF BLOCK GRANTS TO STATES FOR SOCIAL SERVICES.—

(1) CONSOLIDATION OF SERVICES.—Section 2002(a)(2)(A) of the Social Security Act (42 U.S.C. 1397a(a)(2)(A)) is amended by inserting "(including services that could have been provided under section 402(i), as in effect immediately before the effective date of section 504 of the Common Cents Deficit Reduction Act of 1993)" after "child care services".

(2) CONSOLIDATION OF FUNDING.—Section 2003(c) of such Act (42 U.S.C. 1397b(c)) is amended—

(A) in paragraph (4), by striking "and";

(B) in paragraph (5), by striking "each fiscal year after fiscal year 1989." and inserting "the fiscal years 1990, 1991, 1992, 1993, and 1994; and"; and

(C) by adding at the end the following:

"(6) $2,976,000,000 for each of the fiscal years 1995, 1996, 1997, and 1998.".

(b) CERTAIN DISCRETIONARY SOCIAL SERVICES PROGRAMS MERGED INTO PROGRAM OF BLOCK GRANTS TO STATES FOR SOCIAL SERVICES BUT LEFT DISCRETIONARY.—

(1) CONSOLIDATION OF SERVICES.—Section 2002 of such Act (42 U.S.C. 1397a) is amended—

(A) in subsection (a), by adding at the end the following:

"(3) In addition to payments pursuant to paragraph (1), the Secretary may make payments to a State under this title for a fiscal year in an amount equal to its additional allotment for such fiscal year, to be used by such State for services directed at the goals set forth in section 2001, subject to the requirements of this title.

"(4) For purposes of paragraph (3)—

"(A) services which are directed at the goals set forth in section 2001 include services that could have been provided under—

"(i) the Community Services Block Grant Act;

"(ii) the Child Care and Development Block Grant Act of 1990;

"(iii) title III or VII of the Older Americans Act of 1965; or

"(iv) the State Dependent Care Development Grants Act,

as in effect immediately before the effective date of section 504 of the Common Cents Deficit Reduction Act of 1993; and

"(B) expenditures for such services may include expenditures described in paragraph (2)(B).''; and

(B) in each of subsections (b), (c), and (d), by inserting "or additional allotment" after "allotment" each place such term appears.

(2) CONSOLIDATION OF FUNDING.—Section 2003 of such Act (42 U.S.C. 1397b) is amended by adding at the end the following:

"(d) The additional allotment for any fiscal year to each State shall be determined in the same manner in which the allotment for the fiscal year is determined for the State under the preceding subsections of this section, except that, in making such determination the following amounts shall be used in lieu of the amount specified in subsection (c):

"(1) $2,301,000,000 for the fiscal year 1995;

"(2) $2,359,000,000 for the fiscal year 1996;

"(3) $2,419,000,000 for the fiscal year 1997; and

"(4) $2,478,000,000 for the fiscal year 1998.".

(c) CONFORMING AMENDMENTS AND REPEALS.—

(1) COMMUNITY SERVICES BLOCK GRANT ACT.—The Community Services Block Grant Act (42 U.S.C. 9901 et seq.) is hereby repealed.

(2) CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990.—The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) is hereby repealed.

(3) OLDER AMERICANS ACT OF 1965.—The Older Americans Act of 1965 (42 U.S.C. 3001 et seq.) is amended by striking titles III and VII.

(4) STATE DEPENDENT CARE DEVELOPMENT GRANTS ACT.—The State Dependent Care Development Grants Act (42 U.S.C. 9871 et seq.) is hereby repealed.

(5) AT-RISK CHILD CARE PROGRAM.—

(A) PROGRAM AUTHORITY.—Section 402 of the Social Security Act (42 U.S.C. 602) is amended—

(i) in subsection (g)(7), by striking "and subsection (i)"; and

(ii) by striking subsection (i).

(B) FUNDING PROVISIONS.—Section 403 of the Social Security Act (42 U.S.C. 603) is amended by striking subsection (n).

(d) EFFECTIVE DATE.—The amendments and repeals made by this section shall take effect on October 1, 1994.

SEC. 505. AWARDS OF PELL GRANTS TO PRISONERS PROHIBITED.

(a) IN GENERAL.—Section 401(b)(8) the Higher Education Act of 1965 (20 U.S.C. 1070a(b)(8)) is amended to read as follows:

"(8) No basic grant shall be awarded under this subpart to any individual who is incarcerated in any Federal or State penal institution.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to periods of enrollment beginning on or after the date of enactment of this Act.

SEC. 506. ELIMINATION OF EDUCATION PROGRAMS THAT HAVE LARGELY ACHIEVED THEIR PURPOSE.

(a) PUBLIC LIBRARY CONSTRUCTION.—

(1) REPEAL.—Title II of the Library Services and Construction Act (20 U.S.C. 355a et seq.) is repealed.

(2) CONFORMING AMENDMENT.—Section 4(a)(2) of such Act (20 U.S.C. 351b(a)(2)) is repealed.

(b) FOLLOW THROUGH PROGRAM.—The Follow Through Act (42 U.S.C. 9861 et seq.) is repealed.

(c) LAW-RELATED EDUCATION.—Section 1565 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2965) is repealed.

(d) LAW SCHOOL CLINICAL EXPERIENCE PROGRAM.—Part G of title IX of the Higher Education Act of 1965 (20 U.S.C. 1132u et seq.) is repealed.

(e) RESCISSION OF FUNDS.—

(1) LIBRARY CONSTRUCTION.—Of the funds made available under the heading "Department of Education—Libraries" in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1994 (Pub. L. 103-112), $17,792,000 is rescinded, to be derived from public library construction.

(2) SCHOOL IMPROVEMENT PROGRAMS.—Of the funds made available under the heading "Department of Education—School Improvement Programs" in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1994 (Pub. L. 103-112)—

(A) $8,478,000 is rescinded, to be derived from the follow through program; and

(B) $5,952,000 is rescinded, to be derived from the law-related education program.

(3) LAW SCHOOL CLINICAL EXPERIENCE.—Of the funds made available under the heading "Department of Education—Higher Education" in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1994 (Pub. L. 103-112), $14,920,000 is rescinded, to be derived from the law school clinical experience program.

TITLE VI—AGRICULTURE AND HEALTH CARE

SEC. 601. DEPARTMENT OF AGRICULTURE REORGANIZATION.

(a) CLOSURE AND CONSOLIDATION OF OFFICES.—During the period beginning on the date of the enactment of this Act and ending on September 30, 1998, the Secretary of Agriculture shall close or consolidate not less than 1,200 field offices of the agencies of the Department of Agriculture described in subsection (d).

(b) PURPOSE OF CLOSURE AND CONSOLIDATION.—In addition to reducing expenditures of the Department of Agriculture, the closure and consolidation of field offices pursuant to this section is intended to improve

services provided to agricultural producers in the United States through the greater use of multipurpose field offices combining the services of more than one of the agencies described in subsection (d).

(c) CORRESPONDING REDUCTIONS AND REORGANIZATION.—As part of the closure and consolidation of field offices under subsection (a), the Secretary of Agriculture shall—

(1) eliminate not less than 7,500 full-time employment positions in the Department of Agriculture; and

(2) reorganize the headquarters corresponding to the agencies described in subsection (d).

(d) FIELD OFFICES DESCRIBED.—The field offices to be closed and consolidated under this section shall be selected from among the field offices of the Agricultural Stabilization and Conservation Service, the Soil Conservation Service, the Farmers Home Administration, and the Federal Crop Insurance Corporation.

(e) RESCISSION OF FUNDS.—Of the funds made available for the Department of Agriculture in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1994 (Pub. L. 103-111), $13,000,000 is rescinded. The Secretary of Agriculture shall allocate such rescission among the appropriate accounts, and shall submit to the Congress a report setting forth such allocation.

SEC. 602. REDUCTION IN TRIPLE BASE FOR DEFICIENCY PAYMENTS FOR BASIC AGRICULTURAL COMMODITIES UNDER AGRICULTURE PROGRAMS.

(a) WHEAT.—Section 107B(c)(1)(C)(ii) of the Agricultural Act of 1949 (7 U.S.C. 1445b-3a(c)(1)(C)(ii)) is amended by striking "85 percent" and inserting "82.5 percent".

(b) FEED GRAINS.—Section 105B(c)(1)(C)(ii) of the Agricultural Act of 1949 (7 U.S.C. 1444f(c)(1)(C)(ii)) is amended by striking "85 percent" and inserting "82.5 percent".

(c) UPLAND COTTON.—Section 103B(c)(1)(C)(ii) of the Agricultural Act of 1949 (7 U.S.C. 1444-2(c)(1)(C)(ii)) is amended by striking "85 percent" and inserting "82.5 percent".

(d) RICE.—Section 101B(c)(1)(C)(ii) of the Agricultural Act of 1949 (7 U.S.C. 1441-2(c)(1)(C)(ii)) is amended by striking "85 percent" and inserting "82.5 percent".

SEC. 603. IMPOSITION OF 20 PERCENT COINSURANCE ON CLINICAL LABORATORY SERVICES UNDER MEDICARE.

(a) IN GENERAL.—Paragraphs (1)(D) and (2)(D) of section 1833(a) of the Social Security Act (42 U.S.C. 1395l(a)) are each amended—

(1) by striking "(or 100 percent" and all that follows through "the first opinion))"; and

(2) by striking "100 percent of such negotiated rate" and inserting "80 percent of such negotiated rate".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to tests furnished on or after January 1, 1994.

SEC. 604. IMPOSITION OF 20 PERCENT COINSURANCE ON HOME HEALTH SERVICES UNDER MEDICARE.

(a) IN GENERAL.—

(1) PART A.—Section 1813(a) of the Social Security Act (42 U.S.C. 1395e(a)) is amended by adding at the end the following new paragraph:

"(5) The amount payable for a home health service furnished to an individual under this part shall be reduced by a copayment amount equal to 20 percent of the average of all the per visit costs for such service furnished under this title determined under section 1861(v)(1)(L) (as determined by the Secretary on a prospective basis for services furnished during a calendar year).".

(2) PART B.—Section 1833(a)(2) of such Act (42 U.S.C. 1395l(a)(2)) is amended—

(A) in subparagraph (A), by striking "to home health services," and by striking the comma after "opinion)";

(B) in subparagraph (D), by striking "and" at the end;

(C) in subparagraph (E), by striking the semicolon at the end and inserting "; and"; and

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

"(F) with respect to any home health service—

"(i) the lesser of —

"(I) the reasonable cost of such service, as determined under section 1861(v), or

"(II) the customary charges with respect to such service,

less the amount a provider may charge as described in clause (ii) of section 1866(a)(2)(A), or

"(ii) if such service is furnished by a public provider of services, or by another provider which demonstrates to the satisfaction of the Secretary that a significant portion of its patients are low-income (and requests that payment be made under this clause), free of charge or at nominal charges to the public, the amount determined in accordance with section 1814(b)(2),

less a copayment amount equal to 20 percent of the average of all per visit costs for such service furnished under this title determined under section 1861(v)(1)(L) (as determined by the Secretary on a prospective basis for services furnished during a calendar year);".

(3) PROVIDER CHARGES.—Section 1866(a)(2)(A)(i) of such Act (42 U.S.C. 1395cc(a)(2)(A)(i)) is amended—

(A) by striking "deduction or coinsurance" and inserting "deduction, coinsurance, or copayment"; and

(B) by striking "or (a)(4)" and inserting "(a)(4), or (a)(5)".

(b) COVERAGE OF COST SHARING UNDER THE QUALIFIED MEDICARE BENEFICIARY PROGRAM FOR INDIVIDUALS WITH INCOME BELOW 150 PERCENT OF POVERTY.—Section 1902(a)(10)(E) of such Act (42 U.S.C. 1396a(a)(10)(E)) is amended—

(1) by striking "and" at the end of clause (ii), and

(2) by adding at the end the following new clause:

"(iv) for making medical assistance available for the medicare cost-sharing consisting of the coinsurance applicable to home health services under sections 1813(a)(5) and 1833(a)(2)(F) for individuals whose family income does not exceed 150 percent of the official poverty line (referred to in section 1905(p)(2)) for a family of the size involved; and".

(c) EFFECTIVE DATES.—

(1) MEDICARE.—The amendments made by subsection (a) shall apply to home health services furnished on or after January 1, 1994.

(2) MEDICAID.—The amendments made by subsection (b) shall apply to calendar quarters beginning on or after January 1, 1994, without regard to whether or not regulations to carry out such amendments have been promulgated by such date.

SEC. 605. RELATING MEDICARE PART B PREMIUM TO INCOME FOR CERTAIN HIGH INCOME INDIVIDUALS.

(a) INCREASE IN PREMIUM.—

(1) IN GENERAL.—Section 1839 of the Social Security Act (42 U.S.C. 1395r) is amended by adding at the end the following:

"(g)(1) Notwithstanding the previous subsections of this section, in the case of an individual whose modified adjusted gross income in a taxable year ending with or within a calendar year (as reported by the individual under section 1893(a)) is equal to or exceeds the sum of the threshold amount described in paragraph (4) and $25,000, the amount of the monthly premium for the calendar year shall be increased by an amount such that the total monthly premium (determined without regard to subsection (b)) is equal to 200 percent of the monthly actuarial rate for enrollees age 65 and over as determined under subsection (a)(1) for that calendar year. The preceding sentence shall not apply to any individual whose threshold amount is zero.

"(2) Notwithstanding the previous subsections of this section, in the case of an individual not described in paragraph (1) whose modified adjusted gross income in a taxable year ending with or within a calendar year (as reported by the individual under section 1893(a)) exceeds the threshold amount described in paragraph (4), the amount of the monthly premium for the calendar year shall be increased by an amount which bears the same ratio to the amount of the increase determined under paragraph (1) as such excess bears to $25,000. The preceding sentence shall not apply to any individual whose threshold amount is zero.

"(3) Using information provided by the Secretary of the Treasury under section 6103(l)(14) of the Internal Revenue Code of 1986, the Secretary shall determine the actual modified adjusted gross income of individuals enrolled in this part during a taxable year and adjust the monthly premium applicable to an individual during a calendar year to take into account any overpayments or underpayments in the premium during the previous calendar year resulting from the application of this subsection.

"(4) In this subsection and section 1813(c), the term 'threshold amount' means—

"(A) except as otherwise provided in this paragraph, $70,000,

"(B) $90,000 in the case of an individual who files a joint return under section 6013 of the Internal Revenue Code of 1986, and

"(C) zero in the case of an individual who—

"(i) is married at the close of the taxable year (as determined under section 7703 of the Internal Revenue Code of 1986) but does not file a joint return for such year, and

"(ii) does not live apart from the individual's spouse at all times during the taxable year.".

(2) CONFORMING AMENDMENT.—Section 1839(f) of such Act (42 U.S.C. 1395r(f)) is amended by striking "if an individual" and inserting the following: "if an individual (other than an individual subject to an increase in the monthly premium under this section pursuant to subsection (g))".

(3) EFFECTIVE DATE.—The amendments made by paragraphs (1) and (2) shall apply to the monthly premium under section 1839 of the Social Security Act for months beginning after February 1994 in taxable years beginning after December 31, 1993.

(b) REPORTING REQUIREMENT FOR BENEFICIARIES.—Title XVIII of the Social Security Act is amended by adding at the end the following:

"REPORT TO SECRETARY ON ESTIMATED MODIFIED ADJUSTED GROSS INCOME

"SEC. 1893. (a) IN GENERAL.—

"(1) INDIVIDUALS COVERED THROUGHOUT YEAR.—Not later than November 1 of each year (beginning with 1994), each individual enrolled under part B shall submit to the Secretary (in such form and manner as the Secretary may require, in consultation with

the Secretary of the Treasury) an estimate of the individual's modified adjusted gross income anticipated for the taxable year ending with or within the following calendar year, to be used (subject to section 1839(g)(3)) to determine whether the individual is to be subject to an increase in the monthly part B premium under section 1839(g) for such following calendar year.

"(2) SPECIAL RULE FOR FIRST YEAR OF COVERAGE.—For the first year in which an individual is enrolled under part B, the individual shall submit to the Secretary (at such time and in such form and manner as the Secretary may require, in consultation with the Secretary of the Treasury) an estimate of the individual's modified adjusted gross income anticipated for the taxable year ending with December 31 of such year, to be used to determine whether the individual is to be subject to an increase in the monthly part B premium under section 1839(g) for such year.

"(b) SPECIAL RULE FOR 1994.—Not later than 60 days after the date of the enactment of this section, each individual described in subsection (a) shall submit to the Secretary an estimate of the individual's modified adjusted gross income for the taxable year ending December 1993, to be used to determine (subject to section 1839(g)(3)) whether the individual is to be subject to an increase in the monthly part B premium under section 1839(g) during 1994.

"(c) MODIFIED ADJUSTED GROSS INCOME DEFINED.—In subsection (a), the term 'modified adjusted gross income' means, with respect to an individual for a taxable year, the individual's adjusted gross income under the Internal Revenue Code of 1986, determined without regard to sections 931 or 933 of such Code.".

(c) DISCLOSURE OF CERTAIN TAX INFORMATION BY SECRETARY OF TREASURY.—

(1) IN GENERAL.—Subsection (l) of section 6103 of the Internal Revenue Code of 1986 (relating to confidentiality and disclosure of returns and return information) is amended by adding at the end thereof the following new paragraph:

"(14) DISCLOSURE OF RETURN INFORMATION TO MEANS-TEST MEDICARE.—

"(A) IN GENERAL.—The Secretary shall, upon written request from the Administrator of the Health Care Financing Administration, disclose to the officers and employees of such Administration return information necessary to determine the modified adjusted gross income (as defined in section 1893(c) of the Social Security Act) of any medicare beneficiary (as defined in paragraph (12)(E)), to be used to determine whether the beneficiary is to be subject to an increase in the monthly part B premium under section 1839(g) of such Act.

"(B) RESTRICTION ON USE OF DISCLOSED INFORMATION.—Any officer or employee of the Health Care Financing Administration receiving return information under subparagraph (A) shall use such information only for purposes of, and to the extent necessary in, establishing the modified adjusted gross income (as so defined) of any medicare beneficiary (as so defined)."

(2) CONFORMING AMENDMENTS.—Paragraphs (3)(A) and (4) of section 6103(p) of such Code are each amended by striking "or (13)" each place it appears and inserting "(13), or (14)".

(3) EFFECTIVE DATE.—The amendments made by paragraphs (1) and (2) shall apply with respect to information for taxable years beginning after December 31, 1993.

SEC. 606. INCREASE IN MEDICARE HOSPITAL INSURANCE DEDUCTIBLE FOR CERTAIN HIGH-INCOME INDIVIDUALS.

(a) INCREASE IN DEDUCTIBLE.—

(1) IN GENERAL.—Section 1813 of the Social Security Act (42 U.S.C. 1395e) is amended by adding at the end the following new subsection:

"(c)(1)(A) Notwithstanding the previous subsections of this section, in the case of an individual whose modified adjusted gross income in a taxable year ending with or within a calendar year (as reported by the individual under section 1893(a)) exceeds the threshold amount (described in section 1839(g)(4)), the inpatient hospital deductible otherwise applicable with respect to an individual for a spell of illness that begins during such year shall be increased—

"(i) in the case of an individual whose modified adjusted gross income exceeds such threshold amount by less than $5,000, by 33 percent of such deductible; or

"(ii) in the case of any other such individual, by 33 percent of such deductible for each $5,000 by which the individual's modified adjusted gross income exceeds such threshold amount.

"(B) Notwithstanding subparagraph (A), the total inpatient hospital deductible applicable to an individual for a spell of illness may not exceed—

"(i) for 1994, $2,000; and

"(ii) for any succeeding year, the amount described in this subparagraph for the preceding calendar year, changed and adjusted in the same manner as the inpatient hospital deductible is changed and adjusted under subsection (b)(1).

"(2) Using information provided by the Secretary of the Treasury under 6103(l)(14), the Secretary shall determine the actual modified adjusted gross income of individuals enrolled in this part during a taxable year and apply the following rules:

"(A) In the case of an individual subject to an increase in the inpatient hospital deductible under paragraph (1) during a year whose modified adjusted gross income did not exceed the threshold amount (described in section 1839(g)(4)) for such year, the Secretary shall refund to the individual the amount of such increase.

"(B) In the case of an individual to which the inpatient hospital deductible applied for inpatient hospital services furnished in a year and whose actual modified adjusted gross income exceeded the threshold amount (described in section 1839(g)(4)) for such year, if such individual was not subject to an increase in such deductible during the year under paragraph (1)—

"(i) the Secretary shall collect the amount by which the deductible would have been increased if the modified adjusted gross income reported by the individual under section 1893(a) was equal to the individual's actual modified adjusted gross income from the hospital that furnished the inpatient hospital services (either directly or through reductions in payments to the hospital for subsequently furnished services); and

"(ii) the individual shall be liable to the hospital for payment of such amount.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to inpatient hospital services for which a spell of illness (as defined in section 1861(a) of the Social Security Act) begins after February 1994 in taxable years beginning after December 31, 1993.

(b) CONFORMING AMENDMENT TO REPORTING REQUIREMENT FOR BENEFICIARIES.—Section 1893 of such Act, as added by section 605(b), is amended—

(1) in subsection (a), by striking "part B" each place it appears in paragraphs (1) and (2) and inserting "part B or entitled to benefits under part A"; and

(2) by striking "1839(g)" each place it appears in subsections (a) and (b) and inserting the following: " 1839(g) or an increase in the inpatient hospital deductible under section 1813(c)".

(c) CONFORMING AMENDMENT TO DISCLOSURE REQUIREMENT FOR SECRETARY OF THE TREASURY.—Section 6103(l)(14)(A) of the Internal Revenue Code of 1986, as added by section 605(c), is amended by striking "1839(g)" and inserting the following: " 1839(g) or an increase in the inpatient hospital deductible under section 1813(c)".

SEC. 607. ESTABLISHMENT OF STANDARD PAYMENT RATES FOR HOME HEALTH SERVICES.

(a) IN GENERAL.—

(1) STANDARD PAYMENT RATES DESCRIBED.—Title XVIII of the Social Security Act is amended by inserting after section 1889 the following new section:

"STANDARD PAYMENT RATES FOR HOME HEALTH SERVICES

"SEC. 1890. (a) IN GENERAL.—Notwithstanding section 1814(b)(1), section 1833(a)(2)(A), or any other provision of this title, the amount of payment made under this title for home health services furnished by a home health agency on or after January 1, 1994, shall equal the adjusted standard per visit payment rate determined under subsection (b) for the category of home health services involved (as defined in subsection (d)(1)) for the fiscal year during which the services are furnished.

"(b) DETERMINATION OF ADJUSTED STANDARD PER VISIT PAYMENT RATES.—

"(1) IN GENERAL.—The adjusted standard per visit payment rate for home health services furnished in a fiscal year is equal to—

"(A) the base per visit rate for the category of home health services involved for the fiscal year determined under paragraph (2), adjusted for area wage differences under paragraph (3); and

"(B) in the case of home health services in the category of services described in subsection (d)(1)(A) that involve the furnishing of non-routine medical supplies directly identifiable as services for an individual patient (but not including durable medical equipment, prosthetic devices, or orthotics and prosthetics), the amount described in subparagraph (A) increased by the medical supply add-on described in paragraph (4).

"(2) BASE PER VISIT RATE.—

"(A) INITIAL RATE.—The base per visit rate for a category of home health services furnished by a home health agency in fiscal year 1994 shall be an amount equal to 93 percent of the mean of the labor-related and nonlabor costs for that category of services utilized for purposes of computing limits under section 1861(v)(1)(L) for cost reporting periods beginning on or after July 1, 1993, and before July 1, 1994, increased by the cost reporting period adjustment factor for January 1994 (as specified in the regulation setting forth such limits).

"(B) SUBSEQUENT YEARS.—The base per visit rate for a category of home health services furnished by a home health agency in a fiscal year beginning on or after October 1, 1994 is the base per visit rate for that category of services for the preceding fiscal year increased by the home health market basket percentage increase (as defined in subsection (d)(2)) for such fiscal year.

"(3) ADJUSTING FOR AREA WAGE LEVELS.—The Secretary shall adjust the base per visit rate determined under paragraph (2) for home health services furnished by a home health agency for a fiscal year by utilizing the area wage index applicable during the

fiscal year under section 1886(d)(3)(E) to hospitals located in the geographic area in which the agency is located (determined without regard to whether such hospitals have been reclassified to a new geographic area pursuant to section 1886(d)(8)(B), a decision of the Medicare Geographic Classification Review Board or the Secretary under section 1886(d)(10)).

"(4) MEDICAL SUPPLY ADD-ON DESCRIBED.—The medical supply add-on described in this paragraph is equal to—

"(A) for fiscal year 1994, the estimated national average cost of non-routine medical supplies directly identifiable as services for an individual patient (but not including durable medical equipment, prosthetic devices, or orthotics and prosthetics) associated with a home health visit, as estimated by the Secretary based upon the best data available and updated through fiscal year 1994 by the Secretary's estimate of the increase in the medical equipment and supplies component of the supplies and rental consumer price index for all urban consumers (U.S. city average), from the end of the period from which the data was drawn through fiscal year 1994; and

"(B) for a subsequent fiscal year, the add-on for the preceding fiscal year increased by the Secretary's estimate of the percentage increase in the index referred to in subparagraph (A) for the fiscal year involved.

"(c) COST REPORTING REQUIREMENTS.—

"(1) IN GENERAL.— Not later than January 1, 1994, the Secretary shall implement a system under which a random sample of home health agencies shall submit cost reports. Cost reports submitted under such system shall be used solely for purposes of comparing the costs of home health agencies with the adjusted standard payment rates established under subsection (b).

"(2) SYSTEM DESCRIBED.—The system developed under paragraph (1) shall—

"(A) utilize a different random sample of agencies for each 12-month period,

"(B) include in such random sample 5 percent of all home health agencies, and

"(C) to the greatest extent practicable and consistent with the preceding provisions of this paragraph, avoid requiring a home health agency to submit a cost report pursuant to paragraph (1) more than once in any 5-year period.

"(3) REPORTS OF ADDITIONAL AGENCIES.—Any home health agency that is not required to submit a cost report pursuant to paragraph (1) for a cost reporting period may be required by the Secretary to submit a simplified cost report for such period, in accordance with regulations issued by the Secretary. The Secretary may use such reports solely for the purposes described in such paragraph.

"(d) DEFINITIONS.—For purposes of this section:

"(1) The term 'category of home health services' means any one of the following home health services:

"(A) Skilled nursing services.

"(B) Physical therapy services.

"(C) Occupational therapy services.

"(D) Speech therapy services.

"(E) Medical social services.

"(F) Home health aide services.

"(2) The term 'home health market basket percentage increase' means, with respect to a fiscal year, the percentage by which the cost of the mix of goods and services comprising home health services will exceed the cost of such mix of goods and services for the preceding fiscal year, as estimated by the Secretary before the fiscal year begins.".

(2) EXCEPTIONS AND ADJUSTMENTS FOR COSTS SIGNIFICANTLY IN EXCESS OF PAYMENTS.—The Secretary of Health and Human Services shall provide by regulation for such exceptions and adjustments to the payment amounts established for home health services under section 1890(a) of the Social Security Act (as added by paragraph (1)) as the Secretary deems appropriate for services for which a home health agency incurs costs that significantly exceed such payment amounts for reasons beyond the agency's control, subject to any limits the Secretary may establish to ensure that such an exception or adjustment does not result in the reimbursement of any costs that the Secretary does not find to be reasonable.

(b) CONFORMING AMENDMENTS.—

(1) AMENDMENTS RELATING TO PART A.—(A) Section 1814(b) of such Act (42 U.S.C. 1395f(b)) is amended in the matter preceding paragraph (1) by striking "1813 and 1886" and inserting "1813, 1886, and 1890".

(B) Section 1813(a)(5) of such Act, as added by section 604(a)(1), is amended by striking "the average of all the per visit costs" and all that follows and inserting "the payment amount determined for such services under section 1890(a).".

(2) AMENDMENTS RELATING TO PART B.—(A) Section 1832(a)(2)(F) of such Act, as added by section 604(a)(2), is amended—

(i) by amending clause (i) to read as follows:

"(i) the payment amount determined for such service under section 1890(a), less the amount a provider may charge as described in clause (ii) of section 1866(a)(2)(A);"; and

(ii) in the matter following clause (iii), by striking "the average of all the per visit costs" and all that follows and inserting "the payment amount determined for such services under section 1890(a).".

(B) Section 1861(v)(1)(L) of such Act (42 U.S.C. 1395x(v)(1)(L)) is amended by adding at the end the following new clause:

"(iv) Clauses (i), (ii), and (iii) shall not apply to any services furnished on or after January 1, 1994.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to services furnished during cost reporting periods beginning on or after January 1, 1994.

SEC. 608. ELIMINATING FEDERAL SUPPORT FOR HONEY.

(a) Section 207(a) of the Agricultural Act of 1949 is amended to read as follows:

"(a) IN GENERAL.—For each of the 1991 through 1995 crops of honey, the price of honey shall be supported through loans, purchases, or other operations, except that for the 1994 and 1995 crops, the price of honey shall be supported through recourse loans.

"(1) For the 1991 through 1993 crop years, the rate of support shall be not less than 53.8 cents per pound.

"(2) For the 1994 and 1995 crop years, the Secretary shall provide recourse loans to producers at such a rate that minimizes costs and forfeitures, except that such rate shall not be less than 44 cents a pound. Section 407 shall not be applicable to honey forfeited to the Commodity Credit Corporation under loans made under this paragraph.

"(3) A producer who fails to repay a loan made under paragraph (2) by the end of the crop year following the crop year for which such loan was made shall be ineligible for a loan under this section for subsequent crop years, except that the Secretary may waive this provision in any case where in which the Secretary determines that the failure to repay the loan was due to hardship conditions or circumstances beyond the control of the producer.".

(b) Section 207(b) of the Agricultural Act of 1949 is amended by striking "for a crop" and inserting "for the 1991 through 1993 crops".

(c) Section 207(c) of the Agricultural Act of 1949 is amended by striking "1998" and inserting "1993".

(d) Section 207(e) of the Agricultural Act of 1949 is amended by—

(1) striking subparagraphs (D) through (G);

(2) inserting "and" after the semicolon following subparagraph (B); and

(3) changing the semicolon following subparagraph (C) to a period.

(e) Section 207(j) of the Agricultural Act of 1949 is amended by striking "1998" and inserting "1995".

(f) Section 405(a) of the Agricultural Act of 1949 is amended by striking in the first sentence "section 405A" and inserting "sections 207 and 405A".

(g) Section 405A(a) of the Agricultural Act of 1949 is amended by striking all that follows "1992 crop year," and inserting "and $150,000 in the 1993 crop year.".

(h) A provision of this section may not affect the liability of any person under any provision of law as in effect before the effective date of the provision.

TITLE VII—ENFORCEMENT

SEC. 701. DEDICATION OF SAVINGS TO DEFICIT REDUCTION.

(a) DIRECT SPENDING.—None of the changes in direct spending and receipts resulting from this Act shall be reflected in estimates under section 252(d) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(b) DISCRETIONARY SPENDING.—Upon the enactment of this Act, the Director of the Office of Management and Budget shall make downward adjustments in the discretionary spending limits (new budget authority and outlays), as adjusted, set forth in 601(a)(2) of the Congressional Budget Act of 1974 for each of fiscal years 1994 through 1998 as follows:

(1) For fiscal year 1994, reduce new budget authority by $5,477,000,000 and reduce outlays by $2,987,000,000.

(2) For fiscal year 1995, reduce new budget authority by $8,198,000,000 and reduce outlays by $6,967,000,000.

(3) For fiscal year 1996, reduce new budget authority by $9,546,000,000 and reduce outlays by $9,372,000,000.

(4) For fiscal year 1997, reduce new budget authority by $10,376,000,000 and reduce outlays by $11,080,000,000.

(5) For fiscal year 1998, reduce new budget authority by $11,211,000,000 and reduce outlays by $12,113,000,000.

(c) SECTION 602 ALLOCATIONS.—

(1) HOUSE APPROPRIATIONS COMMITTEE.—The allocations in effect under section 602(a)(1) of the Congressional Budget Act of 1974 for fiscal year 1994 for the Committee on Appropriations of the House of Representatives are reduced by $5,477,000,000 in outlays and by $3,056,000,000 in budget authority.

(2) SENATE APPROPRIATIONS COMMITTEE.—The allocations in effect under section 602(a)(2) of the Congressional Budget Act of 1974 for fiscal year 1994 for the Committee on Appropriations of the Senate are reduced by $5,477,000,000 in outlays and by $3,056,000,000 in budget authority.

(3) SUBALLOCATIONS.—Each Committee on Appropriations is authorized and directed to immediately adjust its suballocations among its subcommittees for fiscal year 1994 to reflect the lower allocations provided by subsection (a) in a manner that accurately reflects the changes in law made by this Act and to promptly report to its House of Congress suballocations revised under this subsection.

(4) EFFECT.—The allocations and suballocations as adjusted by this section shall be deemed to be allocations made under section 602(a)(1) and suballocations made under section 602(b)(1) of the Congressional Budget Act of 1974.

(5) SECTION 601.—Section 601(a)(2) of the Congressional Budget Act of 1974 is amended by inserting "or as adjusted pursuant to section 701(b) of the Common Cents Deficit Reduction Act of 1993" before the period at the end.

The CHAIRMAN. Pursuant to the rule, the gentleman from Minnesota [Mr. PENNY] will be recognized for 30 minutes, and a Member opposed will be recognized for 30 minutes.

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The CHAIRMAN. Is there a Member seeking recognition for the purpose of opposing the amendment?

Mr. SABO. Mr. Chairman, I rise in opposition to the Penny-Kasich amendment and seek to control the time in opposition.

The CHAIRMAN. The gentleman from Minnesota [Mr. SABO] will be recognized for 30 minutes.

Mr. PENNY. Mr. Chairman, I ask unanimous consent to divide my time equally with the gentleman from Ohio [Mr. KASICH].

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN. The gentleman from Minnesota [Mr. PENNY] will be recognized for 15 minutes, and the gentleman from Ohio [Mr. KASICH] will be recognized for 15 minutes.

Mr. PENNY. Mr. Chairman, I yield 1 minute to the gentlewoman from California [Ms. HARMAN].

Ms. HARMAN. Mr. Chairman, in the South Bay of California, the drumbeat for spending cuts now and real deficit reduction has been loud and clear all year. Constituents, I hear you.

When I voted for the budget bill this summer, I did so because it offered significant deficit reduction. But I stood with the leadership and TIM PENNY to pledge that a vote on more cuts would come this fall.

Penny-Kasich is that vote, and I am for it.

I see this amendment as a "marker"—some would say a "hangman's noose"—that has already generated three positive developments.

First, it has accelerated the effort to tell the American public how effective the earlier budget bill has been in reducing the deficit: $50 billion is real deficit reduction and the lowest interest rates in decades are big progress;

Second, the effort to head off Penny-Kasich has resulted in a much improved administration recission proposal which just passed with my support and incorporates a number of Penny-Kasich ideas;

Third, today's vote on Penny-Kasich shows that the leadership and the administration kept their promise to let substantial additional cuts be considered this fall.

But the most important benefit of Penny-Kasich is prospective:

It shows our constituents that we can face hard choices, be fiscally responsible, and work to generate the public trust that will be essential to pass new investment initiatives. Those initiatives will not pass unless our constituents feel we know how to control the deficit.

I don't like everything in this amendment. I do not want to reduce certain research and development efforts, funding for the arts, public broadcasting, or legal services. And I certainly oppose cutting the Defense budget further. But, to regain public trust and to achieve real deficit reduction, nothing should be "off limits."

Please join me in standing for public trust and for fiscal responsibility. Please support the Penny-Kasich amendment.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts [Mr. BLUTE].

Mr. BLUTE. Mr. Chairman, I rise in strong support of true deficit reduction and for America's future, and urge passage of the Penny-Kasich amendment.

Since last week, my offices have been flooded with calls and letters from special interest groups, Members of Congress, and administration officials pleading and, in some cases, threatening me to vote against the Penny-Kasich amendment. I have actually received threats against projects and interests in my district if I vote for this amendment.

I must say that I resent the high pressure tactics that are being brought to bear against Members by the guardians of big Government and, in spite of their threats, I will support real deficit reduction by voting for Penny-Kasich.

Those who have banded together in trying to defeat Penny-Kasich fail to realize one very important fact—that the resolve of the American taxpayer in matters regarding the Federal budget is just as strong as their own. The people who go to work, earn a living and pay taxes to the Federal Government know what is going on here, and they are outraged.

Well, I've heard both sides of the argument here, and I am siding with the taxpayer. People in this country are taxed enough already, and they deserve the relief that Penny-Kasich will provide. This does not mean that I don't care about federally funded research, or institutions of higher learning, or employees of the Federal Government. Quite the contrary. I care about all of them enough to take a tough stand and cast a tough vote in favor of real deficit reduction.

If we do not take action to curtail our out-of-control Federal budget deficit, our entire Nation will continue in an economic tailspin. I cannot let this happen. On behalf of the American taxpayer, I will take the heat on this, and vote "yes" for Penny-Kasich.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. GREENWOOD].

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

Mr. GREENWOOD. Mr. Chairman, I strongly and emphatically support the Penny-Kasich amendment. Our Nation is $4 trillion in debt, and despite the so-called deficit reduction measure adopted by the Congress and signed into law by the President, we plunge more deeply into debt with each and every hour.

Our situation is critical. Our radical reversals in our attitudes and expectations will rescue our children from this legacy of crushing debt. Financial salvation cannot be had without pain. We must sacrifice ourselves today or sacrifice our children tomorrow. And so I will vote for the Penny-Kasich amendment despite the dire consequences some may predict, because it is the right thing to do.

Having said this, there is a provision of this amendment that causes me particular concern. Section 217 of the amendment calls for a Preference for Interim Measures in Superfund Response Actions. I have consulted with the sponsors of this language. They have assured me that their legislative intent is to prioritize superfund sites in such a way as to target those sites that pose threats to human health or to the environment for remediation while employing such interim measures as containment and limitation of access on sites where no such threat exists.

The authors have further indicated that it is their intention that all sites would ultimately be remediated. The savings, they argue, would not be derived from failing to remediate sites, but rather from focusing administrative and legal efforts on those sites that constitute the greatest risks to health and the environment.

I find these arguments only partially reassuring. I will vote for the Penny-Kasich amendment because of my above-mentioned commitment to deficit reduction and debt elimination. However, should this amendment be adopted and become the subject of a conference committee, I will work to see that the Superfund language is either clarified to make certain that the program continues to emphasize remediation, or is removed from the report entirely.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. ANDREWS].

Mr. ANDREWS of Texas. Mr. Chairman, I rise in support of the Penny-Kasich amendment.

Mr. Chairman, the single loudest message I hear from my constituents is to cut Government spending. The Federal budget deficits over the next 5 fiscal years will total over $1 trillion. This is a tremendous amount of money that could be used for productivity-enhancing private investment but that the Federal Government is pulling out of the U.S. economy to finance current consumption. This borrow-today, pay-back tomorrow attitude is the root of the economic problems we are facing today and a burden to our children and grandchildren in the future.

The Penny-Kasich deficit reduction package, which I helped to author, would cut this amount by only 9 percent, $90 billion, but from the diatribes that have been launched by special interest groups, you would think we were trying to bring about the end of western civilization. Critics from the administration have

even charged that these modest cuts would hinder the economic recovery; this absurd argument ignores the fact that the 1994 cuts in this package total approximately $8 billion, or less than one-fifth of the 1 percent of projected U.S. gross domestic product [GDP] next year. This amounts to a monthly cut in Federal spending of $2.70 per person in the United States—about the cost of a Big Mac and fries. This cut is hardly enough to bring the world's largest economy to its knees. If anything, these cuts would strengthen the economy by assuring bond markets that the Federal Government is serious about cutting spending and cutting governmental consumption to boost private investment and lower interest rates.

Truly cutting Government spending is never easy; real spending cuts always hurt someone. Biting the bullet of deficit reduction means putting the interests of the Nation as a whole above the wants of individual special interests. The Penny-Kasich plan achieves deficit reduction in an equitable and substantive manner by embracing many of the cutting proposals that President Clinton himself has put forward such as reducing the Federal workforce by 252,000. The proposal adjusts the budget enforcement provisions to lock in all the savings for deficit reduction, not for higher spending; places a means test on Medicare, so that wealthier beneficiaries bear a little more of the burden for their medical costs than those seniors who are less well-off; reduces the legislative branch budget by 7.5 percent and cuts the franked mail account by 20 percent; and reduces the White House budget by 5 percent.

Changes have been made to the package to make it more acceptable to affected groups. Increasing the retirement age for Federal employees, which I had proposed phasing in over 20 years, would only be applied on a prospective basis to employees hired after January 1, 1994. The same applies to the changes made to the Thrift Savings Plan for Federal employees.

Finally, this plan is bipartisan, credible, and specific. Unlike an across-the-board freeze or spending cap, Penny-Kasich details the exact nature of the spending cuts. It also begins the cuts when they are needed—today—rather than postponing the pain to some ambiguous future date.

Mr. Chairman, the Penny-Kasich plan is the best opportunity this Congress will have to achieve substantial spending cuts. We cannot afford to continue our current excessive spending. We must listen to our constituents and put the interests of the United States as a whole above the demands of the few.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. RAMSTAD].

Mr. RAMSTAD. Mr. Chairman, I rise in strong support of the Penny-Kasich amendment.

Any member who has promised to get serious about deficit reduction must realize this is the only chance for real, meaningful deficit reduction.

This is it, and the American people are watching.

We also need Penny-Kasich because it reduces Government spending caps. This is the only way to guarantee the cuts are applied to deficit reduction rather than new spending.

All of us have been bombarded by special interest groups with stories of "doom-and-gloom" if Penny-Kasich passes. The outrageous distortions, scare tactics and intimidation are truly unfortunate.

It is no wonder the American people are fed up with politics-as-usual.

Let us get real around here. Let us be honest with ourselves and the people we represent.

We are talking about 1 cent in cuts for every dollar in spending over 5 years. We're hardly talking about draconian cuts, as some have claimed.

The American people want real deficit reduction and spending restraint. They want Penny-Kasich because it's true deficit reduction.

Say "no" to politics-as-usual. Vote for Penny-Kasich.

Mr. PENNY. Mr. Chairman, I yield such time as he may consume to the gentleman from Utah [Mr. ORTON].

Mr. ORTON. Mr. Chairman, I rise in support of this amendment.

Few pieces of legislation are perfect, and this one is no exception. But politics have been defined as "the art of the possible", the product of which always represents compromise. In a pluralistic society such as ours, with a representative republic style democracy, the right balance of compromise between the interests of the majority and the minority must be found or the result is political gridlock. Unfortunately, the partisan rancor of the recent past and the present have produced much more gridlock than compromise.

The Penny/Kasich amendment, as it is called, is a product representing compromise, some of which I agree with and some of which I oppose. However, on balance I support the compromise and I will be proud to vote in favor.

However, voting "yes" on this amendment is not as easy for me as some of my colleagues who know of my reputation as a staunch fiscal conservative might assume. I am proud to serve as a member of the Budget Committee under the very capable leadership of Chairman MARTIN SABO. Our committee labored for many weeks last winter and developed what I believe is a strong budget resolution which, over the next 5 years, will significantly reduce the rate of growth of our Federal deficit. The Budget Committee and the Congress should be proud of this budget resolution because it does more to actually bring down Federal spending than any other effort made to date (including the Gramm-Rudman-Hollings Act, and the 1990 Budget Agreement.)

The Budget Committee did not go as far in cutting spending as I and several of my colleagues on the committee wanted, but under the Chairman's leadership a good compromise was agreed upon. It has been pointed out to me by some of my colleagues on the committee that I was the member of the committee who suggested and insisted upon including a 5-year hard freeze on discretionary spending in the budget. The freeze was included and I agreed to support and vote in favor of the budget resolution even though, in my opinion, it did not contain adequate spending reductions. Now it is suggested that a deal is a deal and that supporting the additional spending cuts in the Penny/Kasich rescission bill might violate the compromise reached in the Budget Committee. This suggestion has caused me great distress and significant contemplation because my most prized possession is my honor.

Upon reflection, I do not believe that supporting this bill is in any way a breach of my agreement to support the budget compromise reached in the committee. In fact, I voted in favor of the budget resolution in the committee and on the floor of the House last spring. I could not vote in favor of the budget reconciliation bill passed by the House in August because of my disagreement on the tax provisions in the bill. In the report of the budget resolution, I filed additional views calling for more spending cuts through the rescission process and for comprehensive reform of the Federal budget process. I believe that supporting Penny/Kasich is entirely consistent with my work on the committee and my commitment to reduce the Federal deficit.

This amendment takes the next step beyond the budget resolution and the reconciliation bill. I am pleased to have been a part of the negotiations leading up to the introduction of this amendment, which sets important new precedents for helping us get control of the budget.

Controlling the budget and lowering the deficit is perhaps the most important and daunting task we face as legislators. True deficit reduction must include two fundamental components; (1) Budget process reform, and (2) Reduction in spending or increase in revenue.

H.R. 1138 which I introduced this year would reform the entire process by which we budget and spend money by requiring a balanced budget, biennial budget, capital budget, expedited rescission authority, performance-based budget, incremental-based budget, and establishing an enforcement mechanism involving the President and Congress. So far this year, the House has enacted expedited rescission and performance-based budgeting authority, and by Executive order the President has established caps on entitlement spending and an enforcement mechanism similar to my bill. We have also held hearings on biennial budgeting and capital budgeting.

While reforming the budget process is essential, alone it is not enough. We must weigh budget priorities against the revenue raised in taxes and make real spending cuts. In fact, establishing the right spending priorities is a driving principle behind many of the provisions in my Budget Process Reform Act. My incremental budgeting provision would require the administration, when it submits its budget each year, to identify which areas could most easily be cut if it were necessary to do so. My performance-based budgeting provision requires the executive branch to identify through objective standards of measurement which programs are working and which are not. This should be the major criteria we use in making spending cuts.

If there is any message the voters have sent us over and over again, it is that they want Government to stop spending more money than we are bringing in. And when

given the choice between raising taxes or cutting spending, there can be no confusion over the resounding message: Don't raise taxes, cut spending first.

You cannot cut spending without cutting spending, there is no way around it. We must make choices, and because each of us has different priories, almost any choice will offend someone. Personally, I would rather have not made some of the choices in this amendment. In the short run some of these provisions will affect people in my district. But in the long run doing nothing will hurt present and future generations even more.

Our ever burgeoning deficit is consuming capital and credit necessary for private sector investment and interest on the public debt presently claims almost 15 percent of Federal budget outlays and almost 3 percent of our national output. The result is artificially high interest rates (compared to inflation) and a diminution of economic growth. Both artificially high interest rates and depressed economic growth have a similar impact of a tax increase. Therefore, if overspending continues the economy will react with higher interest and/or inflation rates and slowed economic growth similar to the result of increased taxation. The most sound economic solution is reduction of Federal spending, which also withdraws money from the economy and may result in some economic slowdown. However, I know of no economic study to suggest that Federal taxation and spending, or Federal deficit spending is a sound solution to long-term economic growth.

By taking bold steps to cut the deficit, this amendment begins to get at the problem which I believe ranks No. 1 on our legislative priority list. If we fail to bring this problem under control, future generations of Americans will suffer and curse our names as they try to pay for our mistaken fiscal policies.

If we do nothing more than contain spending within the present budget caps, in 5 years the public debt will rise by $1.8 trillion, a 41 percent increase. The result will cripple this Nation for decades into the future, permanently slowing economic growth, and force our children and grandchildren to dig deeper into their pockets to finance the most rudimentary functions of Government such as Social Security and national defense.

I am pleased to see that a number of cuts we will be voting on today were drawn directly from legislative proposals I have offered over the last 3 years. For example, the committee bill includes rescissions of the HOPE Program, an inefficient method of rehabilitating our housing stock, which has the actual effect of reducing affordable rental housing. Earlier this year I introduced legislation to rescind funds from the HOPE Program to reduce the deficit. I am pleased to see this proposal adopted.

Last year, I introduced comprehensive legislation to reform our foreign-aid programs to reduce spending. A number of provisions in this bill are included in the committee version. These involve hundreds of millions of dollars, and include reductions in bilateral assistance, in foreign military assistance grants, and the U.S. Information Agency.

In addition, there are many, many spending cuts being voted on today which I have actively supported in the past. These include the advanced liquid metal reactor, the space station, improved debt collection, and reductions in spending by Congress and the executive branch.

While I support this amendment, there are some details that trouble me. As the Penny-Kasich proposal took shape, I became particularly concerned about certain retirement provisions that I believed were unfair. These included the COLA rollback for military retirees, changes in the retirement age and length of service requirement for Federal workers, and changes in the Thrift Savings Plan.

I communicated these concerns with my colleague from Minnesota [Mr. Penny], and I was pleased to see that he made changes in response to the concerns of myself and others in this body. Under this amendment these changes are prospective. Military and civilian employees currently employed in the Federal Government would not be affected.

I also question whether the 20-percent coinsurance for home health services is wise policy without adjustments elsewhere. In principle, it is well-intentioned. With a co-payment requirement, consumers will have a stake in the kind of treatment they receive and make more reasonable choices. However, requiring a co-payment only on home health care may have unintended effects, driving consumers into more expensive treatments such as emergency rooms, where there is no co-pay.

In addition, I believe that the means test for Medicare part B, as drafted in this amendment, has unfair consequences. In many parts of the country, including my district, seniors with income over $70,000 annually will pay substantially more for Medicare part B than the value of the services they receive. I believe that increasing the premium to 100 percent of the State average, rather than the national average, would correct this defect.

Finally, I would like to address the concern that passage of Penny-Kasich would represent a major threat to health care reform. I am committed to sensible health care reform, and would certainly hate to see us take any action now which could undermine its enactment. However, I do not agree that this is a valid argument for not making cuts. Preliminary administration estimates are that we will not be needing these cuts to meet PAYGO, since the expectation is that health care reform will lower the deficit by a significant amount. It does not make sense to put off sound deficit reduction measures, simply because we would like to count them for another purpose.

These problems can be corrected in conference, but unless we pass this or a similar amendment, we, and future generations, will be left with runaway deficits and a public debt that pulls at our standard of living.

It is easy in the abstract to talk about deficit reduction, but when the time comes to vote on it, it is also easy to find reasons to condemn any specific spending cuts. We cannot cut spending without making specific spending cuts and difficult choices.

I urge my colleagues to think of our young children now in school who represent America's future, and ask ourselves what is the legacy which we leave to them? I urge passage of the amendment.

Mr. PENNY. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. BACCHUS].

Mr. BACCHUS of Florida. Mr. Chairman, I rise in strong support of the Penny-Kasich amendment.

I strongly supported the President's steps for a reduction plan. I believe it is a good start. It reduces the deficit and helps bring spending and the deficit down.

I am voting for the President's rescission bill tonight. I think it is a good bill.

I voted for the amendment of the gentleman from Minnesota [Mr. SABO]. I think it is good, but Mr. Chairman, the best amendment by far is the Penny-Kasich amendment because it is the only one that truly cuts spending and truly cuts the deficit that is before us tonight.

Mr. Chairman, this amendment cuts spending. It cuts the deficit. It does so fairly. It begins to reform entitlements.

We cannot have our spending and cut it, too. We have to make some difficult choices.

The same people who were writing me and calling me last summer asking me to cut spending first are now writing and calling me asking me not to cut spending at all.

You cannot have it both ways, America. We have to make some tough decisions.

The gentleman from Minnesota [Mr. PENNY], the gentleman from Ohio [Mr. KASICH], all of us who are supporting this amendment are willing to stand up here and make some tough decisions, just like you say you want the Congress to do.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. WALSH], a member of the Committee on Appropriations.

Mr. WALSH. Mr. Chairman, it is tough to cut the budget.

I offer these letters we have received just in the last 2 weeks from organizations claiming to represent hundreds and even thousands of people opposed to any cuts in the budget.

It is tough to cut the budget, but I will tell you, I have heard some horror stories tonight about forcing senior citizens to pay a copayment on home health care and on laboratory fees.

Well, the real horror story, Mr. Chairman, is that if we do not start to get this budget under control we are not going to have any money to spend on Medicare. We are not going to have any money to spend on Medicaid, because the budget is going to require, the debt service on our debt is going to require all the resources of the Federal Government.

Mr. Chairman, I urge a strong vote in support of the Penny-Kasich budget. Let us get our fiscal house back in order.

Mr. SABO. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. ROSTENKOWSKI], the chairman of the Committee on Ways and Means.

Mr. ROSTENKOWSKI. Mr. Chairman, one of the recurring dangers we confront in this body is our tendency to adopt legislative fads. Too often we are seduced by the bold gesture that confuses political theater with legislative process.

The goal of reducing the deficit is a noble one. I yield to no one here as a champion of deficit reduction. But I have learned during my years here that we disregard regular order at our peril. And this legislation totally ignores regular order. This bill may initially smell like deficit reduction, but it will leave a bitter aftertaste. We do not know enough about this bill to make a reasoned decision about whether it is good policy.

I can understand why some may find it ironic that I am speaking against this measure because of my reputation as a deficit hawk. But the fact is that this is a bad plan being considered in a bad way at a bad time.

Adopting this proposal would send several messages—all of them bad. It would tell our constituents that we lack the courage to legislate under regular order, so we instead embrace comprehensive proposals that we do not fully understand. It would seriously undermine our efforts to guarantee health insurance for all Americans by snatching away some of the savings required to fund the President's proposal.

For years, I have argued that deficit reduction is the most important thing on our agenda, but I reject today's argument that it ought to be the only thing on our agenda. A government that ignored all other problems in its blind quest of deficit reduction would be a sorry government indeed. Yet that is what we threaten to do by voting for this measure.

I object strenuously to the procedural shortcuts that we are using to bring up a measure that few of us have seen before and even fewer of us can understand. It reminds me of the 1981 reconciliation bill that was debated in this House that contained take-out pizza orders on the margin of the text. In 1981 we legislated in haste—and then spent a decade trying to undo the damage. Let us not repeat that sad exercise.

Approving this measure would not only send a message to the American people that the Government was not interested in their problems, but it would, paradoxically, undermine the possibilities of long-term deficit reduction.

Why do I say that? Simply because all the experts agree that we cannot contain the deficit over time unless we enact comprehensive health reform legislation.

As long as Government health expenditures continue to rise at double-digit rates, the deficit will be a problem. And the cuts in this bill, while superficially helpful, do not address the more basic systemic problem. Meanwhile, there is broad agreement that our quest for international competitiveness in the private sector is also undermined by escalating health costs. In the long run, of course, a healthy American economy is more important than a short-term reduction in the deficit.

We have addressed this issue already this year and responded in a positive fashion. Our actions this year will reduce the anticipated deficit by about $500 billion over the next 5 years. That is not chickenfeed. And it will force us to make a series of tough decisions in the years ahead to implement our deficit-reduction goals.

This is not a time to tie our hands further; $500 billion in deficit reduction is enough for 1 year. In a few months, a new budget cycle begins and this debate will restart. There will be ample time to properly consider further cuts then.

Enacting this legislation would be both callous and foolish. I urge my colleagues to reject it.

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Mr. KASICH. Mr. Chairman, I yield 1 minute to the gentleman from New Hampshire [Mr. ZELIFF].

Mr. ZELIFF. Mr. Chairman, in the last Congress we voted on a balanced budget amendment which had the votes to pass. The Democratic leadership then bullied 12 cosponsors to vote against their own legislation. They did not want to have their feet held to the fire. They did not want us to start living within our means.

The real opposition to cutting spending was made clear by the Speaker. The Speaker complained that our plan directs all savings to deficit reduction, leaving nothing for new spending initiatives. The Speaker is right; that is exactly what we intend to do—cut spending.

Even if all the President's spending cuts occur, and all his revenues appear, the President's plan will add $1.8 trillion to our $4.4 trillion national debt over the next 5 years.

The Penny-Kasich vote is the litmus test that will show whether Congress is serious about cutting spending.

The vote will define the two kinds of people who occupy Congress: those who truly want to control the flow of red ink, and those who only want to talk about it.

It is time to pay the piper, it is time to decide whether or not we really care about what happens to the future of our country.

It is time that we get serious about living within our means. The Penny-Kasich amendment will cut less than 10 percent from our annual deficit. There is much more that needs to be done, but we need to start somewhere.

Support deficit reduction—vote "yes" on Penny-Kasich.

Mr. PENNY. Mr. Chairman, I yield 1 minute to the gentleman from Georgia [Mr. JOHNSON].

Mr. JOHNSON of Georgia. Mr. Chairman, I rise in support of the Penny-Kasich amendment. As an original member of the task force and chairman of the subgroup on Government management, I am proud of this package. Not because it is perfect, but because it is a credible start toward the kind of hard deficit reduction many of us have worked for all year. Given the intense opposition that has been brought to bear on this proposal, we must be doing something right.

Many of us were roundly criticized during debate on the budget for approving too many taxes. Now we are being crucified for too many cuts. To hear some tell it, this amendment, if it passes, will spell the end of Western civilization. But this vote is really just a test of our commitment to true spending cuts.

There has been a lot of talk up here about spending cuts and balanced budgets, but it has taken an unprecedented bipartisan effort, prompted in large measure by Members of the freshman class, to put a tough spending-cut proposal on the table. Democrats have been accused of being a tax-and-spend party. Republicans have been accused of being a borrow-and-spend party. The new term for both is carve and spend. This proposal shows that both parties can come together to produce a measure that cuts and does not spend.

Mr. Chairman, I believe there is a consensus among the House of Representatives that we need to balance the budget. Once we break down the partisan barriers we can work together to restore fiscal sanity to the Federal budget and public trust to the Congress. Fiscal sanity is what this body needs. If we ever get it, public trust will follow.

I urge the adoption of this amendment.

Mr. PENNY. Mr. Chairman, I yield 1½ minutes to the gentlewoman from California [Ms. SCHENK.]

Ms. SCHENK. Mr. Chairman, everyone in this institution has heard time and time again from their constituents: Cut spending first. The American people demanded this in the last campaign and nonstop this past year. Consistently 20 percent of my mail calls for spending cuts. People call my office, and stop me in the street. "LYNN, cut spending," they say.

The Penny-Kasich amendment answers those demands. It has been said on this floor today that this proposal asks too great a sacrifice from the American people.

I say to my friends, that there is no such thing as a painless cut. There is no magic bullet for deficit reduction. The only way to reduce the deficit, is to cut spending.

Why can we not give the American people the spending cuts they have

asked for? To every Member of this institution who talked about deficit reduction in their campaigns, in their newsletters, and in their speeches—it is time to deliver.

If you really believe that this deficit is the most pressing threat to our economic security, then surely you can vote to cut one penny out of each Federal dollar we spend.

It is time to make the right choice. I urge my colleagues to vote "yes."

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Mr. SABO. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. STUPAK].

Mr. STUPAK. Mr. Chairman, I rise in opposition to the Penny-Kasich rescission amendment. While I agree we must do everything we can to cut spending, the proposal before us would unfairly penalize millions of senior citizens and undermine our ability to carry out national health care reform.

I have strongly supported cutting wasteful and unwarranted spending since I have come to Congress. In fact, I have voted to cut $28 billion in spending since coming to Washington last January. Later today, I will be voting in favor of the Sabo substitute and the Frank-Shays substitute which offer an additional $38 billion in responsible and fair cuts.

Mr. Chairman, the devil is in the details of this Penny-Kasich proposal. Under Penny-Kasich, senior citizens would be asked to pay for $42 billion of the proposed $90 billion in savings. In other words, 20 percent of the U.S. population will be asked to shoulder 45 percent of the savings. This is simply not fair.

Perhaps more importantly, the Penny-Kasich proposal includes irresponsible cuts in Medicare part B coverage that could derail all efforts to pass significant health care reform. The proposal would increase Medicare part B payments for many, from the current-law level of $41.10 per month to a maximum of $157.20 per month. Savings generated from this increase in payments would not go to fund health care reform as the administration has requested and would jeopardize this Congress' ability to finance health care reform next year. Furthermore, because rural hospitals are disproportionately dependent on Medicare payments, these cuts will adversely affect health care providers, hospitals, and physicians in rural areas by reducing their ability to attract quality health care professionals.

The Penny-Kasich proposed 20 percent coinsurance payment on home health services and clinical laboratory services would create significant financial hardships for many Medicare beneficiaries, particularly those who are sick and those with low to moderate incomes. In effect, the Penny-Kasich plan is equivalent to a new tax on the elderly, the sick, and low-income persons. Again, this does not fulfill the criteria of fair and responsible budget cutting.

Additionally, I cannot justify supporting this slash and burn approach to budget cutting when just a few days ago, many Members of this body voted for an unfunded $50 billion project called the North American Free-Trade Agreement. We could have saved the American taxpayer the unknown but exorbitant cost of NAFTA by standing firmly behind the pay-as-you-go rules of the Budget Enforcement Act of 1990. Sadly, Congress failed on this account and waived the pay-as-you-go provision. In supporting Penny-Kasich, Members are transferring the pricetag for NAFTA to seniors and millions of Americans in need of health care reform.

As I have stated before, the question on whether or not to support Penny-Kasich is like asking Members to chose between this amendment and the reform of our health care system. The constant rise in health care costs is the single biggest contributor to our deficit. The administration and the Congress have made health care reform a national priority, the people of northern Michigan and in rural areas all over the country deserve health care reform, and I will not give up the fight for quality health care for all Americans. We must be vigilant in pursuing a balance between deficit reduction and investment in our citizens.

Mr. SABO. Mr. Chairman, I yield such time as she may consume to the gentlewoman from California [Ms. WATERS].

Ms. WATERS. Mr. Chairman, the debate on the budget has gone from the sublime to the ridiculous.

This Chamber has moved past an honest concern for the deficit to an all out obsession.

We have lost sight of our national purpose, lost sight of our jobs as legislators, and become blinded to the plight of millions of Americans looking to us to turn this economy around.

Despite this country's massive economic problems, the only thing this Congress has done all year is cut, cut, cut. People act as though we haven't already made significant budget cuts. This is simply factually untrue.

The first budget received by the House this year cut $450 billion over 5 years—including $54 billion in reduced Medicare expenditures. Before that budget reached the House floor, the Budget Committee cut an additional $61 billion—a deal worked out exclusively with conservative deficit hawks.

During the budget reconciliation debate, we added an entitlement cap, further restricting spending on Social Security, Medicare, and Medicaid.

The third wave of blind budget cuts came in the Senate during budget reconciliation. Conservative Senators over there insisted on an additional $51 billion in cuts, including $35 billion in Medicare.

To top it off, President Clinton promised further spending cuts to sway a few wavering Members to support his budget program.

Which brings us to today's vote. Now we are at it again. It is a bidding war on the House floor to see who can out cut whom.

All this ignores the deep-seated problems which fester in America. Our cities seethe with anger, violence, and hopelessness. Entire States are suffering depression-level unemployment—including my home State, California, the largest State in the Union. Rural America needs a renaissance.

The 1980's saw unprecedented domestic budget cuts. According to some estimates, between 1980 and 1992, these cuts totalled $231 billion in housing, education, health care, economic development, job training, and infrastructure improvement.

When will it end, Mr. Chairman? We must stop the budgetary onslaught on poor and working America. We need to change the debate. We need to stop punishing the victims for the mistakes of a faulty trickle-down philosophy.

We cannot simply hide from our problems, and pretend it is because we are running a budget deficit.

I oppose every alternative before this body today. We must confront the problems of the needy in America, not hid from them. I urge my colleague to defeat these proposals and come back from recess prepared to confront the real issues of this country.

Mr. SABO. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. BLACKWELL].

Mr. BLACKWELL. Mr. Chairman, adoption of the Penny-Kasich budget amendment by this House will be recorded as modern day mismanagement by those in whose trust the public has placed its fate.

I believe, at stake in this discussion, debate and vote, is the very ability of Government to serve the people of this country and the very survival of this economy. While I respect the views of our colleagues and their right to express those views and to press them in this Congress, if the Penny-Kasich plan becomes the plan for America, the very fabric of this Nation will be destroyed.

The economist, Milton Friedman, instructs us that, "the Great Depression, like most other periods of severe unemployment, was produced by Government mismanagement."

At least 16 million Americans are out of work or underemployed. Unemployment crept up last month to 6.8 percent, about the level it has been for more than 2 years. Homelessness, hunger, and begging have become commonplace on the streets of America. Violent crime is snuffing out young lives almost before they begin. And, joblessness is the driving force behind this misery. What answer does the Penny-Kasich plan offer? More joblessness, more poverty, more misery. This plan must be rejected as unwise and bad for America.

The long-term solution to joblessness is to increase the incentive for the average American to save, invest, work and, eventually, put others to work. At the center of this solution is consumer confidence—that is confidence, by the people of this Nation, in the Government, and its ability to effectively lead us into the future. Consumer confidence today is tentative or lacking altogether. The Penny-Kasich amendment will stifle confidence, suppress investment, propel more into the unemployment lines, and steer this economy deeper into recession.

Why work for a better life for your children, when Penny-Kasich would reduce child care programs, slash Head Start, push back investment in higher education, and abolish programs, including library construction? Why have confidence in the future, when Penny-Kasich would take a giant razor blade to training and retraining programs, putting us behind other nations? If we did not intend to compete globally, why did we pass NAFTA? And, if you are poor, why put your hopes in America, when Penny-Kasich would eliminate the public

housing construction program, cut Medicare by another $41 billion, tax the sick, and kill health care reform? Veterans' hospitals, for those who have defended this Nation, will have their funding cut. Federal building construction, including courthouses, are delayed. Economic development funds are cut.

In short, Mr. Chairman, if you are young, Penny-Kasich gives you no hope for the future. If you are an older American, Penny-Kasich gives you no respect for the past. And, if you are in the midst of your life, able-bodied and ready to contribute to this Nation, Penny-Kasich will shake your faith, raise your fears, and put you out of work. If that isn't mismanagement, I don't know what is.

Not long ago, we passed a record deficit reduction bill, and we asked each American to bleed for the benefit of all. This amendment, which seeks to cut another $90 billion over 5 years, rubs salt in that unhealed wound.

Today, we are being watched by a waiting Nation. They have powers, and they can use those power to support the decisions we make that are wise. Among their powers is the power to purchase and invigorate our economy. Unused purchasing power means unemployed labor, and unemployed labor means human want in the face of plenty. It is an irony we must resolve. If we do not, the watching, waiting Nation will find some who can.

The key to joblessness is jobs. The key to jobs is first, a resounding rejection of this imprudent amendment, then a program of investment in humans and infrastructure to put America back to work.

Mr. Chairman, we hold the public's trust. They have placed their faith in us. With the right decisions, they will place their confidence in us. Let us rise to the task. I urge my colleagues to defeat the Penny-Kasich amendment.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky [Mr. NATCHER], the distinguished chairman of the Committee on Appropriations.

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendment. This amendment would make major additional cuts in discretionary appropriations and would lock in these cuts and other unidentified reductions in future years by lowering the discretionary spending caps $42 billion below the hard-freeze level of the budget resolution adopted in May of this year.

I want to remind Members that we just completed action on all 13 regular bills. We had to cut programs back. They were tight bills. They're going to be very tight in the future under existing caps.

Mr. Chairman, we passed our 13 bills $4.2 billion under the amounts contained in the 1993 bills, and about $1 billion under the budget resolution, and $11.43 billion under the President's request.

Mr. Chairman, The budget reconciliation bill put discretionary spending into a real hard freeze—no growth before inflation. To go further means that additional major cuts will have to be made in fiscal 1995 and beyond. Where do we go to cut—education? FBI? Transportation? Military spending? Veterans benefits? NASA? NIH? IRS? Prisons? Crime? Drug enforcements?

This amendment makes significant unidentified cuts. The real impact will be that it will reduce all programs in the future. If you think it's targeted to not cutting activities you're in favor of, you'd better think again. A cut of this size will impact all programs. You're cutting education and defense and transportation all at the same time.

Resist this approach. Let's continue to develop budget resolutions and appropriations bills the right way and vote this amendment down.

The CHAIRMAN pro tempore (Mr. BROWN of California). The Chair would advise that the gentleman from Minnesota [Mr. PENNY] has 10½ minutes remaining, the gentleman from Ohio [Mr. KASICH] has 12 minutes remaining, and the gentleman from Minnesota [Mr. SABO] has 23 minutes remaining.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from Iowa [Mr. NUSSLE].

Mr. NUSSLE. Mr. Chairman, I rise in support of the Penny-Kasich amendment and would like to read a letter I wrote to my children tonite:

Dear Sarah and Mark:

Hi, remember me, your daddy. I haven't been home much this week before Thanksgiving, but my thoughts have been with you and your mommy as we wrap up another session of Congress.

I'm sorry I haven't been much of a daddy lately—I've been stuck here in Washington, where daddy works, doing important work—at least that's what people here tell me.

Some of the reasons why I had to stay is because the people I work with wanted to flap their mouths again about deficits and debts.

Just so you know what that is, it's the amount of money you will have to pay after daddy's work here is all done. I am staying because I still believe we can reduce the amount of money you will have to owe the rest of the country, now over $16,000.

I hope staying to try and work on this important issue is really worth being away from you this year.

Time will tell.

I love you and I will vote tonite for you.

Love,

DADDY.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from Wyoming [Mr. THOMAS].

Mr. THOMAS of Wyoming. Mr. Chairman, I rise in strong support of deficit reduction.

I want to take a moment to step past the rhetoric and the scare tactics being employed against the Penny-Kasich amendment and cut to the quick.

When you strip everything away, what we have today is an opportunity to pass the only true deficit reduction measure the House will consider this Congress—Penny-Kasich.

It is important to note that we're not talking about doomsday here, we're not talking about the end of the civilized world as we know it. We're talking about 1 penny on the dollar. Let me repeat—1 penny on the dollar.

Folks, if we cannot bite the bullet and cut 1 penny on the dollar, do you really think we'll ever be able to get a handle on the growing national debt? We have got three alternatives: Bankruptcy, increased taxes, or spending cuts. The American people overwhelmingly want us to cut spending first.

This isn't easy. I don't support every provision of this bill. At some point, however, we have got to have the political courage to cut some programs that we support. Otherwise you end up with the cut everywhere but in my backyard syndrome that has thrived here and contributed to our deficit.

This is an historic day. Today, we decide whether to embrace the politics-as-usual, tax-and-spend mentality that has for so long dominated congressional politics, or we decide to finally take a bold step in the direction of fiscal control and responsibility.

The American people have demanded we reduce the deficit, and the people of Wyoming want us to do that by cutting spending first—not by raising taxes. While that cry may be falling on deaf ears in the administration and the leadership of the House, I have heard it loud and clear and will support Penny-Kasich.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Arizona [Mr. KOLBE], a member of both the Committee on the Budget and the Committee on Appropriations.

Mr. KOLBE. Mr. Chairman, make no mistake about it. Today's debate on the Penny-Kasich amendment will prove another defining moment for this House. It will distinguish between those who truly want to control the flow of red ink, and those who only want to talk about it.

Just a few days ago, the House passed the North American Free-Trade Agreement which will advance the cause of economic renewal at home as well as American leadership abroad. Yet, as important as this agreement is for our potential economic growth, it represents only half the equation. The other half requires that we reduce our burgeoning Federal budget deficit and curb the flow of resources into inefficient, outdated Government spending programs. Adoption of the Penny-Kasich amendment is the first downpayment on that goal.

Critics of the plan seem to have forgotten that we are projecting $200–$300 billion deficits as far as we can see. They seem satisfied that the average taxpayer literally wastes $1 of every $7 paid in taxes to maintain interest payments on the national debt. They are not bothered by the fact that they are mortgaging their grandchildren's future to red ink. And they believe that cutting the budget .006 percent this year—as Penny-Kasich would do—would cause the sky to fall. Nonsense.

Penny-Kasich is no chicken-little plan that will cause the sky to fall if passed. The idea that cutting less than $10 billion in 1994 out of a $1,500 billion

budget in a $6.6 trillion economy will hurt economic growth is laughable. Likewise, cutting $90 billion from $7,500 billion of spending over 5 years is only a tiny piece of what must be done to stop this flow of deficit spending.

Adopting this cut spending first approach is the best chance for us to impose true budget discipline because it allows lawmakers greater control over the budget numbers, enforces spending discipline from the beginning rather than promising it later, and delivers benefits to the economy.

Stripped down to its bare facts, the Penny-Kasich amendment locks in approximately $90 billion in Federal spending cuts—over 5 years—starting immediately. No smoke. No mirrors. No double-counting. And no out-of-line or unthinkable spending cuts.

Sound familiar? It should. This is the son of Cutting Spending First, the Republican budget alternative that put $490 billion in straight spending cuts up against the President's $275 billion tax-hike budget package. The President's package won because nervous Democrats were promised another opportunity to vote on another round of budget cuts. So, here we are today, with a second chance to do the right thing. But will we?

Compare the plans. In one corner is Penny-Kasich weighing in at $90.3 billion in locked-in spending cuts. In the other corner is the Presidential contender weighing in at $2.2 billion—$1.9 billion from the President's rescission package plus $304 million from Vice President GORE's national performance review savings—just a tad less than the original estimate of $108 billion. These are not my figures, I might add, they are CBO's. And this pittance is expected to be directed toward—you guessed it—future spending. It is obvious the Penny-Kasich plan delivers the only real punch.

If you believe that taxpayers haven't seen much value in the last decade as far as real deficit reduction is concerned then you should vote for the Penny-Kasich amendment and reject scare tactics and phony criticisms against the plan that simply don't add up. Penny-Kasich is a good faith, bipartisan effort that imposes real deficit reduction.

I urge my colleagues to vote for the Penny-Kasich plan.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the gentleman from Mississipi [Mr. PARKER], a member of the Committee on the Budget.

Mr. PARKER. Mr. Chairman, as a member of the House budget Committee, I have for the past 3 years fought as diligently as any Member of this body for real and meaningful deficit reduction. I am a fiscal conservative and a deficit hawk. I am an advocate of deeper spending cuts in the Federal budget.

We will not bring reason and order to the budget process by leaping off a cliff in a herd mentality. And that is what Penny-Kasich is all about. It is not financial management.

While I voted against the budget reconciliation act last August and do not need the political cover that this measure represents—it seems to me that we are engaged in a desperate effort to hide behind the first tree, bush, or shrub that we can find.

Well, Penny-Kasich is a tree begging for a lightning strike. It's a burning bush that threatens to consume us all.

The leading argument against Penny-Kasich is that it will destroy the possibility of meaningful health care reform next year. That is a serious concern. We cut $37 billion from medicare today and in doing so fail to reform health care tomorrow. The result will be higher Medicare costs later because we will fail to do anything to control the explosive growth of health costs. This is a flawed process. We should take action on a measure of this type after health care reform.

This is what Penny-Kasich can do; my State is engaged now in health care reform efforts. They are seeking to utilize their current Medicaid budget to undertake innovations in expanding health coverage. And we are here in Washington, changing the rules as fast as we can. This amendment will cost my State, Mississippi, over $42 million in additional Medicaid costs over the next 5 years. I will not impose yet another unfunded mandate on those States, like mine, that are already doing what we, at the Federal level, want to do—all in the name of political expediency.

I do not oppose further spending cuts. And there will be pain associated with the cuts that I believe to be necessary. But this is not the way nor he time.

I will not rush headlong in the 11th hour of this session to institute far-reaching policy changes without the benefit of reasoned judgment.

I urge Members to vote against Penny-Kasich.

Mr. PENNY. Mr. Chapman, I yield 1 minute to the gentleman from Washington [Mr. INSLEE].

Mr. INSLEE. Mr. Chairman, the eleventh hour is when action takes place. That is the time we are at. We are at the eleventh hour. We are brought here today to do what leaders are expected to do—to make bold decisions.

Here's why: My 7-year-old son has never had a job, he is just learning to read and yet he has been saddled by the Government of the United States with a debt of $16,045—$16,045 on his small but growing shoulders! Without our bold action today it will grow to $20,800 in 1998 when he is 21 years old.

□ 2000

He needs, my colleagues, all of us to volunteer for the deficit reduction army and take action. He does not need more service club speeches by us that we hate the deficit. He needs our action to kill it.

In this fight I enlist Thomas Jefferson who said that if one generation could leave its debt to encumber the next then, "The earth would belong to the dead and not the living generation."

I want to leave my son a fair chance.

I want to increase public confidence in our ability to be fiscally responsible, which is the first requirement for health care reform. To those who believe we must further cut the deficit, I ask simply, if not now, when? When? When? And if we do not attack the deficit, who will?

Mr. KASICH. Mr. Chairman, I yield 1 minute my to colleague and friend, the gentlewoman from Columbus, OH [Ms. PRYCE].

Ms. PRYCE of Ohio. Mr. Chairman tonight we are given a fleeting opportunity for fiscal sanity with Penny-Kasich. Every special interest group conceivable is hoping that the lateness of the hour and the heat of the debate will wither the courage of our Members to begin, at long last, to address the Federal budget deficit. But we must vote to protect our national interest, not the special interests.

Because we do not want to redistribute savings, or rearrange, or recategorize or even reinvent. We want to cut. Very simply cut spending—No games, no carry overs, no mumbo-jumbo, use this for that. We want to cut. And America wants to cut. The American people are ready to face reality—If they know it's being done honestly. How can the taxpayers trust us as an institution if we tell them we are making cuts when all we are doing is playing a shell game—hiding those dollars—those hard earned taxpayer dollars. It's not play money. This isn't monopoly. We were entrusted and sworn to manage the purse strings of this country and up until now we've done a pretty poor job of it. The bipartisan Penny-Kasich plan is the first sign that anyone in this body remembers our solemn oath. It's the first opportunity to do what America expects of us—to reduce the deficit without raising taxes.

No less than the future is at stake. We must consider the legacy we are leaving our children and grandchildren—One of misery and hardship as they work and sweat to pay our debts in a country we barely recognize because there are no dollars to support it. That is not a legacy to be proud of. Take this historic opportunity—it will not come along again. It's a first baby step—in a long road ahead. Do not be guided by fear. We can trust the American voter to understand what we are doing here—it must be done—they want it done—if we show them they can trust us. Let's get started.

Define yourselves as being on the side of the taxpayer—of fiscal sanity—

of our children's future vote for Penny-Kasich.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. PRICE].

Mr. PRICE of North Carolina. Mr. Chairman, tonight we have rescinded funds sufficient to bring 1994 appropriations $7 billion below the 1993 appropriations level and $3.5 billion below the budget cap for 1994, contrary to the claims of Mr. KASICH and others here tonight. We have also produced savings of $2.5 billion with the first installment of the Reinventing Government Initiative and $33 billion by enforcing a reduction in the Federal civilian work force.

Now the gentleman from Minnesota [Mr. PENNY] and the gentleman from Ohio [Mr. KASICH] come in and say we should do more, and they present us with a very attractive list of discretionary and entitlement spending cuts. It looks pretty good, and it appeals to many Members. But there is only one problem, and it is a big problem. It does not add up.

We could enact every one of the spending cuts listed in the Penny-Kasich proposal, and we still would not even reach the present spending caps, much less the new ones.

It is a disappointing performance, Mr. Chairman, from those who have demanded that we get specific and get real. This package is not specific, and it is not real.

Do not misunderstand what I am saying. I agree with Mr. PENNY and Mr. KASICH that we must cut more. For years to come, we must bring in appropriations bills and rescission bills below the 1993 freeze level and below the budget caps. That is what really counts, not pulling new spending caps out of thin air and avoiding the specifics as to how we are to meet them.

And what of the entitlement cuts? These cuts and more are going to be required of us, if we are going to make health care reform work. But if we simply take another shot at Medicare in isolation, after cutting $56 billion only 3 months ago, we are going to widen the gap between what Medicare is paying and what private plans are paying. We are going to increase the number of providers refusing to see Medicare patients. We are going to encourage further cost shifting onto private insurance plans and those paying for those plans. And we are also going to shift further costs to the States. The Penny-Kasich plan imposes a $126 million unfunded Medicare and Medicaid liability on my State of North Carolina. This is simply not acceptable, to make this pretense at budget cutting and then let others pick up the tab.

Mr. Chairman, if these cuts do not add up on the discretionary side, and if they shift costs and derail broader reform and stop efforts to control expenditures on the entitlement side, they represent a cruel deception, more of the same budget chicanery that has so turned off the American people. Vote against the Penny-Kasich amendment.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Virginia [Mr. BATEMAN].

Mr. BATEMAN. Mr. Chairman, a few moments ago the distinguished chairman of the Committee on Ways and Means decried the fact that we are doing what we are doing, when and how we were doing it, and it is not proper in the legislative process to do it now and this way.

I would suggest to him that those remarks would have been better addressed to the leadership of this House, who forced those who would like to address the problem of deficits and to reduce spending as the only effective way to address that problem, why not address those concerns to the leadership, who force this as the only alternative we have in this session?

And it is flawed. I hope it will be improved, as we complete the process. But this is our last opportunity, as Members of this body, to effectively apprise our leadership and our constituents that we want the deficit reduced and we know that the only way we are going to accomplish it is by reductions in spending.

Mr. Chairman, few decisions over how to vote on pending legislation have given me so much difficulty as the Penny-Kasich spending reduction amendmnent. What concerns me is not that federal spending cannot be cut by $90 billion over the next 5 years. I strongly believe it can and should be done. Indeed, I support—and have cosponsored—bills that would achieve even greater spending reductions over this same time period. Therefore, my concern over the Penny-Kasich amendment is not because of the amount of spending cuts it proposes.

I am dubious of the reductions in national security proposed by the Penny-Kasich amendment. Having been actively involved in shaping the Fiscal Year 1994 Department of Defense Authorization bill and conference report recently adopted, I know we have already implemented billions of dollars in defense spending reductions that are significant.

I am one of those who believe that we have already decreased defense spending too much—not too little. The reductions in defense spending specified by the Penny-kasich amendment are not in themselves large. But they come on top of cuts in each and every fiscal year since 1985. Unless the administration reverses its position on defense spending for Fiscal Years 1995–1998, our Nation's defense capabilities will suffer in an unacceptable way.

Mr. KASICH assures me his initiative protects defense spending from any further reductions, and that civilian employmenmt at the Department of Defense will not be hit by the reduction in government employment. Since there has been a hiring freeze at DOD for several years, this is an important consideration. I cannot and will not support an ultimate package of spending cuts that further ravages our defense budget.

In my view, it is not the prerogative of the Budget Committee or of members of that panel to make sweeping policy decisions, such as to consolidate entire executive departments and Federal agencies into a new Department of Science as the Penny-Kasich amendment proposes, and to bring them to the floor without adequate hearings and without following the norms of the legislative process. Since this proposal claims little or no specific cost savings, why should it even be in this package?

These are a few, but by no means all, of the concerns I have about the Penny-Kasich amendment. My concerns are such that I seriously considered voting present on the amendment to reflect my concerns over this amendment's deviation from the norms of the legislative process, while not voting no and having that vote interpreted by my constituents and others as a vote against deficit reduction through spending cuts which I strongly support.

I will not vote present on the Penny-Kasich amendment. By this statement, however, I want to voice my objections over the way the Democratic leadership of this House has managed the floor schedule and the Rules Committee has structured this debate to discourage a meaningful and coherent action on deficit reduction.

Since the White House has unleashed a full-scale lobbying campaign against the Penny-Kasich amendment, and because the House leadership waited until the 11th hour of the last day of this session to schedule floor time for it, Mr. PENNY and Mr. KASICH have not had the benefit of a full and fair opportunity to structure their proposal and to work out the broadest, most effective and bipartisan coalition. They have had to race the clock, refine and reshape their proposal on an almost ad hoc basis. This has been unfair to Mr. PENNY, Mr. KASICH, to me, my colleagues and the American people who desperately want to see this House deal with deficit reduction in a cogent manner.

I ultimately have decided to support the Penny-Kasich $90 billion spending cut amendment. I do so despite my serious reservations over several items it does include, and my support for other spending cuts it does not include.

I am voting for Penny-Kasich because I believe cutting spending is essential to deficit reduction, which remains our Nation's greatest legislative challenge. Even with its flaws, Penny-Kasich is the superior and most viable proposal to achieve real deficit reduction by cutting spending first.

I also am supporting Penny-Kasich because if deficit reduction achieved through spending cuts is to have a chance of being enacted by this Congress, there must be a legislative vehicle moving to affect these changes. I know that the other body has adjourned and will not consider this legislation until next year. When in the next session of this Congress they do so, they will need a vehicle that manifests that this House and a bipartisan coalition is serious about deficit reduction and that spending cuts is a priority whose time has come.

Finally, the premise of Penny-Kasich is that the spending reductions it achieves is in order

to reduce the deficit and not to make room for additional, new spending in other areas of the Federal Government. This cannot be said about any of the other alternatives. If the name of the game is something other than cutting spending to reduce the deficit, I do not want to play.

In the hope and belief that the Penny-Kasich amendment will be subject to greater scrutiny and reshaping as it moves through the legislative process, and to go on record that cutting spending should have as its bottom line—deficit reduction, I will vote for the Penny-Kasich amendment.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida [Mr. GOSS].

Mr. GOSS. Mr. Chairman, I rise as a Penny-Kasich coconspirator, strongly in support of the Penny-Kasich amendment.

Mr. Chairman, what began as a noble debate over budget priorities has come down to a political brawl, with mistruths, threats, and scare tactics. In the true spirit of bipartisanship, the Penny-Kasich group offered a $90 billion deficit reduction plan. We have a choice between solid deficit reduction and a hollow shell game of "cut a little here, spend a lot there." Every member is under enormous pressure—Cabinet Members and special interests predict nothing less than the end of civilization as we know it if Penny-Kasich passes. They don't tell us what happens if it doesn't pass and the annual deficits keep rolling up the national debt faster than we, our children, grandchildren can pay it off.

Appropriations point out the possibility of early, untimely demise of projects in our districts. That is called political hardball. Some don't like it, but I do not respond to sweetened deals, or threats. I respond to my constituents and my best judgment. My constituents want deficit cuts now—they want to a balanced budget soon, and my judgment knows they are right. Support Penny-Kasich.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Chairman, as the leading defense hawk in this House, I support Penny-Kasich, which does not hurt defense at all. I ought to know, because I know that portion, and my colleagues know it is O.K. I support it.

Mr. Chairman, this debate comes down to a choice. What do we as a Congress stand for: Over the past 2 weeks I have received letters from special interest groups all across the country urging me to oppose Penny-Kasich for special reasons.

They claim it unfairly penalizes seniors; ignores our domestic spending needs; guts the national defense or terminates an essential project.

Mr. Chairman, in direct contrast to this barrage, I have received hundreds of letters from my constituents, Mr. and Mrs. Main Street America, urging me to support it, calling for spending cuts, deficit reduction and honesty with the American people.

These constituents are the heart of America, those who have given their sweat and blood to build this Nation into what it is today. They have already sacrificed for our Nation. Is it now time we followed suit?

For me, this is a simple choice. These people call for deficit reduction—and Penny-Kasich delivers it. The Sabo substitute and the Frank-Shays amendment does not.

These people call for a reduction in the Federal debt—Penny-Kasich cuts the debt, the Sabo substitute and the Frank-Shays amendment do not.

The American people call for spending cuts and Penny-Kasich is the only proposal before us today which honestly reduces the deficit. The Sabo substitute and the Frank-Shays amendment both allow—yes allow—their savings to be spent again.

While our constituents call for passage of Penny-Kasich, and the special interests call for its defeat, Where do you stand? Do you stand with the majority of the people in this country on the side of fiscal responsibility? Or do you stand with the majority and special interest groups in this House in defense of the status quo?

Stand with America and the financial future or our children and grandchildren, vote for Penny-Kasich!

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Texas [Mr. BARTON], a former great pitcher on the Republican baseball team.

Mr. BARTON of Texas. Mr. Chairman, Winston Churchill, in the darkest days of World War II, finally received word of a British victory at El Alamein in North Africa. When he went to address the euphoric British Parliament, he said, "My friends, this is not the beginning of the end of Nazi Germany, but it is the end of the beginning of our efforts to contain that monster."

That is where we are this evening. This is not the end of serious deficit reduction, should we pass Penny-Kasich, but it could be the beginning of the end of talking about it and the beginning to start actually doing something about it.

The American people demand that we actually start serious deficit reduction. They are fed up with Congress, as is proven out in poll after poll that shows the institutional rating of Congress at all-time lows.

Why do you think people have become more and more insistent on personal accountability of individual Congressmen? It is because they have given up that we will ever exercise institutional accountability.

We have not balanced the Federal budget since 1969. David Stockman, President Reagan's first Director of OMB, solved that problem with the magic asterisk, which said that there would be savings unspecified in the outyears to balance the budget.

Leon Panetta, President Clinton's OMB Director, does not even attempt the magic asterisk. He simply presents budgets that are never balanced into infinity. That is unacceptable. That is unacceptable to me as a voter, to me as a taxpayer, to me as a U.S. Congressman, and to me as a parent of 3 children that I want to have a future in this Nation that is not crushed by a huge Federal debt burden.

To my Republican friends, I would say, it is time for us to pass Penny-Kasich and begin to practice what we preach.

To my Democratic friends, I would say that you have got to "just say no" to the insatiable budget monster of special interest spending that has captured your caucus.

Vote for Penny-Kasich. Let us begin serious deficit reduction and end the meaningless talk about it. Mr. Chairman, I also recommend the House drop subtitle A, Title VII from H.R. 3400. This provision, which attempts to improve the Minerals Management Service Royalty Collection, has not been given sufficient time for comment and deliberation. Drastically altering current royalty collection provisions, to the extent of establishing new punitive penalties for unintentional under-reporting, deserves close consideration. This proposal has never been deliberated in house hearings and should not be passed without fully weighing its effect on our Nation's energy producers.

Subtitle A provides new and unnecessary royalty collection penalties. The existing penalties under the Federal Oil and Gas Royalty Management Act are severe and provide a strong incentive to make correct royalty payments. Since interest is already assessed on any underpayment, the Federal Government's financial position is fully protected without this plan.

Mr. Chairman, I believe this issue should be addressed in a conference with the other body, which reportedly opposes the provision. I hope that at that time we can remove this mistaken proposal.

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Mr. PENNY. Mr. Chairman, I yield one minute to the gentleman from Georgia [Mr. DEAL].

Mr. DEAL. Mr. Chairman, I thank the gentleman for yielding time to me, and for the invitation to participate in the bipartisan Penny-Kasich working group. I hope that bipartisan effort will continue into the future.

Mr. Chairman, all of us have seen the bumper sticker on the travel trailer that says, "I am spending my children's inheritance." As a Nation, we are not only spending our children's inheritance, we are leaving them with IOUs that they will not be able to repay during their lifetime. I want to suggest to the Members that that is generational immorality, and something we should not tolerate. If our Nation were an individual, we could not even pay for our own funeral. There is something wrong with that.

Mr. Chairman, for those who would say, "Not these cuts," I would ask them, "Then what cuts?" Like my friend, the gentleman from Washington, Mr. JAY INSLEE, for those who would say, "Not now," I would ask, "When?" It is the last hours of the last day. It is time for us to act.

Mr. Chairman, I think it is time we take one very, very small step toward financial and fiscal responsibility. Mr. Chairman, it is time that as a Nation, we stop eating our seed corn. I urge Members to pass this amendment.

Mr. KASICH. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Maryland [Mrs. BENTLEY].

Mrs. BENTLEY. Mr. Chairman, I would like to express my dismay that the Committee on Rules would not allow a freeze proposal to be included in this debate.

Mr. Chairman, at this time it is appropriate to enter into the RECORD the guarantees I have received from Messrs. KASICH and PENNY.

First, there are no unfunded Medicare or Superfund mandates for the states that will be caused by this amendment.

Second, there will be no reductions-in-force [RIFs] of federal employees if this amendment is passed.

Third, all changes to Federal and military retirement will be prospective in nature and only be done for new hires—in other words—this amendment will not affect the retirement of any current Federal employee.

With these assurances, I will vote for this amendment, but I am concerned that we are forced to vote for the least worst alternative. The Rules Committee should have allowed an open rule and permitted each Member the opportunity to offer amendments.

There is no reason why we must adjourn tonight. We could have, and should have, come back next week to consider proposals like a freeze plus 2 percent. We are picking and choosing winners in the budget.

Under the amendment science and R&D is a loser. This concerns me because the only way the United States will be competitive next century is if we invest in technology.

This is wrong.

However, this is the least worst alternative allowed by the Rules Committee, and I reluctantly will vote for it.

Mr. PENNY. Mr. Chairman, I yield 1 minute to the gentlewoman from Pennsylvania [Ms. MARGOLIES-MEZVINSKY].

Ms. MARGOLIES-MEZVINSKY. Mr. Chairman, I rise today in support of the Penny-Kasich spending cut package.

As a member of the bipartisan Penny-Kasich team, I must confess that there are cuts in here that I do not like. None of us likes all of these cuts. But, to paraphrase my good friend TIM PENNY, you can't cut spending unless you cut spending.

True deficit reduction cannot come without pain. But it is nothing compared to the pain our children and grandchildren will feel if we don't act today to decrease our deficit. In a recent New Yorker article, David Stockman, former Director of the Office of Management and Budget under President Reagan, observed that it is the responsibility of every President since Reagan to distribute pain to pay for the irresponsible budgets of the 1980s.

This is not about President Clinton's future—it's about Chelsea's. Members of the House, before you cast your votes today, think about the 1,026 children you directly represent as mothers and fathers. I make very few decisions here without thinking about the impact on the futures of my children, and Penny-Kasich is nothing if not directly about their futures.

While the children of our Nation may not be the voters of today, they are our future, they are our tomorrow.

If you are not prepared to vote for even this small deficit-reducing measure, you have absolutely no business telling your constituents you are serious about reducing the deficit. And if you are unprepared to lead, you cannot call yourself a leader. Have the courage, the sense of responsibility, and the compassion for the children of America to support Penny-Kasich and take this small step to eliminate our debt.

Mr. Chairman, this is no time for blame, and let me make this very clear: Republicans and Democrats, working together, gave us this national debt, and Republicans and Democrats, working together, like the Penny-Kasich team did, are the only ones who can help free our children and grandchildren from the overwhelming mass of debt they currently face.

To Members of Congress who posture tough on the debt but will vote against Penny-Kasich, I ask: were you here in 1980? In 1986? Are you here now? If so, you are responsible. We were not elected to be student body presidents, running school dances and pep rallies. We are here to solve these problems with the years 1997, 2004, and 2015 in mind—not only November 1994.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from Wisconsin [Mr. GUNDERSON], for the purpose of a colloquy.

Mr. GUNDERSON. Mr. Chairman, I rise in support of the so-called Penny-Kasich amendment.

However, I want to clarify for the record my understanding of the process intended by Mr. KASICH and Mr. PENNY in achieving these savings.

Mr. Chairman, section 216 of the amendment proposes $82 million in savings for low priority water projects in 1994 and $662 million over 5 years.

Am I correct that nothing in the amendment specifically denies funding for any project? Rather, the amendment assumes the Corps of Engineers will use their discretion to follow the 1994 appropriation intention to the maximum extent possible. Nothing in this amendment reverses policy decisions made in the 1994 appropriations bill. Rather it allows great flexibility to achieve the bottom line savings over the 5-percent period.

Can the gentleman from Ohio [Mr. KASICH] clarify this for me?

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. GUNDERSON. I yield to the gentleman from Ohio.

Mr. KASICH. Mr. Chairman, let me emphatically agree with the understanding and description of how these savings would be achieved, as just described by the gentleman from Wisconsin.

Mr. GUNDERSON. Mr. Chairman, I thank the gentleman.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the gentleman from Arkansas [Mr. DICKEY].

Mr. DICKEY. Mr. Chairman, what we need to decide is what the word deficit means and what it means to cut the deficit.

Mr. Chairman, we have, as a body here, people who will say they want to cut the deficit but they will not. What we need to think about is what the people of America want. If we took the voters and said to them, "Will you give up some of your projects to cut the deficit," I think overwhelmingly, overwhelmingly they would say, "Cut the deficit so we can have something later to spend." Why not do it? That is because the people in this body want to be reelected more than they want to cut the deficit.

The people are willing to do it. They are willing to sacrifice, because that is what happened when we were in the state of war in the past. They do not want to just recycle money, they want us to declare war on the deficit and sacrifice to get it. We need to do it here first and then do it at home later.

Mr. Chairman, why do we persist? That is because reelection is so important. We have a collision happening. Down one lane is the deficit coming, like a locomotive. Down the other lane, an 18-wheeler called spending addiction. We are going to have a collision here. We do not need it.

What can we do? Stopping spending and cutting the deficit equals the Penny-Kasich bill. We ought to vote for it.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentlewoman from Florida [Ms. BROWN].

Ms. BROWN of Florida. Mr. Chairman, I rise in opposition to the Penny-Kasich amendment to H.R. 3400, the Government Reform and Savings Act.

When President Clinton made his State of the Union Address to this Nation, he offered us a bold and courageous plan to move this Nation in the direction of prosperity and progress and away from the gridlock that existed in the Reagan and Bush years. His plan included a deficit reduction package of $500 billion over 5 years, and an investment blueprint for America's future.

The American people have made it perfectly clear that they want us to change our priorities to invest in America's future, and repair the damage done in the 1980's. Earlier this year, we responded to the call for change by passing the largest deficit reduction package in American history

and we began to invest in America's future by fully funding Head Start, the WIC Program, and adopting the President's National Service Act.

The Penny-Kasich amendment would turn back the clock away on the President's investment plan for our future. Instead the amendment would single out those groups, veterans, military personnel, Federal employees, farmers, children, and senior citizens, who were neglected in the 1980's and need our help now.

Let us vote this unfair amendment down. It will cause a great deal of unnecessary pain.

Mr. PENNY. Mr. Chairman, I yield 1 minute to the gentleman from New Hampshire

Mr. SWETT. Mr. Chairman, I rise today in strong support of the Penny-Kasich amendment. Look at what we have before us. We are already winning some of these battles. We have the big guns coming out trying to stop what is a small step toward fiscal responsibility in this country.

Mr. Chairman, I do not agree with everything that is in this bill, but I will tell the Members, if we do not get together and on a bipartisan basis start working out some of these problems, we are never going to see any kind of fiscal responsibility in this country.

Mr. Chairman, Penny-Kasich is a serious deficit reduction package. It is not business as usual. That is why so many of the big guns have been marshaled against it. I congratulate those of my colleagues who have withstood their withering barrage and intend to cast a "yes" vote on Penny-Kasich. Penny-Kasich is an outcomes-oriented piece of legislation. We need to encourage more efficient and effective public programs, and Penny-Kasich starts us down that road.

Mr. Chairman, in the long run the greatest threat to those who are disadvantaged in our society is the ongoing failure of this Congress to deal effectively with our budgetary proposals. If we do not address the deficit, there will be no moneys available for the future years to help those who need help.

Mr. Chairman, let us win this battle, too. It is time to say bye-bye to partisanship and welcome bipartisan solutions with Penny-Kasich.

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Mr. KASICH. Mr. Chairman, I yield 1 minute to the very distinguished gentleman from Wisconsin [Mr. KLUG].

Mr. KLUG. Mr. Chairman, Harry Houdini was a great Wisconsin magician, and I wish I could balance the Federal budget by simply a sleight of hand. But the truth is we can only do it by making real cuts in real programs, and sometimes it even hurts in our own district.

If this proposal passes tonight, it will mean that a local library in my district will lose construction funds, and a very good research program at the University of Wisconsin into fusion research will be cut. But there is no way to make a dent in the deficit without real anguish.

And let us get real. The package tonight represents merely $7 billion worth of cuts, and that means we have only $293 billion more to go this year.

And if you cannot take the heat on this vote, just wait for the next ones. There are no card tricks, no shell games, no magic, just tough votes ahead.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, I rise in strong opposition to this amendment. This amendment is anathema to the legislative process and to responsible public policy.

My colleague, the gentleman from Minnesota, speaks of a promise from the leadership for a "fair fight for more budget cuts." I ask whether this is a fair fight at all. Is it a fair fight for senior citizens who will see their health care benefits reduced without even the promise of future benefit? Is it fair to states, which will be forced to pay more than $5 billion in unfunded Medicare mandates? Is it fair to citizens to weaken environmental clean up standards and to undermine the Superfund Law for no meaningful savings? Is it fair to the industries and to the investing taxpayer to shut down the Securities and Exchange Commission? Is it fair to compromise our Nation's international competitiveness, energy stability and growth, national security, space policy, and basic research capability by consolidating the Department of Energy, the Department of Commerce, the National Aeronautics and Space Administration [NASA] and the National Science Foundation [NSF] into a new, monstrous-sized Department? Again, for no appreciable savings? Let me draw your attention to a chart on this matter.

Is this a fair fight for Penny-Kasich opponents? This amendment makes a mockery of the regular order and the normal legislative process. Sometimes we act without the benefit of hearings and committee consideration. Sometimes that is necessary, but now is not one of those times. Would the American public be stuck with all of this bad policy if we followed the regular order and drew on the expertise of the Members who are familiar with each issue? There are good reasons for the committee process in the House, but they seem to be lost on the supporters of this plan.

Most of the changes in permanent law made by this amendment—and many of those are significant—are ill-conceived and disturbing, and many of them do not even save the taxpayer money. I would like to insert for the RECORD an analysis of policy changes made by this amendment that are within the jurisdiction of the Energy and Commerce Committee.

Some of these examples have already been enacted into law. For example, the SEC fees in this amendment already passed last month in the appropriations conference report. But this language on SEC fees will have the effect of abolishing the SEC. Is this what the authors intended? Do they even know that this is a consequence of their amendment? Is abolishing the SEC a goal of deficit reduction? I find that hard to believe.

Supporters of this ill-conceived amendment have been modestly educated by the members of the House as to the misgivings of many of their proposals. Now they are plainly asking Members to vote for their amendment, not because it makes sense, but because it has no chance of becoming permanent law. Mr. PENNY and Mr. KASICH in their own Dear Colleagues are quite plainly asking Members to cast bad votes because they say the problems they are creating will be taken care of later.

In one of their Dear Colleagues, they give four reasons to vote for their package:

First, that only their package will reduce the deficit. Congress is lowering the deficit and the Sabo substitute moves further in that direction.

Second, similar proposals are not pending in the Senate, so we will have a chance to correct the problems with this package—namely, the Medicare cuts—in conference. It is remarkable that the House should pass bad legislation simply because it will not emerge from conference with the Senate. Third, in case we were concerned that some Senators might actually vote to pass legislation resembling this forlorn package, the authors point out that it takes 60 votes in the Senate to change spending caps. Again, the authors of this package are telling the Members of the House to vote for bad policy because the other body will not pass it. Certainly, that is a lot of faith to put in our colleagues on the other side of the Capitol.

Finally, the amendment sponsors tell us in their Dear Colleague today that we can vote for this bill because the "President has veto power," and "There is no way for these spending cuts to be adopted by a veto-proof margin." Are they saying that Members of the House should take leave of their senses, vote for reprehensible public policy, and inflict great pain on many portions of the American public because not enough of their colleagues will do the same?

I ask you, is this any way to run a Congress?

We in Congress are sent here to make sound decisions for our constituents and for this country after fair and careful deliberation. We must draw on our

experience and knowledge when being asked to carry out these tasks, not merely push buttons in the name of deficit reduction. We must be smarter than that, wiser than that, and stronger than that.

It is easy to vote for unsound budget cuts. It is infinitely more difficult to craft and vote for sound ones that make sense and will work.

Vote against this outrageous, misguided, irrational, unworkable, pathetic attempt to craft public policy.

SECURITIES AND EXCHANGE COMMISSION,
Washington, DC, November 22, 1993.

Hon. JOHN D. DINGELL,
Chairman, Committee on Energy and Commerce, House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR CHAIRMAN DINGELL: I have been advised that an amendment to the Penny/Kasich deficit reduction initiative would have a catastrophic impact on the Securities and Exchange Commission, the public, and the nation's securities markets.

According to the Congressional Budget Office, the amendment would be scored in such a way that the agency would lose the offsetting collections portion of its 1994 appropriation—approximately $142.6 million. A reduction of this magnitude could only be accomplished through a total shut down of the agency not later than February 1994. Reductions in force or furloughs could not generate sufficient savings to offset the agency's funding loss.

If this amendment is adopted, the entire range of program activities to protect investors would cease. All law enforcement investigations and market oversight functions would be abandoned thereby giving license to widespread fraud and manipulation. The SEC would not be available to register securities thereby halting all capital formation in the country. In effect, the SEC would be abolished.

Please advise me if you need more specific or additional information.

Sincerely,

ARTHUR LEVITT, Jr.,
Chairman.

ANALYSIS OF ISSUES OF CONCERN IN THE PENNY-KASICH AMENDMENT IN THE JURISDICTION OF THE ENERGY AND COMMERCE COMMITTEE

SEC. 202. DEPARTMENT OF SCIENCE, SPACE, ENERGY AND TECHNOLOGY

The amendment authorizes the establishment of a new Department of Science, Space, Energy and Technology. There are a number of workability problems with this provision. It transfers the National Aeronautics and Space Administration, the National Institute of Standards and Technology, the National Science Foundation, the National Oceanic and Atmospheric Administration, the National Technical Information Service, the Patent and Trademark Office, National Telecommunications and Information Administration, and the Department of Energy (DOE) to this new Department before it is established. In the case of the DOE, certain listed functions are to be transferred to the Department of Defense. These transfers take place not later than September 30, 1994. Once the functions and offices are transferred under subsection (d) a list of offices are terminated. The bill also repeals section 201-203 of the DOE Organization Act.

Further, the bill terminates offices, such as the Office of the Secretary of Energy, but not the entire Department. The term "function" is defined to include authorities. The term "Office" includes components. Thus, the Energy Information Administration and the Federal Energy Regulatory Commission are probably transferred to this new Department, along with the Economic Regulatory Administration.

The costs associated with moving these agencies toward consolidation could be significant in the near term. Penny-Kasich originally claimed savings of $500 million from this consolidation effort. The $79 million in savings scored by CBO for the proposal does not come from increased efficiency, but from a statutorily mandated personnel cut of 350 employees. This number is completely arbitrary, not based on need or demonstrated usefulness. It is not clear if this number is in addition to the 252,000 federal employees to be cut for overall workforce reduction or an arguably disproportionate workforce loss for the important functions contained in these departments. Basically, the creation of this new department is not a budget issue, but rather a policy issue, and there are a number of specific concerns with the policy this language seems to set out.

Further curious is that in section 202(e)(2)(H)(ii), authorization is given to the Secretary to permit any public, private agency, corporation, association, or organization or individual to use any of the new Department's facilities or real property. This would allow, for example, church groups, big corporations (like IBM), lobbying organizations, and others to use for up to five years these taxpayer paid facilities albeit under possibly some fee schedule.

Section 202(e)(2)(G)(i), would also authorize the new Department to acquire land and facilities for schools and related purposes, laboratories, housing, and personnel equipment. That is a very broad authority beyond that which is already provided to the General Services Administration.

Certainly, it is important to avoid duplication among departments and agencies, but it is not wise to establish a massive and potentially inefficient bureaucracy. In this proposal as many as 62 individuals would be reporting directly to the Secretary. Additionally, it is not clear that a number of important functions presently being performed by these Departments will be adequately preserved in this new configuration. Energy production and regulation, manufacturing and trade policy all would be shuffled in this plan.

SEC. 204. RESCISSION OF FUNDS FOR FEDERALLY SPONSORED UNIVERSITY RESEARCH AND DEVELOPMENT

Sec. 204 makes cuts through rescission of funds in NIH-supported research and development grants. The original proposal was to achieve these savings through a cap (50%) on indirect costs associated with these grants. It appears that this is still how the amendment achieves cuts. However, the bill as drafted does not refer to indirect costs, just to cuts in grants. This could subject important medical research to cuts that could jeopardize its outcome.

SEC. 205. RECOUPMENT OF CERTAIN GRANTS

This section requires the Departments of Energy and Commerce to establish a process for recouping the federal share of all costs shared research, development, demonstration and commercial application projects. Cost-shared and jointly funded cooperative work efforts between industry and government is one means by which we are seeking to make our nation's industry more internationally competitive. It allows us to fully utilize our national resources.

This recoupment exercise could affect promising programs in energy, trade, microcomputing, telecommunications, natural gas, coal, and efficiency technologies just to name a few. And it could potentially require the expenditure of a great deal of time and money to go back and review all of the grants that these Departments have entered into, regardless of their merit, to determine if recoupment is necessary. There is no reason to believe this proposal will save the government any money. The Congressional Budget Office did not score savings for this proposal. This is another example of a policy directive in this amendment that is questionable in its goals and workability and does not even save the government money.

SEC. 208. DEPARTMENT OF ENERGY FACILITIES CLOSURE AND RECONFIGURATION COMMISSION

This section requires the establishment of a 7-person Department of Energy Facilities Closure and Reconfiguration Commission. The Secretary of Energy must develop criteria for making recommendations for such closure or reconfiguration. This section, however, does not define the term "facilities". That becomes important because it could include: the Bonneville Power Administration, the Southeastern Power Administration, the Alaska Power Administration, the Federal Energy Regulatory Commission, the Environmental Restoration and Waste Management Office and any of the National Laboratories to name a few.

The section also changes the rules of the House regarding the referral of a resolution to disapprove a closure resolution. The resolution, if introduced, would bypass the Committees of Jurisdiction, including the Energy and Commerce Committee.

Additionally, the provision mandates a 25% reduction without the benefit of completed assessment of the condition and capability of the facilities. The Department of Energy is currently undergoing a comprehensive review of these facilities to determine their competency and efficacy. The focus of the review includes industrial competitiveness, environmental clean-up, resource efficiency, and pollution prevention. The mandate is premature and could do a great deal more harm than good.

SEC. 210. RESCISSION OF FUNDS FOR FOSSIL ENERGY RESEARCH DEVELOPMENT

The rescission of $54 million in this program would seriously undermine efforts that are useful to our nation's energy security, environmental compliance, and competitiveness in the 21st Century. It would inhibit the development of useful natural gas technologies which have major economic and environmental benefits domestically and internationally. In the oil area, it will impede ongoing cost-shared efforts to prevent the premature abandonment of domestic oil fields. It will also significantly slow this program's continued ability to assist private industry in developing technologies that will help them comply with the requirements of the Clean Air Act. Elimination of promising natural gas research by this amendment could severally hurt efforts to wean this nation from reliance on imported crude oil.

SEC. 213. TERMINATION OF CLEAN COAL TECHNOLOGY PROGRAM

The U.S. has a 500 year supply of coal and coal represents 30% of basic energy produced in the U.S. The Clean Coal Technology program promises more efficient use of coal and

a reduction in emissions that contribute to acid rain and global warming both of which would be major benefits to our economy and the environment. Efficient use of this energy source, and the development of clean technologies through this program, will help us maximize domestic resources, control emissions and promote the export and transfer of U.S. clean technologies and services to developing countries. The program is jointly funded by private investment and has already produced promising innovations.

SEC. 214. RESCISSION OF FUNDS FROM SPR PETROLEUM ACCOUNT

The Strategic Petroleum Reserve (SPR) is essentially an insurance policy against severe oil shortages, resulting recession, and blackmail from the Middle East. It protects Americans from market fluctuation and price hikes in the case of an oil supply disruption. The SPR was drawn down during the Gulf War and helped stabilize and drive down oil prices. This proposal does not give the Administration the ability to fill the SPR to prepare for another supply disruption. The last three U.S. recessions were all immediately preceded by oil price shocks. The SPR is the nation's only defense against the enormous disruption to the economy and severe job losses that these price shocks have helped bring about.

SEC. 217. PREFERENCE FOR INTERIM MEASURES IN SUPERFUND RESPONSE ACTIONS

The Penny-Kasich amendment would eliminate existing state and federal standards that establish the degree of cleanup at toxic waste sites. These are standards designed to protect human health and the environment. Instead, the amendment establishes a preference for institutional controls like fences and containment methods like caps. At many sites these remedies fail to protect human health and the environment. Obvious examples are sites in a flood plain like the Mississippi River, or a wetlands area.

Other equally bad results will occur because of this amendment. Severe impacts will be felt by the many new companies which have been working to develop innovative and cost-effective treatment technologies. Jobs would be lost. Further, a shift to containment and control remedies would impede redevelopment of contaminated sites, particularly in our urban areas and impose a greater burden on nearby residents.

This amendment, according to the Congressional Budget Office, achieves no direct spending savings from the Superfund program. No limitation is placed on appropriations from the Superfund Trust Fund. Indeed, in 1995, this amendment authorizes a four-fold increase, from $250 million to over $1 billion, in the amount of money authorized to be spent from general revenues—directly from the taxpayers. This is in addition to money currently available from the "Hazardous Superfund Trust Fund" which comes from a dedicated tax on private industry.

Then, in the three years from 1996–1998, this provision authorizes new expenditures of general revenues to the tune of approximately $3.5 billion. These are expenditures of $3.5 billion not currently authorized by law.

SEC. 227. ELIMINATION OF FUNDING FOR PUBLIC TELECOMMUNICATIONS FACILITIES AND SECTION 401. REDUCTION IN FUNDING FOR ARTS AND HUMANITIES PROGRAMS

The elimination of funding for public telecommunications facilities and the cut in funding for the Corporation for Public Broadcasting contrary to congressional commitment to universal access and equity in distribution of educational and informational programming. At a time of serious budget deficit, these programs have proven themselves to yield a strong return on the taxpayer dollar. Local stations have raised private contributions to supplement federal support at a 6 to 1 ratio to meet a number of national goals: literacy, preparing children to learn, and providing equitable access to educational opportunity nationwide.

SEC. 305. TERMINATION OF INTERSTATE COMMERCE COMMISSION

The ICC performs a number of critical public interest functions. Penny-Kasich is contrary to the clear intent of the ICC Act, i.e., that a competitive, efficient interstate transportation system be ensured by an independent regulatory body. Further, the ICC has proven its ability to "do more with less." The ICC's budget has decreased by more than 40% since 1979. During that same time, the ICC staff has been cut by 70%. An identical amendment was defeated by both the House and Senate this year during debate on the transportation appropriations bill. The amendment was opposed by numerous transportation, agricultural, labor, and public interest groups.

SEC. 326. INCREASE IN SEC REGISTRATION FEES

According to CBO, this amendment would be scored in such a way that the SEC would lose offsetting collections of approximately $142,600,000. In response, the SEC would have to close its doors no later than February 1994. Because of the magnitude of this cut and the amount of fixed expenses (rent, telephone, etc.), RIFs and furloughs would provide only limited savings and at best would reduce only by days the closing date.

The entire range of SEC functions to protect investors would not be performed. Most importantly, the SEC would not pursue investigations (thereby creating a blanket license to steal in our securities markets) nor would the SEC be available for the registration of securities (capital formation in this country would cease). *The effect of this amendment is to abolish the SEC.*

SEC. 327. TRAVEL, TOURISM, AND EXPORT PROMOTION FEES

This proposal is another unfunded mandate that shifts the costs of operating the U.S. Travel and Tourism Administration and the International Trade Administration to states. This proposal is similar to fees that this Committee enacted as part of the 1990 Reconciliation Bill at the request of the Bush Administration, that have never been implemented due to that Administration's claim that they violate international treaties.

SEC. 504. CONSOLIDATION OF CERTAIN SOCIAL SERVICES PROGRAMS INTO A SINGLE BLOCK GRANT PROGRAM

This proposal consolidates largely unrelated programs on the pretext of savings administrative costs. The real effect will be to cut programs covered by the Social Services Block Grant and the Community Services Block Grant.

SEC. 603. IMPOSITION OF 20 PERCENT COINSURANCE ON CLINICAL LABORATORY SERVICES UNDER MEDICARE

SEC. 604. IMPOSITION OF 20 PERCENT COINSURANCE ON HOME HEALTH SERVICES UNDER MEDICARE

This provision increases co-payments under Medicare and will result in about $5.1 billion in unfunded mandates to states. The state governments must pay for coverage for the elderly and the disabled who live below 150% under the poverty line.

SEC. 605. RELATING MEDICARE PART B PREMIUM TO INCOME FOR CERTAIN HIGH INCOME INDIVIDUALS

SEC. 606. INCREASE IN MEDICARE HOSPITAL INSURANCE DEDUCTIBLE FOR CERTAIN HIGH-INCOME INDIVIDUALS

SEC. 607. ESTABLISHMENT OF STANDARD PAYMENT RATES FOR HOME HEALTH SERVICES

About $37 billion in savings come from increasing the out-of-pocket expenses of Medicare beneficiaries. Most of these proposed savings are also included in the Administration's health care plan where they are balanced by new long-term care and prescription drug coverage. Indeed, *any comprehensive health care reform plan will require these savings as a source of financing.*

The Penny-Kasich amendment contains a number of out-of-pocket increases for Medicare beneficiaries. In the guise of soaking upper income beneficiaries, the amendment puts de facto levies on sick elderly people by requiring payments for laboratory and home health services. Elderly people able to afford private Medigap insurance will doubtless face rate increases as a result. Those unable to afford private coverage could face staggering increases in out-of-pocket costs. In essence, the provision shifts costs to those least able to pay.

Some will reply that variations of these provisions appear in President Clinton's health plan. They do, though the President never conceived of the idea of means testing a hospital deductible. This could result in an elderly person showing up at the hospital only to face a mountain of paperwork before being admitted. In addition, this amendment would have the elderly subjected to income determinations and turn hospitals into welfare offices.

Where the President has suggested Medicare changes he has done so in the context of major reform. The most important elements of that reform are universal coverage and cost containment. Medicare beneficiaries would get new benefits and would live in a world where costs would be constrained. In this context we can begin to talk about shared responsibility. Penny and Kasich apparently believe that responsibility for health reform and deficit reduction should only be shouldered by the elderly and the sick. Do they suggest a single protection from rising costs for the sick and elderly? No. They merely seek to undermine the one legitimate plan that would provide meaningful protections.

Twelve years of Reagan and Bush cuts to Medicare without an iota of health reform has brought us to the precipice of disaster. This amendment would push us over the edge.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. BROWN].

Mr. BROWN of California. Mr. Chairman, I rise in opposition to this amendment. Both the Kasich-Penny amendment and the Frank-Shays amendment have substantial, and, to me, troubling implications for programs in the jurisdiction of the Committee on Science, Space, and Technology. But my concerns go far beyond narrow disputes over turf or protection of favored programs. These amendments raise fundamental questions about how we do business in this Congress and the direction we want to take this country over the next several years.

Everyone will find things they can agree with or things they don't like in this amendment. And everyone can sympathize with the desire to reduce the deficit by eliminating wasteful or very low priority spending. But no one should be comfortable with a bill that pushes down the ceiling on discretionary programs so far that it becomes impossible to make investments that are every bit as important to our nation's future as deficit reduction. Nor should we be comfortable with a bill that makes sweeping policy changes in a slapdash fashion, totally outside the normal legislative process.

Let me give you some examples:

The Kasich-Penny amendment would combine several Government agencies into a single department of Science, Space, Energy, and Technology. This idea is worthy of consideration; in fact, in order to stimulate debate earlier this year, I cosponsored similar legislation. But I can't imagine that we would want to make such an important decision as part of a hastily drafted, last-minute amendment to a budget bill. When a proposal as complicated as this has no legislative record, one expects unintended and unfortunate consequences.

This proposal is full of such consequences. To choose but one, this provision would create a massive inefficient bureaucracy with 62 individuals reporting directly to the Secretary. This number is not my estimate. It is in the analysis provided to us by the Secretary of Energy, the Secretary of Commerce, and the Administrator of NASA.

The Kasich-Penny amendment would also create a Department of Energy Facilities Closure and Reconfiguration Commission to implement a 25-percent reduction in the overall budget for Department of Energy facilities. We have seen no analysis whatsoever to support the idea that, in a time of immense national need for clean, secure sources of energy, we should cut DOE labs by 25 percent. There are legitimate questions that need to be addressed about the future role of energy facilities and other Federal laboratories. But this is not the vehicle and now is not the time. Our committee will report a bill early next year that will address DOE lab issues through the normal and appropriate legislative process.

Kasich-Penny also proposes a rescission of funds for federally sponsored university research and development, and I believe it is their intention to achieve this through a 50-percent cap on university R&D overhead. I think it is important to point out that the Office of Management and Budget has recently revised its circular A–21, which contains regulations governing indirect cost reimbursement for colleges and universities. This revision followed extensive negotiations—just last year—among universities, Federal funding agencies, OSTP, and OMB to address past problems. This process should be given time to work. If, however, it is the intention of the drafters to cut university R&D directly, they have an obligation to make the substantive policy case that we are currently spending too much on R&D. Most serious analysis suggests that the social rate of return on R&D is quite high and we should be doing more of it.

Kasich-Penny also proposes large cuts in fossil and fusion energy research and development programs and termination of the Clean Coal Program. Most of these cost savings would represent a reversal of the policy decisions we made last year in the Energy Policy Act, which passed the House overwhelmingly.

Finally, I think the Penny-Kasich and Frank-Shays proposals need to be placed in a broader budget context. I am not sure that Members understand how much budget cutting we have already done this year. The spending caps enacted as part of the Omnibus Budget Reconciliation Act of 1993 have already put incredible pressure on discretionary programs. We will need to find tens of billions of dollars over the next 5 years—a real cut of about 12 percent—just to meet these caps. Domestic discretionary spending will fall from 3.7 percent of national income in 193, to 3.4 percent in 1998. This is lower than in any of the last six administrations. Under Kasich-Penny discretionary spending would fall even further from 51 percent of the budget in 1980 to 37 percent in 1998.

What troubles me about continuing such aggressive lowering of the discretionary caps is that it seriously threatens Government investment programs. Deficit reduction is important for encouraging private investment, but most studies show that Government investment in infrastructure, the health, education, and training of workers, and research and development is an important complement to private investment in raising productivity, and, ultimately, our standard of living. Penny-Kasich reductions in discretionary spending caps threaten our ability to make worthwhile public investments, especially in the critical area of R&D. The United States is already spending less than two-thirds of what is major industrial competitors spend on R&D. Kasich-Penny would make that situation even worse; over 20 percent of the Kasich-Penny proposals pertain to R&D issues. This sort of mindless meat-axing is counterproductive to the whole purpose of deficit reduction.

So, I am troubled by Penny-Kasich on both substantive and procedural grounds. I understand the desire of Members to find ways of further reducing the budget deficit. But proposals as important as creating a Department of Science or reversing major energy initiatives that we have just recently enacted deserve full debate through normal legislative processes. Lowering the budget caps still further threatens the very investment programs we need to encourage a strong economy. The normal budget process will afford us plenty of opportunity to revisit the question of deficit reduction as we debate the fiscal year 1995 budget next year.

I urge my colleagues to reject this amendment.

Mr. PENNY. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Minnesota.

Mr. PENNY. Mr. Chairman, I would ask the gentleman, you do have legislation that accomplishes if not identical very similar objectives in this area, do you not?

Mr. BROWN of California. Similar objectives, but in a different way, yes.

Mr. SABO, Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. MURTHA].

Mr. MURTHA. Mr. Chairman, let me just make a couple of points that I think are so important that the Members should be aware of. We can talk about these caps not taking effect, we can talk about going to conference and changing them and we can talk about establishing walls to protect Defense.

I have a letter from the OMB director that says there will be no budget walls next year. I am convinced that we are on the very edge of a hollow force. We have a $750 million shortage in O&M for the U.S. landforces. I was just talking to a young pilot that was in Bosnia flying overflights. They are flying every day. We are wearing the airplanes out, we are wearing out the equipment, and the troops are suffering.

There is no way we can afford to take this Defense cut, and this is a real Defense cut of $23 billion.

There is a saying in the Appropriations Committee that the whistle does not move the train, the money moves it. You can talk, and you can promise, but you cannot make a $23 billion cut in Defense in addition to what we have reduced in the last few years and expect to have a defense that will be prepared in case of a national emergency. We will not be able to move the troops, we will not be able to pull off a Desert Storm. We have under arms less people than we had during Desert Storm. We could not get them to Saudi Arabia in the time that we did. We could not fight a two-front war. We can barely fight a one-front war that would take us 6 or 7 months to get the troops in the theater.

So I am convinced that as good-intentioned as this amendment is, it would be devastating to Defense. And anything Members say about what would happen, what they would like to come out of conference, the facts are that this cap reduction is cutting $23 billion more out of Defense, and it will have a devastating effect.

Section 701, title 7 of the Penny-Kasich amendment codifies into law a reduction of $44.8 billion in budget authority and $42.5 million in outlays in the budget caps for discretionary spending for fiscal years 1994–1998.

Defense spending makes up approximately half of discretionary spending and will have to take at least half of these reductions, if not more.

Thus the actual impact of Penny-Kasich is a reduction in the range of $23 billion in defense spending over the next 5 years.

As many of you know, Secretary Aspin has already stated that the bottoms-up review has concluded there is a $13 billion shortfall in the funding available for defense. There are indications this shortfall is understated.

Thus the actual impact of Penny-Kasich along with known shortfalls is at least a $36 billion shortfall in defense to meet the funding requirements of the 5 year defense plan embodied in the bottoms-up review.

Also, the Department of Defense must absorb or must pay items that were not in the 5 year defense plan: 2.2 percent military pay raise—$1.3 billion each year; civilian locality pay—$676 million in fiscal year 1994; and medical programs—champus—$242 million shortfall in fiscal year 1994.

As I wrote in a recent dear colleague letter:

First, the projected uniformed strength by 1997 of 1,400,000 would be the lowest number of personnel in the Armed Forces in 57 years.

Second, this year's spending level for defense as a percentage of the GNP is projected to be the lowest it has been since before World War II with the exception of fiscal year 1948.

Third, in constant dollars, the procurement account has declined by 64 percent in 9 years.

Fourth, budget outlays for national defense as a percentage of the Federal budget are the lowest since before World War II.

The Penny-Kasich amendment would require the following reductions:

First, approximately another 50,000 civilian reduction on top of the reduction of 115,000 embodied in the bottoms-up review.

Second, discharge of about 100,000 Guard and Reserve personnel.

Third, loss of 125,000 private sector jobs as large cuts are made in procurement and research and development.

Let's not approach important national security issues in the context of a massive piece of legislation such as Penny-Kasich.

Do not vote for another massive cut in defense which has been so severely cut back in recent years. Vote no on Penny-Kasich.

Mr. PENNY. Mr. Chairman, may I inquire as to the time remaining?

The CHAIRMAN pro tempore (Mr. BROWN of California). The gentleman from Minnesota [Mr. PENNY] has 6½ minutes remaining, the gentleman from Ohio [Mr. KASICH] has 4 minutes remaining, and the gentleman from Minnesota [Mr. SABO] has 10 minutes remaining.

Mr. PENNY. Mr. Chairman, who is entitled to close debate on this amendment?

The CHAIRMAN pro tempore. The gentleman from Minnesota [Mr. PENNY] is entitled to close debate.

Mr. PENNY. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. MINGE].

Mr. MINGE. Mr. Chairman, this is an awkward moment for me. Colleagues from Minnesota are managing both sides of the debate. The vote is not easy. We are considering spending cuts that affect my district. We are cutting programs that I support and would like to see expanded.

The Penny-Kasich proposal is not perfect. Yet, we cannot make the best cutting proposal the enemy of a good one.

□ 2030

We need to move dramatically.

I represent a district in economic distress. Yet when I tell my people what is at issue they say, "Make the tough decision. We support you in making the cuts that affect us as long as others are cut as well."

We need to reduce the acid level of partisanship that is at the heart of this institution. We need a bipartisanship approach. We have a start in this proposal. Let us seize it and show the Nation we have the strength to make the tough decisions and move toward ending the insidious deficit that is destroying our future.

Mr. KASICH. Mr. Chairman, may I ask, how many speakers does the gentleman from Minnesota have left?

Mr. SABO. Four.

Mr. KASICH. Mr. Chairman, I ask unanimous consent that both sides be given 10 additional minutes in this debate.

The CHAIRMAN pro tempore (Mr. BROWN of California). The Chair would note that the request is out of order since the time is fixed under the rule.

Mr. SABO. How many speakers does the gentleman have?

Mr. KASICH. Three speakers left with about 4 minutes.

Mr. PENNY. Mr. Chairman, I yield 1 minute to the gentleman from Idaho [Mr. LAROCCO].

Mr. LAROCCO. Mr. Chairman, here is what it is all about, this little penny here, one penny on the dollar.

Have you ever dropped a penny and walked by it and say it is insignificant? It is significant. We can make a difference. One penny on the dollar, that is all we want to save, and apply it right to deficit reduction and we can make a difference.

Let me speak to my colleagues who are undecided on this. Think about it for a minute, if you are undecided, let us keep this process going. Let us shake this place up a little bit. Let us shake it up a little bit and keep the process moving. Let us push this bill out of here. Let us tell America we are serious about cutting the deficit, we are serious about cutting spending, we are serious about tightening our belts and making tough choices.

Disastrous? Dangerous? Draconian? I think not. Smart? Prudent? Listening? Standing up for what is right? I think so.

Let us send a clear message to our constituents that we are ready to take the tough votes here in the House of Representatives.

The next time you walk past a penny, think about it. We could have saved a penny on a dollar over the next 5 years. Let us pass Penny-Kasich. Let us send it to the Senate. Let us send a clear message to our colleagues over in the other body and to America and to our constituents.

Pass Penny-Kasich.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK. Mr. Chairman, I want to just dispel some myths which I heard here in the House. First of all, there is nothing wrong with bipartisanship. I think it is great when we are trying to do something good. But now you are hiding behind a lot of smoke and mirrors to make people believe that you really believe in deficit reduction.

I want to tell you why there are a lot of people involved in this. They wrote a check which they do not have the money to fill. When they ran for office, they went out and told the American public, "We are going to Congress, we are bashing on it now, so when we get there, we are going to change that sucker. We are going to change it from top to bottom. We are going to turn everything around and make a new Congress."

Let me tell you something, you are not going to be able to do it, because you have got to go through the same door these people did that you see sitting all over here. So deficit reduction, if it is really true and pure, you will come to this Congress, not fool people that you can do this, because all you are doing tonight is writing that check; 80 separate funding proposals.

How in the world are you going to fund it? No scrutiny, no committee action, never been before appropriations, never been anywhere, cutting out all of these rules which you all made. You made these rules.

Now you come back here to me in front of a freshman and say, "We went about this right. We are going to pass this with 80 different funding proposals tonight."

And to think of it that some of you are being taken in by this crap. I do not understand it. You are being taken

in by it. You think you are doing something. The people back home say, "Hooray." "Deficit reduction."

What are you going to do about crime? What are you going to do when they break into your home? What are you going to do when they put a gun at your head? You are not going to have anywhere in this Congress to go and get some money to fight it. Do not come to me and say, "I am sick of this crime. I am sick of welfare." Get sick. But you are going to have to heal it. And it is going to take money.

I am saying to you put up or shut up, and all you are doing is taking numbers and squeezing them together and you are not coming out with what the American public wants you to do. But I know all of you, what you promised, but I am not going to help you deliver it, because I am voting against Penny-Kasich, because Penny-Kasich is sick.

Mr. KASICH. I yield 1 minute to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Wake up. Our country is going bankrupt, and we are talking like it does not matter.

"Burning Money," "Government Racket, Waste from A to Z," "Bankruptcy 1995," these are all books that document the problem. We are talking about what you read in the paper today—a trillion-dollar deficit in our Federal retirement system. We have a national debt that will go up 40 percent in the next 5 years, $1.6 trillion, and you say it is a fraud. It doesn't matter.

Wake up. My God, wake up. This is the one opportunity you have on a bipartisan effort to get our financial house in order. The programs you care about now will not be funded in the future, because we will be bankrupt in the years to come, and it will not matter what we do.

My colleagues, don't let this opportunity slip by you. Please, seize this moment. You have the gentleman from Minnesota [Mr. PENNY]; you have the gentleman from Ohio [Mr. KASICH]; they have worked together on a bipartisan effort with a team of Republicans and Democrats to make logical rational cuts to our budgets. It means something. These are real numbers. Act while we have the chance.

The President and everyone here should nourish the effort, protect it, encourage it, not stamp it out.

Vote for Penny-Kasich and get our financial house in order.

Mr. PENNY. Mr. Chairman, I yield such time as he may consume to the gentleman from Arizona [Mr. COPPERSMITH].

Mr. COPPERSMITH. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I support the Penny-Kasich amendment to H.R. 3400. I participated in the unique bipartisan task force that produced the amendment, hoping that this unconventional group might yield unusual and successful results. However, during the last several days, I have heard from a number of groups, friends, and colleagues urging me to vote "no". I greatly respect those whose views I have heard. My friends have pointed out legitimate and worthy criticisms of this proposal. I cannot easily cast my vote against my friends, especially when I know they are absolutely right; Penny-Kasich is not perfect.

It includes cuts that I do not support. Indeed, it includes cuts to some programs that I strongly support. At the same time, the internal dynamics of the Penny-Kasich group meant that this proposal does not include other cuts that I support and consider necessary and appropriate, such as the elimination of the Advanced Liquid Metal Reactor [ALMR] Program. However, as a direct result of the momentum for making difficult budget choices created by the Penny-Kasich task force, the package Mr. SABO offered earlier today has been strengthened and included much that I can support, including termination of the ALMR Program. Ultimately, Penny-Kasich forced the leadership to bring to the floor a laudable and worthy package, and I was pleased to support Mr. SABO's amendment. Some now say we should be satisfied with that step. I do not agree.

I will vote for the Penny-Kasich amendment because it represents important, honest, and significant deficit reduction legislation. Yes, the discipline it will impose will hurt; it's supposed to hurt. If it doesn't hurt, it's not discipline. Moreover, no one district or group will bear the pain alone. All of us, including Members of Congress, will have to re-evaluate what we are doing. We must try to do more with less, and we also must recognize that we will not be able to do everything with our limited public resources.

I received a letter this weekend from a friend who vigorously supports a program active in Arizona, a good and vital program that receives some Federal funding. Penny-Kasich will reduce funding for that program by 5 percent. My friend recited the good the program does, good that it is claimed it will not be able to do without that 5 percent of its funding. Instead, I wondered, what is happening with the other 95 percent if all the good the whole program does depends only on the last 5 percent?

We must learn that we cannot reduce the deficit by cutting only unnecessary programs and waste. We need to make thoughtful choices among programs that do some good and trim those that do not measure up to the highest standard. Penny-Kasich is a difficult and unpalatable answer, but it is an answer to a vast problem that we cannot resolve with easy, sugar-coated solutions. I urge my colleagues to vote "yes" on this amendment.

Mr. PENNY. Mr. Chairman, I yield 1 minute to the gentlewoman from the State of Washington [Ms. CANTWELL].

Ms. CANTWELL. Mr. Chairman, I rise in strong support of the Penny-Kasich amendment which will cut an additional $90 billion from the Federal budget.

Reducing the deficit is never going to be comfortable. How could it be?

We have $4 trillion debt. Spending cuts are not always going to come from somebody else's backyard. How could they? We all ran up this credit-card bill.

What we need to do, our job is to make responsible spending decisions.

This is not a Democrat issue. It is not a Republican issue. It is a 1990's issue. It is about saying what we did in the 1980's on deficit reduction was not good enough.

It is time to stop selling our future to finance the present.

Penny-Kasich is a bipartisan effort that builds on the President's deficit-reduction package. Let us start this new era of fiscal responsibility by passing this measure and start the process now.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. CONYERS].

Mr. CONYERS. Mr. Chairman, I have examined this amendment, and I stopped counting after 15 cuts. I don't know what your districts are like, but if I went back to Detroit and told my constituents that I wanted to cut Medicare by $34.2 billion, and force elderly Alzheimer's patients to pay a 20 percent deductible on their vital home care needs, they would begin to wonder.

In fact, I think they already are wondering. They know that 42 million people don't have a dime's worth of health insurance, and they wonder if we care. They know that this bill will place Head Start, Women Infants and Children, and immunizations programs at risk, and they wonder what sort of mind-altering illness we've managed to catch. They see the obvious need for breast cancer screening, tuberculosis control programs, AIDS services, and community health centers, and they wonder if we have taken leave of our senses.

So many of my constituents ask me, "John, you've co-authored a plan to provide health insurance to everyone, regardless of employment or income. How come Congress won't help us by passing it?" And I explain that President Clinton has introduced a plan to reform health care. The plan is flawed, but it represents a starting point. From this plan we will move toward a single-payer plan that will cover all Americans equally.

But with this amendment, we cannot even take that important first step. By eliminating these funds from the budget, we are eliminating any chance for health care reform. This amendment is a cheap parlor trick designed to make reckless and irresponsible spending slashes look like real deficit reduction.

The gentleman on the other side of the aisle says "Wake up!" That's right—wake up! We don't even know what's in this bill. There have never been hearings to address these proposals. These cuts haven't been taken through the proper process. To make this decision without the benefit of a thorough study of its effects is to invite economic disaster. This amendment will wreck the fragile economic

program we have carefully crafted. We have spent hundreds of hours studying the administration's proposals, and already made deep, specific cuts to attain deficit reduction. It would be irresponsible to blindly slash at additional programs such as Head Start and Medicare that are so important to America's poor, elderly, and disenfranchised.

I urge all my colleagues to consider what we are doing here tonight. This is the last night of the session, but we should not make reckless decisions at the 11th hour just to run home and claim that we fulfilled our duties and cut programs. Turn this amendment around and send it back to its authors, and let's continue a thoughtful process of deficit reduction that doesn't throw the baby out with the bathwater.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from Virginia [Mr. GOODLATTE].

Mr. GOODLATTE. I thank the gentleman for yielding and rise in strong support of Penny-Kasich. Mr. Chairman, I flat out do not like parts of the Penny-Kasich amendment. I want to change or cut out several items in the amendment. Unfortunately, that's not possible. We have no choice. We must either take this one chance at real cuts in spending, or leave it. And we simply cannot afford to leave it.

I'm voting for Penny-Kasich because we must cut the budget deficit—now. The President has raised our taxes while refusing to make real spending cuts. All year long, Congress has postured and pretended. Now it's time to stand and deliver. This amendment cuts over $90 billion out of a $1.5 trillion Federal budget. If we're serious about cutting spending and erasing the huge budget deficit that's eating away at our country's future, then we must vote "yes".

The Penny-Kasich amendment is the only alternative we have to politics as usual and the same old tax and spend pattern of Government.

I believe we must have the courage to change. The courage to bite the bullet and make the tough vote for cutting spending. That's why I'm voting "yes" on Penny-Kasich.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from Arizona [Mr. STUMP].

Mr. STUMP. I thank the gentleman for yielding time to me. Mr. Chairman, I rise in support of Penny-Kasich.

I rise in strong support of the Penny-Kasich amendment to H.R. 3400. Overall, the Penny-Kasich plan is a much better deficit reduction measure than H.R. 3400. Unlike H.R. 3400, Penny-Kasich is real, comprehensive deficit reduction. And, yes, because the deficit reduction is real, some of it is painful.

The Clinton administration's rhetoric about deficit reduction sounds wonderful, with inspiring talk about shared sacrifice and no free lunches, but it flunks the reality test. The deficit is continuing to soar. During his term as President, Mr. Clinton will add more than $1 trillion to the national debt. Only in Washington, DC, is that deficit reduction. The time has come for big steps toward deficit reduction, instead of President Clinton's deficit reduction with a wink.

Mr. Chairman, the American economy is going to be in serious trouble if we do not change course. We have talked for so long about mortgaging the future of our children and grandchildren that no one seems to take it seriously anymore. The problem hasn't gone away because there has been a lot of talk about it. Something must be done, and the Penny-Kasich plan is a courageous start in reducing our Government spending to levels the American people can afford.

I commend Mr. PENNY and Mr. KASICH for their effort to trim spending by $90 billion. They deserve the support of every Member of the House. They do not deserve the chorus of attacks and the parliamentary tricks being directed at them by the opponents of deficit reduction. The American people are going to wonder what is going on in Washington—most of them probably do already.

Mr. Chairman, no legislative proposal is perfect. As ranking minority member of the Veterans' Affairs Committee, I have serious reservations about the veterans' portion of the Penny-Kasich plan. My long experience with the health care system of the Department of Veterans Affairs tells me that the diagnostic related grouping [DRG] prospective payments proposal in Penny-Kasich won't save much money, if any.

The proposal is well-intended, because in theory it would not hurt veterans' health care programs and would only save money by greatly improved efficiency. I want to make it very clear, this proposal is exactly the same veterans' savings as proposed by the Clinton administration in its own 5-year budget. That's right, the Clinton administration proposed the same direct savings. The administration did not mention this fact in its very carefully contrived statement in opposition, which assumed indirect effects on veterans.

The prospective payment proposal originally came from the Congressional Budget Office and was adopted by the administration. The proposal is among the options discussed in "Reducing the Deficit: Spending and Revenue Options"—Congressional Budget Office, February 1993—and is entitled "Promote More Efficient Management and Delivery of Health Care for Veterans."

CBO estimates $2.25 billion in savings, whereas Penny-Kasich uses a much more conservative target of $1 billion. Also, Penny-Kasich sets the $1 billion only as a goal for outlay savings. Therefore, VA funding would not be reduced by any greater amount than the actual savings achieved. Penny-Kasich would not authorize the administration to arbitrarily reduce the VA budget by $1 billion.

The reason the prospective payment proposal would be unlikely to save anything is that the VA has already tried such a system. It proved to be a failure and was scrapped in 1991. DRG prospective payments are geared to acute care patients, not chronically disabled patients in need of long-term care. Much of the VA health care system does not deliver acute care because its veteran patients are older and sicker than the general population. Also, about one-third of the VA's hospital beds are for psychiatric care, which does not fit the acute care model either.

But even if a workable prospective payment system could be invented for the VA, the VA would be unable to determine how much it would be saving, because the VA has no accounting system which is remotely capable of accurately measuring its financial performance on an individual patient basis. So the VA would not only have to invent a new DRG system to replace its failed one, it would have to successfully fund, develop, and implement a totally new accounting system for its hospitals and clinics. These contingencies make significant savings unlikely.

Mr. Chairman, deficit reduction is truly about hard choices. In addition to my reservations about the veterans provision, I don't want the Penny-Kasich means test on Medicare. Though wealthier retirees may be capable of paying more for their Medicare coverage, the point is that means testing sets a dangerous precedent which erodes the underlying earned nature of Medicare and ultimately Social Security coverage.

I know that other Members also face similar dilemmas. There are no doubt things in Penny-Kasich which each of us finds difficult to support. Yet, in my opinion, we have an obligation to consider this plan in its entirety.

Mr. Chairman, I intend to work with veterans' organizations to convince the other body and conferees that DRG's simply will not work in the VA, regardless of CBO's estimated savings. However, even without the prospective payments provision, nothing else has been proposed which comes close to this plan for real deficit reduction. Unlike the other plans we debate today, Penny-Kasich would apply 100 percent of its savings to deficit reduction. The Sabo and Frank-Shays amendments allow Congress to take money cut from one program and spend it on another, meaning they will not reduce the debt. We have a chance today to finally do what each of us knows must be done—reduce spending. I urge my colleagues to summon up their courage and support Penny-Kasich.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from Alabama [Mr. BACHUS].

Mr. BACHUS of Alabama. I thank the gentleman for yielding, and I rise in strong support of Penny/Kasich.

Mr. KASICH. Mr. Chairman, I yield 30 seconds to the gentleman from Pennsylvania [Mr. SANTORUM.]

Mr. SANTORUM. I thank the gentleman for yielding to me. Mr. Chairman, every generation of Americans is here for one reason, to leave the next generation better off than this one.

Everyone in this body wants that as a motivation. Ladies and gentlemen, the next generation of Americans, the 13th generation of Americans, will be the first generation since the Civil War that will be poorer and have less opportunity than their parents. They will be the first generation in the history of America to have less opportunity and to be poorer than their grandparents.

Look in the faces of your children and vote for Penny/Kasich.

[From USA Today, Oct. 13, 1993]

HEALTH PLAN A GENERATIONAL PAIN

(By William Strauss and Neil Howe)

"If you're a young single person in your 20s and you're already insured, your rates may

go up somewhat," confessed the president when announcing his health-care plan. Go up somewhat? Does Bill Clinton think Michael Jordan jumps somewhat?

If you were born in the 1960s, you belong to the 13th generation in U.S. history, dating back to the Revolution. Like most your age, you're probably tired of the big talk and want to know the bottom line: What does "go up somewhat" mean?

It means that, if the Clinton plan is enacted, you'll have to pay *twice* as much in insurance premiums as you would today for the same benefits.

If you're a 30-year-old single person, Clinton says his plan will cost you $1,800 per year—a figure many experts consider too low. By contrast, a comparable plan currently costs a single 30-year old male $900 (a single female slightly more).

Net loss? At least $900 per year. If you're self-employed or unemployed, this will come out of your wallet. If you work for somebody else, it will sooner or later come out of your paycheck—unless your boss likes giving money away.

So where will your extra $900 go? Mainly, it will reduce the health insurance costs of people now between the ages of 50 and 65—members of the "silent generation" that came of age from the late 1940s through the early 1960s.

Are they needy? A few yes, most no. The "silent generation" is the richest in U.S. history. Yours is the first generation since the Civil War to grow up poorer than its parents and the only one to grow up poorer than its grandparents.

Clinton says you'll have to pay more because "you're going to go in a big pool with middle-aged people and older people." This is called "community rating," which means that everybody will pay exactly the same premium.

To date, our only experience with community rating has been in New York, which last April enforced it on most commercial insurers. The price of health insurance more than doubled for young adults and fell by half for 60-year olds. A lot of 20-something New Yorkers are now choosing to go bare rather than buy policies whose benefits are worth only 40 cents on the premium dollar.

According to the administration, community rating protects people who are poor health risks. Fair enough: Most Americans don't mind paying slightly higher premiums to hold harmless the chronically ill. But no one can justify a massive categorical transfer (at least $50 billion annually) from young adults to their parents' generation—nor explain why premiums should not be allowed to reflect *average* health costs by age group.

And that's not the only young-to-old ripoff. The Clinton plan will also pay 80% of the cost of its community-rated premium for anybody ages 55–64 who loses a job or retires early. This benefit is not means-tested, which means that if Woody Allen stops making movies or some CEO golden parachutes out of a seven-figure salary, he'll get all taxpayers (including you) to pay 80% of a health bill that has already been cut in half! A silent generation early retiree thus would enjoy a 90% reduction in health costs—whereas a 13er, even if unemployed, would face a 100% increase.

Further, there's a new Medicare drug benefit plus a new long-term care benefit—which by the end of the decade will shunt at least $50 billion more to seniors at all income levels. If this new cost is covered by new revenue, 13er taxpayers will bear a large share of the burden. If it pushes up the deficit, they will bear an even larger share in the form of lifetime interest charges on the national debt.

In his speech, Clinton said, "I think (my plan's) fair because when the young get older, they'll benefit from it." There is, of course, another possibility. By tipping our fiscal balance sheet even further out of kilter, the plan could worsen the eventual crash of America's creaking edifice of intergenerational promises. The result would torch 13ers at both ends of their life cycle.

Over the past 20 years, the median income of single 25- to 34-year-old men has fallen by one-quarter. Meanwhile the 13th generation has come of age with darkening expectations. A new Roper poll shows, that, among 18- to 29-year-olds of both sexes, the share who think they have a "very good" chance of achieving "the good life" has fallen from 41% in 1978 to 21% today. There's little young-adult wealth left to squeeze—but the first boomer president wants to try.

Subsidizing affluent elders and mortgaging the future of the young has been a political fact of life ever since the generation of World War II heroes began entering old age. Now, Clinton proposes more of the same to benefit an even richer generation on the verge of retirement. Will he get away with it? Will U.S. politicians ever gain the courage to stand up to the senior lobbies and say: "No you're not entitled"?

Thirteeners, get real: Neither political party cares about leaving much behind in the national piggy bank by the time you reach the age of leadership. That's because so many of you don't organize, don't vote and don't seem to care about big issues. Come 1998, you'll become the biggest generational voting bloc in America. It's up to you to act.

Mr. PENNY. I yield 1 minute to the gentleman from Ohio [Mr. FINGERHUT].

Mr. FINGERHUT. I thank the gentleman for yielding. Mr. Chairman, it is always, on any issue, that the supporters and opponents are united in their vote but not always on the reasons for casting that vote.

I do not agree with everything that has been said on behalf of Penny/Kasich today, particularly with some of the views, frankly, of my Republican colleagues. But my biggest concern is with the arguments from my Democratic friends. My friends, I stood with you in August in the face of intense political pressure and took a first dramatic step with you toward deficit reduction. I stood with you even when we asked many of my constituents to pay more for a debt that I did not help create. I stood with you then, and if I thought for a minute that a single child would go hungry or one senior citizen would be impoverished if we pass this amendment, I would be against it. But that is not true, and you know it. You know that is not true. The only people hurt by this amendment are the bureaucrats who claim to work on behalf of the elderly and the children.

My friends, the argument tonight is over who speaks for the future. The answer is: the proponents of Penny/Kasich. Every dollar's debt that we accumulate will be paid by our children. Every dollar we pay in interest on the debt is in place of a dollar that we could spend on education, child care, health care. It is simple.

Support Penny/Kasich.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. PACKARD].

Mr. PACKARD. I thank the gentleman for yielding.

I support Penny/Kasich.

Mr. KASICH. I yield myself the balance of my time.

Mr. Chairman, I want first of all to thank my Democratic colleagues because I understand the pressures they are under. Because for three separate budgets I fought my President because I did not think he was doing enough. I want to pay tribute to all of you.

You see, this is not the end of this coalition, this is just the beginning; regardless of how this vote comes out, we are coming back again and we are coming back as Republicans and Democrats who want to make a difference.

And then I want to thank my Republication colleagues who have had to put up with me all year long. You know what, ladies and gentlemen, this is just one small downpayment on our national debt, just one small downpayment on our national debt, but one very giant step for this institution. This whole process has been one very giant step for this institution. For the people who are in their offices waiting to come to the floor to vote, you can join the team that represents change, you can join the team that says to the committee chairmen who want to go through the procedures and the process and who are satisfied, "Not any more." We want change, we want real change, we want Republicans and Democrats delivering it together for the best interests of this country.

You can join our team and when you leave your office and you take that subway ride or you leave that office and you do that walk, you think about what makes you feel good about what we need to do to save this country, this one little sliver out of all this torrent of spending represents one small downpayment but one giant step for what the American people have been demanding of Republicans and Democrats alike.

Please support Penny/Kasich; America needs you.

THE COMMON CENTS DEFICIT REDUCTION ACT OF 1993

(An Amendment to H.R. 3400)

SUMMARY AND EXPLANATION OF PROVISIONS

November 22, 1993

(By Representatives Timothy J. Penny and John R. Kasich)

Section 101: Sense of Congress on Increased Burdensharing by Allies of the United States.

This provision is a Sense of Congress that U.S. allies should, by 1998, pay at least 50 percent of the costs of such items as labor, utilities, military construction, and environmental restoration for U.S. troops stationed in their countries.

Section 102: Streamlining and Reorganization of Corps of Engineers.

This recommendation is included in the National Performance Review. Specifically, NPR recommends implementing a 1992 reorganization proposal that would reduce the number of division offices from 11 to six and would allow the Corps to work with the Secretary of the Army to make maximum use of Corps' engineering and technical capabilities.

Section 103: Rescission of Certain Defense Add-ons.

This provision rescinds $147 million in funds added by the Senate, including $30 million in Navy spare parts and repair, $12 million for Navy weapons range support equipment, $15 million for hardware and software, $15 million for military construction, $10 million for Tactical Trailers/Dolly Sets, and $50 million for advance procurement of LHD–7.

All tables at end of article.

Section 104: Rescission of Funds for MK–19 Grenade Launcher Program.

This appropriation provides for the procurement of weapons mounted on track combat vehicles for the Army. The MK–19 Automatic Grenade Launcher is used in offensive and defensive operations against personnel and light-armored vehicles. It is used in main battle areas by infantry units and combat support and combat service support units to conduct rear area security. The MK–19 is mounted on M151 ¼-ton trucks, M113 Armored Personnel Carriers and High Mobility Multi-Purpose Wheeled Vehicles (HMMWV).

Section 105: Termination of C–26 Aircraft Program.

This provision directs the Secretary of Defense to cancel the C–26 program. This appropriation provides for the procurement and modernization of cargo aircraft and equipment for the National Guard and the Reserves. President Bush proposed rescinding funds for this program. The rescission justification stated "the current inventory of C–26, C–9, C–12F, and C–130 aircraft is expected to meet Coast Guard airlift requirements of the reduced force structure." It also stated that the "Coast Guard's ability to accomplish its mission successfully would not be affected by this rescission proposal." The Clinton Administration has requested no funds for this program for FY 1994, and neither has the House or the Senate. This provision would rescind any funds subsequently restored.

Section 106: Termination of Mobile Inshore Undersea Warfare Vans Program.

This appropriation provides for the procurement and modernization of equipment for the National Guard and the Reserves. The van is a mobile underwater sonar and radar surveillance center. The entire force was transitioned to the Naval Reserve in 1977.

President Bush originally proposed rescinding funds for this program. The rescission justification stated "the current configuration of MIUW Vans meets the needs of the counter-narcotics mission. The thermal/visual systems and AN/ALR -60 ESM system upgrades are not required." It also stated that the ability of the "National Guard and the Reserves to accomplish their missions successfully would not be affected by this rescission proposal."

No funds were requested for this program for FY 1994 by the Clinton Administration. The House of Representatives, however, appropriated $21 million; no funds were appropriated by the Senate. This provision would rescind any funds that might ultimately be provided for FY 1994.

Section 107: Rescission of Certain Defense Operation and Maintenance Funds.

This provision rescinds the following defense operation and management (O&M) funds:

From Army O&M, $88.02 million from general reduction DBOF and $15.18 million from inventories.

From Navy O&M, $109.27 million from general reduction DBOF and $27.555 million from inventories.

From Air Force O&M, $94.14 million from general reduction DBOF and $12.265 million from inventories.

Section 108: Reduction of Public Law 480 Food for Peace Program.

In 1954 Congress instituted the Food for Peace Program—better known as P.L. 480. On the East coast, the program was justified as a humanitarian gesture; in the midwest, its workings were more honestly discussed in terms of agricultural "overproduction."

Recently, the General Accounting Office, commenting on Title II and III stated: "AID (the Agency for International Development) has no strategy for assessing the impact of its programs on enhancing the food security of people in recipient countries, nor has it determined whether food aid is an efficient means for accomplishing this goal."

Despite these drawbacks, P.L. 480 has its supporters, who argue that the programs are a flexible, fast means of providing assistance to friendly countries. They note that the programs reduce the likelihood that surplus commodities will depress prices within the United States. Nevertheless, this funding reduction would provide a strong incentive for program managers to improve the efficiency and effectiveness of the program.

Section 109: Rescission of Funds for World Bank.

The report accompanying the Senate Foreign Operations, Export Financing, and Related Programs Appropriations Bill contains the following critique of the World Bank:

"An internal review of the World Bank's loan portfolio concluded that the number of projects judged unsatisfactory at completion increased from 15 percent in fiscal 1981 to 37.5 percent in fiscal 1991. It also determined that borrowers' compliance with loan conditions, particularly financial conditions, was only 25 percent. It found that the role of Bank staff has evolved from independent evaluators of country-proposed projects to advocates of projects to move money and gain promotions, with a resulting decline in project quality.

"In its report 2 years ago, the Committee expressed concern about the overly generous salaries and benefits to World Bank employees. Since then, little has changed. In part, the substantial reduction in the Committee's recommendation for a U.S. contribution to the World Bank in fiscal 1994 is meant as a warning to the Bank that austerity dictated by the need to reduce the U.S. Federal deficit must apply to the Bank as well as to other recipients of U.S. foreign assistance.

"The Committee is also disturbed by a report that the Bank underestimated the cost of its new headquarters building by over $100,000,000, and that the cost has risen from a planned $180,000,000 to an estimated $290,000,000."

The Senate recommended an appropriation of $27.9 million for paid-in-capital and a limitation on callable capital of $902.4 million for the World Bank. The Administration recommended an appropriation of $70.1 million for paid-in-capital and a limitation on callable capital of $2.27 billion; the House recommended an appropriation of $55.8 million for paid-in-capital and a limitation on callable capital of $1.8 billion.

Section 110: Reduction of Funding for International Development Association.

The IDA is the soft loan window of the World Bank. The Senate recommended an appropriation of $957.1 million for IDA. The Administration requested $1.25 billion and the House recommended $1.02 billion. According to the report that accompanied the Senate version of the Foreign Operation, Export Financing, and Related Programs Appropriations Bill:

"[T]he Committee made clear it could not support an increase in the U.S. contribution under IDA-10. Nevertheless, the administration agreed to an increase of nearly $225,000,000 in the U.S. annual commitment.

"[G]iven the intense budgetary pressures on the foreign aid programs, concerns raised by the IDA's performance in the areas of the environment, population and poverty alleviation, the World Bank's inadequate policy on information disclosure and its failure to establish a public appeals panel, the Committee cannot support the requested increase."

This provision would rescind $67 million by accepting the Senate's funding recommendation for FY 1994.

Section 111: Rescission of Funds for Foreign Military Financing.

Foreign Military Financing (FMF) consists of both loan subsidies and grants. Both the House and the Senate recommended an appropriation of $46.5 million for loan subsidies. The FY 1993 level is $120.2 million. The House recommended an appropriation of $3.175 billion for FMF grants. The Senate recommended an appropriation of $3.124 billion. The Conference Report contains $3.149 billion. The FY 1993 figure is $3.3 billion. Both the House and Senate Appropriations Committees recommended not less than $1.8 billion and $1.3 billion in grants for Israel and Egypt respectively.

Section 112: Rescission of Funds for Agency for International Development, Department of State, and United States Information Agency.

The Senate recommended an appropriation of $957.1 million for IDA, the soft loan window of the World Bank. The administration requested $1.25 billion and the House recommended $1.024 billion. According to the Report that accompanied the Senate version of the Foreign Operations, Export Financing, and Related Programs Appropriations Bill:

"[T]he Committee made clear it could not support an increase in the U.S. contribution under IDA–10. Nevertheless, the administration agreed to an increase of nearly $225,000,000 in the U.S. annual commitment."

"[G]iven the intense budgetary pressures on the foreign aid program, concerns raised by the IDA's performance in the areas of the environment, population and poverty alleviation, the World Bank's inadequate policy on information disclosure and its failure to establish a public appeals panel, the Committee cannot support the requested increase."

Section 201: Termination of Spacelifter Program.

The Spacelifter is the next generation of launch systems to replace the current aging and unmanned launch capabilities (i.e. Space Shuttle and ELVs). Development for the Spacelifter launch system is estimated to cost DOD and NASA between $5 billion and $6 billion over the next 10 years. This recommendation includes the government's spinning this industry off into the private sector and commercializing the launch industry. Alternative commercial services will provide for future space missions.

Section 202: Department of Science, Space, Energy, and Technology.

This provision calls for consolidating the Departments of Commerce, Energy and Environment, NASA, NSF, OSTP and EDA (in Commerce) into a single Department of Science. This proposal could result in $1 billion of reduced spending due to administrative consolidation and elimination of programmatic duplication. Cross-cutting research efforts (i.e., materials, information systems, biotechnology, etc.) would be singularly directed more efficiently, avoiding duplicative research and development. National labs would be focused and unjustified capacity would be sold off or closed.

Section 203: Elimination of Funding for MagLev Prototype Development Program.

Section 1036 of the Intermodal Surface Transportation Efficiency Act of 1991 establishes a national magnetic levitation prototype program. But the Office of Technology Assessment has stated: "We do not believe that the technology is ready to jump to the full-scale operating demonstration that has been proposed in the Surface Transportation Act . . . We can't get to operational testing using a U.S. technology at an acceptable level or risk starting today. The technology is just not ready yet." Critics of the MagLev program also contend that the program could lead to even greater operating subsidies than the current Amtrak subsidy ($908 million in FY 1994).

Section 204: Rescission of Funds for Federally Sponsored University Research and Development.

Overhead costs allocated to federal research include research related administrative overhead, library and student services, building and equipment used in common and operations and maintenance. In 1990, 46 cents in indirect or overhead costs were paid for each dollar spent on direct research costs. The overhead payments for federally sponsored university research have increased faster than direct costs of research, which have themselves increased faster than the general rate of inflation in the economy. Under current policy, HHS projects that overhead costs will rise as a percentage of direct costs—further reducing the number of grants federal agencies can make.

This proposal involves imposing a 50 percent cap on the payment rate for overhead costs. Because only a few institutions contend for a large share of federal spending for university R&D, it may not be reasonable to assume that competition is enough to hold down overhead costs.

Section 205: Recoupment of Certain Grants.

The authorization is already in place in PL 102-486, the Energy Policy Act, for the Department of Energy to recoup coal research and development costs incurred by the government for technology used for profit in private industry.

Additionally, the House passed this requirement for the Advanced Technology Program in HR 820, the National Competitiveness Act.

Section 206: Coverage of Federally Funded Research and Development Centers Under the Competition in Contracting Act.

Federally Funded Research and Development Centers (FFRDCs) were first established during World War II to meet specific defense research and development needs that were not readily available in the private sector. Since their establishment, the U.S. has witnessed a tremendous growth in private sector firms that offer sophisticated R&D capabilities which often exceed or match government sponsored FFRDCs. Between 1985 and 1991, when total funding for DOD research and development declined 8 percent in constant dollars, support for DOD's FFRDCs increased over 22 percent. FFRDC professional staff also jumped 30 percent during this time.

Some contend that the FFRDC funding growth can be attributed, in part, to the FFRDCs exemption from the 1984 Competition In Contracting Act (CICA). Congress passed CICA to enhance competition and reduce unnecessary sole-source contracting. Since the passage of CICA, the military services' contracting officials have been placing more sole source contracts with FFRDCs in order to bypass CICA and other procurement regulations.

Section 208: Department of Energy Facilities Closure and Reconfiguration Commission.

This provision calls for the formation of an independent commission, patterned on the Base Closure Commission, to determine the most effective organization of the national defense and energy research labs.

Section 209: Rescission of Funds for Fusion Energy Research and Development.

Commercial markets for fusion energy R&D may be years away, and large-scale demonstration projects may be premature. Proponents argue that energy markets are not perfect and thus federal intervention is justified. They argue that progress is being made, yet in some cases, technology is being pursued before the scientific phenomenon is completely understood. In other instances, the research is being conducted at expensive national laboratories. As such, this proposal reduces magnetic fusion R&D to 50 percent of its CBO baseline levels over the next five years.

Section 210: Rescission of Funds for Fossil Energy Research and Development.

DOE's track record for developing new technologies is poor. It has done little to boost synthetic fuels, solar energy, or conservation, or to improve existing technologies. In such cases as synthetic fuels, DOE programs and grants have directed private firms to pursue costly research in unproductive areas. Given this lack of success, DOE could cut back on programs for near-term development of energy technologies. In the area of fossil fuels, commercial firms already spend considerable funds to develop new technologies. The major new technologies for enhanced oil recovery, for example have come from private industry, not DOE. Proponents argue that energy markets are not perfect and hence federal intervention is justified. The utilities area, for example, contains federal and state regulations which distort incentives.

This proposal would reduce funding for fossil fuel R&D to 25 percent of its baseline level. The reductions would be phased in over the 1994-1998 period.

Section 211: Alaska Power Administration Sale.

The APA was originally created to encourage economic development in Alaska by making low-cost hydro- power available to industry and residential customers. The project can now be turned over to local ownership. Unlike other federally owned power marketing administrations, the APA is located in a single state and its sale is supported by Alaska's congressional delegation, DOE, and OMB.

Section 212: Federal-Private Co-generation of Electricity.

Currently, only DOD has this authority. All federal agencies should be allowed to install co-generation at sites where it is cost-effective.

Section 213: Termination of Clean Coal Technology Program.

The clean coal technology program (CCTP) was created in 1984 to assist private industry in developing commercial technologies that would use coal in environmentally sensitive ways. An initial goal of the CCTP was to reduce acid raid by supporting technologies that can lower the emissions of sulfur dioxide and nitrogen oxides that result from coal combustion. Another goal of the program has been to promote the use of coal to bolster the economies of coal-producing regions.

In the past, supporters of the CCTP viewed it as an alternative to legislation controlling acid rain. With the passage of the Clean Air Act Amendments of 1990, federal support for new clean coal technologies may no longer be necessary. This proposal would complete projects for which there are already bid solicitations, but rescinded the funds for future proposals.

Section 214: Rescission of Funds from SPR Petroleum Account.

The strategic petroleum reserve was authorized in 1975 to reduce the vulnerability of the United States to interruptions in oil supplies. It currently contains over 570 million barrels of oil.

According to the President, "the U.S. today obtains less than one-quarter of its oil from OPEC countries, and the rate at which we continue to fill the reserve can be slowed." He has proposed reducing the fill rate from 20,000 barrels of oil per day to 13,000 barrels per day. Under this proposal, a five-year moratorium would be placed on new oil for the Strategic Petroleum Reserve.

Section 215: Study of Termination of Helium Subsidy.

This proposal calls for the closing of the National Helium Reserve and selling the Reserve to a joint venture that comprises current employees and other private investors.

Section 216: Rescission of Funds for Low Priority Water Projects.

The Clinton Administration recommended reducing or stretching out construction funding for "low priority water projects." *A Vision of Change For America* states: "Funding for these projects is not [a] high priority because the projects are either: (1) not economically justified, (2) not a Federal responsibility, (3) exempted from standard non-Federal cost sharing, or (4) environmentally unacceptable."

Section 217: Preference for Interim Measures in Superfund Response Actions.

One method of reducing the huge costs of hazardous waste clean-up is to change the mix of methods used to protect health and the environment at Superfund sites. The present statutory preference for permanent technologies could be dropped in favor of an emphasis on institutional controls (such as deed and access restrictions, monitoring, and provision of alternative water supplies) and containment methods (including caps, slurry walls, and surface water diversion). A University of Tennessee study estimated that a judicious shift toward these interim measures could reduce remediation costs by 40 percent, without sacrificing health or environmental protection.

Proponents of this proposal argue that it is wasteful to spend more on Superfund cleanups than is necessary to protect health and the environment, and that use of more permanent remedies (such as incineration, bioremediation, and vitrification) can be deferred until land-use needs are clearer and treatment technologies are more developed.

Section 218: Reservation of Funds for Disaster Relief.

Each agency would be required to set aside 1 percent of its budget allocation toward a disaster relief fund, thereby reducing the need for deficit-increasing emergency expenditures when emergencies actually occur.

Section 219: Elimination of Weather Office Closure Certification Procedures.

This proposal calls for a policy shift to rationalize the closing procedures for antiquated weather offices which are being replaced by fewer, more automated offices. The overly-protective, political regulations regarding weather office closure procedures requires the Secretary to legally guarantee the performance of the replacement weather office technology before the old, antiquated office system can be closed. This results in duplicative systems, with multiple offices serving the same area for up to two years despite the technical performance of the new system.

Section 220: Rescission for NOAA Research Fleet.

NOAA owns and operates a fleet of sea vessels for scientific research and other duties. These vessels carry out scientific experiments and maintain buoys and navigational beacons. GAO has recommended that the fleet be phased out and privatized over a five year period.

GAO has criticized the government-operated fleet for being too expensive to maintain and operate. Says GAO: ". . . NOAA vessels' daily costs range from $100 to $22,000, compared to $465 to $4,955 for private-sector ships . . ." NOAA should purchase services from the private sector. This would be more cost effective while increasing the competitive forces in the private sector.

Section 221: Rescission of Funds for NOAA Add-ons.

The Commerce-State-Justice Appropriations Subcommittee has funded specific member NOAA projects that tend to benefit only a small, specific group within a local geographic area. These earmarks are not requested by the President and in most cases are not authorized, and include funding for various projects totaling approximately $145 million in budget authority for FY 1994.

Section 222: Study Concerning Merger of Bureau of Reclamation and United States Army Corps of Engineers.

This proposal would merge the water resource management responsibilities of the Bureau of Land Management and the Corps of Engineers, thereby streamlining government, and reducing administrative overhead. This proposal is based on the principle that administrative reorganization should place similar functions in the same agency.

Section 223: Rescission of Funds for Agricultural Buildings and Facilities Account.

The Administration requested zero funding for this account, which was established for USDA acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities. Nevertheless, House Appropriators have earmarked $38 million, and Senate Appropriators have earmarked $57 million.

Section 224: Repeal of Authorizations for the Airway Science Program, Collegiate Training Initiative, and Air Carrier Maintenance technician Training Facility Grant Program.

Success has rendered these subsidies obsolete. Many schools now offer high quality aviation training programs without support from the FAA.

Section 225: Repeal of National Recreational Trails Program.

This program, while authorized in ISTEA, is not germane to the statutory roll of the FHWA. No funding has been appropriated for the recreational trails fund. But there is pressure to provide funding this year.

Section 226: Rescission of Funds for EDA.

The EDA (Economic Development Administration) provides grants to state and local governments for public works, technical assistance, and job programs as well as loan guarantees to firms for business development. One criticism of EDA programs is that federal assistance should not be provided for activities whose benefits are primarily local and, therefore, whose responsibility should be that of state and local governments. In addition, EDA programs have been criticized for substituting federal credit for private credit and for facilitating the relocation of business from one distressed area to another through competition among communities for federal funds. The EDA has also been criticized for its broad eligibility criteria, which allow areas containing 80 percent of the U.S. population to compete for benefits, and for providing aid with little proved effect compared with other programs with similar goals. This level of funding reduction should provide program managers with an incentive to improve the efficiency and effectiveness of their programs.

Section 227: Elimination of Funding for Public Telecommunications Facilities.

Approximately $0.5 billion dollars has been spent to date on Commerce Department grants to bring public radio and television to remote areas. More than 95 percent of Americans now receive public broadcasting, which fulfills the goal of this program created in the early 1960s. The program is now being used as an operating subsidy to upgrade existing station facilities and equipment, not the original mission.

Section 228: Moratorium on Construction and Acquisition of New Federal Buildings.

The National Performance Review report on Reinventing Government stated, "Over the next 5 years, the Federal Government is slated to spend more than $800 million a year acquiring new federal office space and courthouses. Under current conditions, however, those acquisitions don't make sense." The review recommended that the GSA administrator place a hold on GSA's acquisitions and begin aggressive negotiations for existing and new leases to further reduce costs.

Section 301: Government Information Dissemination and Printing Improvement.

This provision, also contained in H.R. 3400 as reported by the Committee on House Administration, would transfer all of the Government Printing Office to the executive branch except that portion needed for legislative branch printing and the Superintendent of Documents function, which would be transferred to the Library of Congress.

Section 302: Sense of Congress Regarding Reorganization of Bureau of Indian Affairs.

This Sense of Congress language encourages reorganizing the BIA so that its 12 area offices are reduced to five regional service centers and two special service offices. The reorganization is to be coordinated with the Task Force on Bureau of Indian Affairs reorganization as provided in the Department of Interior and Related Agencies appropriations bill.

Section 303: Rescission of Funds for Printing and Reproduction and for Supplies and Materials.

This provision reduces Cabinet agencies' funds (except those of the Department of Defense) for printing, reproduction, supplies, and materials for FY 1994.

Section 304: Streamlining of Department of Housing and Urban Development.

According to the Vice President's National Performance Review, the Department of Housing and Urban Development (HUD) has developed a strategy to close offices without cutting customer services. Roughly 10,000 of HUD's 13,500 employees work in field offices, but their workloads vary: the New York regional office monitors 238,000 federal public housing units, the Senate office only 30,000 units. Management restructuring will streamline HUD's field operations. Under a five-year plan, HUD will streamline the Washington headquarters, eliminate all regional offices, pare down its 80-field office system, and cut its field staff by 1,500 people.

Section 305: Termination of Interstate Commerce Commission.

Since about 1980, most of the Interstate Commerce Commission's duties have been eliminated, and even a current ICC Commissioner concedes the agency's duties are duplicative. The 106-year-old agency, with only 640 employees and $45-million-a-year budget, could be completely folded into the DOT. An appropriations amendment to that effect was narrowly defeated in the House this year.

Section 306: Rescission of Funds from Tennessee Valley Authority Fund.

The annual appropriation for the TVA provides federal support for the TVA's stewardship of its lands, facilities, and natural resources, and provides recreational programs, promotes public use of its land and water resources and operates the National Fertilizer and Environmental Research Center. Many of these activities are beyond the scope of the TVA. These activities could be underwritten by state or local governments, or by fee-for-service. Most activities of the National Fertilizer Research Center benefit the private sector and could be supported by private funds.

Section 307: Rescission of Funds for Appalachian Regional Commission.

The ARC has spent almost $6 billion and built roughly 2,500 miles of new roads, yet high poverty rates still persist in Appalachia. Some programs supported by the ARC duplicate activities funded by other federal agencies, such as the Department of Transportation and the Department of Housing and Urban Development. Also, although the ARC allocates resources to poor rural communities, those areas are no worse off than many others outside the Appalachian region.

Section 308: Improvements to Management of Veterans' Hospitals.

This provision involves employing a Prospective Payment System (PPS) at VA hospitals similar to that now employed in Medicare. Under such a system, each patient would be classified in a Diagnosis—Related Group (DRG) that would entitle the hospital to a fixed payment designed to reflect the average cost of efficient care for such a patient.

The VA spends about $16 billion a year on medical care. The Congressional Budget Office has projected potential outlay savings from this strategy at $2.225 billion over five years, compared with the Administration's more modest $1 billion reduction. But it may be prudent to accept the more cautious savings projection. It may be noted that prospective payment systems are complex, as is the problem of defining patient categories, especially regarding psychiatric care, which is prevalent in veterans hospitals.

Section 309: Rescission of Funds for Legal Services Corporation.

The Legal Services Corporation is an independent, non-profit organization created to furnish free legal aid to the poor in civil

matters. LSC lawyers have been accused of focusing on social causes, and the Reagan Administration repeatedly tried and failed to abolish the LSC. The agency has an annual federal budget of about $350 million. In addition to federal money, LSC is funded through private sources and interest on certain escrow accounts. LSC received $357 million in FY 1993, though the Administration recommended $432 million and LSC requested $525 million.

Section 310: Termination of State Justice Institute.

The State Justice Institute aims to improve the efficiency of state courts by funding research and demonstration projects and distributing information about effective ways to administer justice. But the Institute appears to have no clear federal purpose."

Section 311: Improvements of U.S. Marshals Service.

This provision eliminates the political appointment process for U.S. marshals and promotes the professionally trained deputy marshals to the U.S. marshal positions. Thus, the number of employees in the Marshals Service is reduced by 70.

Section 312: Rescission of Funds for BATF.

The House adopted by a vote of 353–62 an amendment to the Treasury-Postal appropriation to reduce BATF funding by $2.1 million, equal to the Administration request. The President's budget included $364 million for BATF, but the House Appropriations Committee recommended $366 million. This provision would reduce BATF staff by 60 positions (41 from Law Enforcement and 19 from Compliance).

Section 313: Rescission of Funds for Construction of New Federal Offices and Courthouses.

This provision rescinds $675 million in FY 1994 funds for construction of federal office buildings and courthouses.

Section 314: Limitation on Office Equipment and Furnishings Purchases by Members of House of Representatives.

This provision repeals the first section of Public Law 93–462 to limit departing Members' purchases of office equipment and office furnishings from their district offices.

Section 315: Rescission of Funds for Executive Office of the President.

The Executive Office of the President includes OMB, USTR, the Council of Economic Advisers, the Economic Policy Council, and various other offices. This provision reduces funds for these offices by 5 percent.

Section 316: Rescission of Funds for Legislative Branch.

This provision reduces House of Representative Funds other than the franking account by 7.5 percent in FY 1994. From FY 1974 to FY 1993 the Legislative Branch Appropriation increased by 303 percent while the CPI increased 193 percent. For FY 1994, the Legislative Branch appropriation is 1.4 percent below FY 1993, but in the House most of this savings was from the abolishment of the Select Committees and in the Senate the decrease was a departure from increases in their funding in 1993.

Section 317: Rescission of Funds for House Franking.

This provision reduces the House of Representatives' franking account by 20 percent.

Section 318: Provisions Relating to Annual Pay Adjustments for Members of Congress.

This provision freezes FY 1994 salaries for Members of Congress at the 1993 level and permanently ties future COLAs for Members to no more than the COLAs provided to all other Federal Government employees. The effect would be to freeze Members at the current level of $133,600 for FY 1994.

Section 319: SES Annual Leave Accumulation.

Most federal employees may accumulate and hold unused up to 240 hours (30 days) of vacation leave. But the 8,000 people in the Senior Executive Service may accumulate unlimited leave. This provision would equate SES with other federal employees by limiting them to 30 days of unused leave that can be carried over. Any overtime already accumulated would remain with the employee until used. If unused, it would be paid off at retirement. The provision would not affect overtime accrued by those involved in criminal investigation.

Section 320: Reduction of Federal Full-Time Equivalent Positions.

This provision has its roots in Vice President Gore's National Performance Review. The pace of reductions in Penny-Kasich would trim the federal workforce by less than 3 percent each year. Normal attrition is 6 percent to 8 percent a year. Therefore special "buyout" or incentive provisions for employee separations are not necessary. The savings from overlapping provisions—such as streamlining the Department of Agriculture—have been scrubbed out to avoid potential double-counts with these workforce reductions.

Section 321: Rescission of Funds for Travel Accounts.

This provision would cut the travel budgets for certain Executive Branch agencies and the Legislative Branch by 15 percent. The provision exempts selected agencies because of special requirements of their functions that necessitate the use of their full travel budget allowances. For example, the Department of Veterans Affairs uses most of its travel budget to transport patients. The Department of Defense needs flexibility in its travel account to move military personnel in the case of conflict.

The agencies expressly exempted from the travel budget reduction are the Department of Defense, the Department of Veterans Affairs, the Department of the Treasury (which includes the FBI) and the Department of Justice.

Section 322: Termination of Federal Advisory Committees.

This provision eliminates 11 non-statutory boards and commissions.

Section 323: Increase in Threshold for Application of Davis-Bacon Act.

This provision raises the threshold for applicability of the Davis-Bacon Act from its current $2,000 to $100,000.

Section 324: Elimination of Certain Reports Required on Contracts Covered by Davis-Bacon Act.

Under this provision, the weekly payroll reports required of employers working on federal construction projects covered by Davis-Bacon would be replaced by monthly certifications of compliance with the Act.

Section 325: Fees for Applications for Alcohol Labeling and Formula Reviews.

This fee would partly cover the cost of approving all alcoholic beverage labels and the cost of performing various laboratory analysis to determine whether the beverage content is in compliance with federal law.

Section 326: Increase in SEC Registration Fees.

The Securities and Exchange Commission collects fees to cover the SEC's cost of registering, supervising, and regulating investment advisors and their activities. The SEC fee is based on the dollar value of the offering. The intent of this provision, also recommended by the Administration, is to make permanent, as of January 1, 1995, the 6(b) fee increase enacted this Congress and to permanently raise the registration fees on mergers and acquisitions to bring them to the same level as the 6(b) fee.

Section 327: Travel, Tourism, and Export Promotion Fees.

The U.S. Travel and Tourism Administration promotes the United States and individual states as a tourist destination for foreign travelers. A fee would be charged to state governments that use the USTTA to market or advertise their states. The International Trade Administration provides services to U.S. industries such as export promotion, marketing services, and development of remedies for long-range trade and investment problems. A fee would be assessed on beneficiaries of ITA's provision of information and technical and marketing assistance.

Section 401: Reduction in Funding for Arts and Humanities Programs.

Under this provision, federal funding for the National Endowment for the Arts, the National Endowment for the Humanities, the Smithsonian Institution, the National Gallery of Art, and the Corporation for Public Broadcasting should be reduced by 2 percent each from FY 1994 through FY 1998.

Section 402: Elimination of Operation Subsidies for Vacant Public Housing.

HUD provides operating subsidies to Public Housing Agencies (PHAs) to make up the difference between rental income and operating costs. Even though HUD has tried to stop payments for vacant public housing, Congress has continued funding for these units.

Some PHAs argue that the current operating subsidy formula does not provide adequate subsides to cover costs. Therefore, they say, eliminating subsides for vacant units will take away necessary funds. But because of massive increases for public housing modernization, operating subsidies, and drug elimination grants, all PHAs are receiving record funding amounts.

Section 403: Substitution of Voucher Assistance for Public Housing New Construction.

HUD provides capital grants to PHAs to build housing for families with incomes below 80 percent of area median income (approximately $28,000 nationally). After construction, HUD provides annual operating subsidies and modernization funds to keep the projects solvent and well-maintained.

Public housing new construction is roughly twice as expensive as tenant-based assistance such as vouchers. It represents vestige of the old power structure of housing: treatment housing as a jobs program, instead of providing housing assistance to the poor at the lowest cost.

Section 404: Reform of HUD Multifamily Disposition Program.

HUD currently owns approximately 69,000 units of multifamily housing. HUD was never meant to function as a landlord, but the agency has not been able to sell the units because of restrictions in Section 203 of the Housing and Community Development Amendments of 1978 requiring that each unit must be sold with 15-year project-based Section 8 assistance. Over the past several years, funding for Section 8 has been significantly reduced. This proposal would loosen the restrictions in Section 203, allowing HUD to dispose of the multifamily units more easily. The proposal was offered by the Administration and is expected to save $1.5 billion in budget authority over five years.

Section 405: Termination of Annual Direct Grant Assistance.

This provision, also contained in H.R. 3400 as reported by the House Committee on Natural Resources, terminates the annual direct

grant assistance to the Commonwealth of the Northern Mariana Islands.

Section 501: Increase in Retirement Age Under FERS to 65.

This proposal raises the retirement age prospectively for all new federal hires. For all new federal employees hired on January 1, 1994 or later, the retirement age will be increased to 65. The retirement age for current federal employees will remain unchanged. The annuities of federal judges, firefighters, law enforcement officers, air traffic controllers, members of the CIA, the disabled, and survivors are unaffected by this proposal. The proposal does not change federal annuity computations.

Section 502: Provision Relating to Government Contributions to the Thrift Savings Plans.

The reform of the Thrift Savings Plan maintains the automatic one percent contribution, a dollar-for-dollar match for the first 3 percent, and a 50 cents per dollar match for the fourth percent of salary. It eliminates the 50-cents-per-dollar match for the fifth percent of salary available under the current TSP.

The remaining portions of the Thrift Savings Plan will remain unchanged. The reform applies only to new federal employees hired on January 1, 1994 or later, not to current federal employees.

Section 503: Deferral Until Age 62 of Cost-Of-Living Adjustments for Military Retirees who First Entered Military Service on or after January 1, 1994.

Starting on January 1, 1994, for all new enlistees into the armed services the military retirement benefit is changed so that no COLA on retirement benefits is provided until the retiree reaches the age of 62. At that age, there is a catch-up provision to account for the lack of a COLA since retirement and a full COLA is provided for each year thereafter. This provision does not affect the COLAs of disabled or survivors benefits.

Section 504: Consolidation of Certain Social Service Programs into a Single Block Grant Program.

This proposal would consolidate the following: the Social Services Block Grant, the Community Services Block Grant. Title IV-A "At Risk" Child Care, the Child Care and Development Block Grant, two activities of the Administration for Children and Families (specifically, Title III services and meals for the aging, and Dependent Care Planning and Development Grants). Social Services are provided to many individuals and families through an array of programs, each with its own rules and regulations. By consolidating these programs into a single block grant, services could be provided more efficiently, duplicate services would be eliminated, and administrative costs would decline due to a reduction in administrative personnel.

Section 505: Awards of Pell Grants to Prisoners Prohibited.

Pell Grants were created to help deserving low- and middle-income students get the education and training they need to improve their lives. Pell Grants follow the student, not the post-secondary institution. Therefore, students have more of an educational choice than they otherwise would have.

The government spends almost $100 million annually on prisoner education. Yet the government has been spending an additional $40 million to $200 million on prisoner education in the form of Pell Grants. Halting grants to prisoners allows those grants to go to more deserving students who need the assistance.

Section 506: Elimination of Education Programs That Have Largely Achieved Their Purpose.

Four programs administered by the Department of Education have largely achieved their purpose. They are the following: Public Library Construction (access to public libraries is not virtually universal); Follow Through (this program is duplicated by the much larger Chapter 1 Basic Grant Program); Law-Related Education (goal of training elementary and high-school teachers in law-related education has been achieved); Law School Clinical Experience (most law schools now offer clinical education and would continue to do so in the absence of federal support).

Section 601: Department of Agriculture Reorganization.

According to the National Performance Review, USDA should streamline its field operations to eliminate unnecessary offices, reduce costs and better serve farmers.

Although USDA's mission has changed dramatically since the 1930s, its organizational structure and management practices have remained largely unchanged. Then, agriculture was dominated by small, widely-dispersed, family-owned farms that sold their products domestically. Communication and transportation systems were limited by geography. These conditions justified a county-based decentralized field office system. Today, agriculture is dominated by large operations, and the farm population has declined sharply. Only 16 percent of the nation's counties were designated as farm counties in 1986, down from 63 percent in 1950. Telephones, computers, and highways have increased farmers' access to various information and assistance programs.

Section 602: Reduction in Triple Base for Deficiency Payments for Basic Agricultural Commodities Under Agriculture Programs.

This proposal would increase the triple base to 17.5 percent from its current 15 percent. This change would decrease the amount of land eligible for deficiency payments to 82.5 percent of base acreage.

Section 603: Imposition of 20-Percent Coinsurance on Clinical Laboratory Services Under Medicare.

Medicare currently pays the full cost of clinical lab services (blood tests, etc.) provided to Medicare beneficiaries. In the past, a coinsurance was charged to beneficiaries. This provision reinstates a 20-percent coinsurance. Costs to beneficiaries would be low; the coinsurance on a $25 test would be $5.

Section 604: Imposition of 20-Percent Coinsurance on Home Health Services Under Medicare.

The Home Health benefit (in-home therapists, skilled nursing visits, etc.) is one of two Medicare programs paid in full by the Federal Government. Costs for the benefit increased 45.9 percent, 30.1 percent, and 24.2 percent over the past three years. This provision would institute a 20-percent coinsurance payment by Medicare beneficiaries for home health services. The Qualified Medicare Beneficiary program would pay the coinsurance for those with incomes up to 150 percent of poverty.

The provision includes the establishment of a prospective payment system for Medicare Home Health services. Setting standard rates would be more effective for Medicare, would bring less efficient providers in line with the national averages, and would allow regulatory relief by removing onerous cost reporting requirements. Cost reports would be simplified, and full cost reporting would be done on a rotating basis. This system would assure Medicare beneficiaries that they would not be overcharged, and would make the coinsurance consistent for services. The prospective payment system is supported by the Home Health industry.

According to the House Ways and Means Committee, the national average for a home health visit is $74. The 20-percent coinsurance would be $14.80. On average, those receiving the benefit have 14 visits per year. Total costs to the Medicare beneficiary receiving the services could average $207.20 per year. With the prospective payment system, average costs should be lower.

Section 605: Relating Medicare Part B Premium to Income for Certain High-Income Individuals.

Medicine Part B premiums are subsidized 75 percent from general federal taxes regardless of income. This provision would phase out the subsidy for individual beneficiaries with incomes above $70,000 ($90,000 for couples). Individuals with $95,000 incomes would pay the full current premium of $164.40 per month. The phase-in would increase the premium 3 percent per thousand dollars of additional income. The current 75-percent subsidy for the premium would be reduced in 3-percent increments.

Example: Today, a Medicare Part B beneficiary pays a $41.10 premium per month regardless of income. Under this provision, an individual with income of $69,999 or less would still pay $41.10. If the individual has income of $70,000, the premium would be $46.03, or a $4.93 increase. Someone with income of $71,000 would pay $50.96, or a $9.86 increase.

Section 606: Increase in Medicare Hospital Insurance Deductible for Certain High-Income Individuals.

Currently, all Medicare beneficiaries pay a $676 deductible for a hospital stay regardless of income. This provision would phase in an increased deductible for those with incomes above $70,000 (Couples $90,000) from the current level to $2,000. For each $5,000 increase in income, the deductible would be 33 percent higher, for an increase of $221 per increment.

Example: Under this provision, an individual above $70,000 would pay a $897 deductible for a hospital stay. Someone with $75,000 more income would pay $1,117. The phase-in would continue to a maximum of $2,000.

Section 607: Establishment of Standard Payment Rates for Home Health Services.

The provision includes the establishment of a prospective payment system for Medicare Home Health services. Setting standard rates would be more effective for Medicare, would bring less efficient providers in line with the national averages, and would allow regulatory relief by removing onerous cost reporting requirements. Cost reports would be simplified, and full cost reporting would be done on a rotating basis. This system would assure Medicare beneficiaries that they would not be overcharged, and would make the coinsurance consistent for services. The prospective payment system is supported by the Home Health industry.

Section 608: Eliminating Federal Support for Honey.

This provision terminates the federal honey subsidy.

TITLE VII: ENFORCEMENT

This provision guarantees that the savings achieved by the Penny-Kasich substitute are used to reduce the federal budget deficit rather than finance new spending initiatives. It applies to savings from changes in both authorization law, for entitlements, and rescissions of budget authority, for discretionary programs.

The amendment specifically provides that any reduction in direct spending resulting from the Penny-Kasich substitute shall not

be scored under Pay-As-You-Go (PAYGO). Under PAYGO, tax and entitlement legislation may not increase the deficit in any year, any increase in the deficit due to entitlement or tax legislation must be offset by legislation cutting entitlements or raising taxes. Conversely, savings from tax or entitlement legislation may be used to pay for other entitlement expansions. In the absence of this enforcement provision, subsequent entitlement or tax legislation could be enacted that increases the deficit by an amount equivalent to the reduction in entitlement spending provided by the Penny-Kasich plan.

Similarly, the amendment provides that the rescission of budget authority in the Penny-Kasich substitute shall not be scored under the cap on discretionary spending. The Omnibus Reconciliation Act of 1993 extended the cap on total discretionary spending for 1994 through 1998. In the absence of this amendment, Congress could increase discretionary spending in FY 1994 by the amount of budgetary authority rescinded in the Penny-Kasich substitute.

TITLE I.—NATIONAL SECURITY

TABLE 1.—SUMMARY OF SPENDING REDUCTIONS IN TITLE I, NATIONAL SECURITY

[Savings from baseline, in millions of dollars]

	1994	5-year savings
Section 101: Sense of Congress on Increased Burdensharing by Allies of the United States		
Budget authority	$0	$0
Outlays	0	0
Section 102: Streamlining and Reorganizations of Corps of Engineers		
Budget authority	0	0
Outlays	0	0
Section 103: Rescission of Certain Defense Add-ons		
Budget authority	−130	−130
Outlays	−20	−120
Section 104: Rescission of Funds for MK–19 Grenade Launcher Program		
Budget authority	−15	−15
Outlays	0	−14
Section 105: Termination of C–26 Aircraft Program		
Budget authority	0	0
Outlays	0	0
Section 106: Termination of Mobile Inshore Undersea Warfare Vans Program		
Budget authority	0	0
Outlays	0	0
Section 107: Rescind Funds for Certain Operations & Main. Programs and Maintenance Funds		
Budget authority	−350	−1,850
Outlays	−270	−1,700
Section 108: Reduction of Public Law 480 Food for Peace Program		
Budget authority	−125	−664
Outlays	−91	−607
Section 109: Rescission of Funds for World Bank		
Budget authority	−28	−148
Outlays	−3	−107
Section 110: Reduction of Funding for International Development Association		
Budget authority	−67	−355
Outlays	−9	−149
Section 111: Rescission of Funds for Foreign Military Financing		
Budget authority	−26	−138
Outlays	−2	−90
Section 112: Rescission of Funds for Agency for International Development, Department of State, and United States Information Agency		
Budget authority	−172	−909
Outlays	−20	−624
Subtotal: National Security		
Budget authority	−913	−4,209
Outlays	−415	−3,411

Source: Congressional Budget Office.

TITLE II.—PHYSICAL CAPITAL/NATURAL RESOURCES/SCIENCE

TABLE 2.—SUMMARY OF SPENDING REDUCTIONS IN TITLE II, PHYSICAL CAPITAL/NATURAL RESOURCES/SCIENCE

[Savings from baseline, in millions of dollars]

	1994	5-year savings
Section 201: Termination of Spacelifter Program:		
Budget authority	−$10	−$10
Outlays	−5	−10
Section 202: Department of Science, Space, Energy, and Technology:		
Budget authority	0	−85
Outlays	0	−79
Section 203: Elimination of Funding for MagLev Prototype Department Program:		
Budget authority	−20	−106
Outlays	−12	−90
Section 204: Rescission of Funds for Federally Sponsored University Research and Development:		
Budget authority	−220	−1,160
Outlays	−100	−1,000
Section 205: Recoupment of Certain Grants:		
Budget authority	0	0
Outlays	0	0
Section 206: Coverage of Federally Funded Research and Development Centers Under the Competition in Contracting Act:		
Budget authority	0	0
Outlays	0	0
Section 207: Termination of Modular High Temperature Gas Reactor:		
Budget authority	−12	−63
Outlays	−6	−54
Section 208: Department of Energy Facilities Closure and Reconfiguration Commission:		
Budget authority	1	4
Outlays	1	4
Section 209: Rescission of Funds for Fusion Energy Research and Development:		
Budget authority	−70	−650
Outlays	−35	−522
Section 210: Rescission of Funds for Energy Research and Development:		
Budget authority	−54	−286
Outlays	−22	−238
Section 211: Alaska Power Administration Sale:		
Budget authority	0	28
Outlays	0	30
Section 212: Federal-Private Co-generation of Electricity:		
Budget authority	0	−60
Outlays	0	−30
Section 213: Termination of Clean Coal Technology Program:		
Budget authority	0	−311
Outlays	0	−2
Section 214: Rescission of Funds from SPR Petroleum Account:		
Budget authority	−323	−323
Outlays	0	−323
Section 215: Study of Termination of Helium Subsidy:		
Budget authority	0	0
Outlays	0	−17
Section 216: Rescission of Funds for Low Priority Water Projects:		
Budget authority	−138	−730
Outlays	−82	−662
Section 217: Preference for Interim Measures in Superfund Response Actions:		
Budget authority	0	−1,630
Outlays	0	−893
Section 218: Reservation of Funds for Disaster Relief:		
Budget authority	−15	−79
Outlays	−4	−63
Section 219: Elimination of Weather Office Closure Certification Procedures:		
Budget authority	−20	−106
Outlays	−12	−92
Section 220: Rescission of for NOAA Research Fleet:		
Budget authority	−77	−407
Outlays	−12	−260
Section 221: Rescission of Funds for NOAA Add-ons:		
Budget authority	−144	−767
Outlays	−50	−672
Section 222: Study Concerning Merger or Bureau of Reclamation and United States Army Corps of Engineers:		
Budget authority	0	1
Outlays	0	1
Section 223: Rescission of Funds for Agricultural Buildings and Facilities Account:		
Budget authority	−57	−300
Outlays	−3	−159
Section 224: Repeal of Authorizations for the Airway Science Program, Collegiate Training Initiative, and Air Carrier Maintenance Technician Training Facility Grant Program:		
Budget authority	−43	−55
Outlays	−10	−48
Section 225: Repeal of National Recreational Trails Program:		
Budget authority	0	0
Outlays	0	0
Section 226: Rescission of Funds for EDA:		
Budget authority	−159	−841
Outlays	−16	−513
Section 227: Elimination of Funding for Public Telecommunications Facilities:		
Budget authority	−24	−127
Outlays	−3	−87
Section 228: Moratorium on Construction and Acquisition of New Federal Buildings:		
Budget authority	0	−1,233
Outlays	−27	−2,910
Subtotal: Physical Capital/Natural Resources/Science:		
Budget authority	−1,384	−9,296
Outlays	−397	−8,671

Source: Congressional Budget Office.

TITLE III.—GOVERNMENT MANAGEMENT

TABLE 3.—SUMMARY OF SPENDING REDUCTIONS IN TITLE III, GOVERNMENT MANAGEMENT

[Savings from Baseline, in millions of dollars]

	1994	5-year savings
Section 301: Government Information Dissemination and Printing Improvement:		
Budget authority	0	−261
Outlays	0	−230
Section 302: Sense of Congress Regarding Reorganization of Bureau of Indian Affairs:		
Budget authority	0	0
Outlays	0	0
Section 303: Rescission of Funds for Printing and Reproduction and for Supplies and Materials:		
Budget authority	−409	−2,158
Outlays	−307	−2,045
Section 304: Streamlining of Department of Housing and Urban Development:		
Budget authority	0	−164
Outlays	0	−144
Section 305: Termination of Interstate Commerce Commission:		
Budget authority	−18	−192
Outlays	−15	−188
Section 306: Rescission of Funds from Tennessee Valley Authority Fund:		
Budget authority	−23	−221
Outlays	−18	−173
Section 307: Rescission of Funds for Appalachian Regional Commission:		
Budget authority	−59	−312
Outlays	−3	−160
Section 308: Improvements to Management of Veterans' Hospitals:		
Budget authority	0	−1,000
Outlays	0	−1,000
Section 309: Rescission of Funds for Legal Services Corporation:		
Budget authority	−20	−106
Outlays	−18	−103
Section 310: Termination State Justice Institute:		
Budget authority	−7	−65
Outlays	−2	−50
Section 311: Improvements of U.S. Marshals Service:		
Budget authority	0	−20
Outlays	0	−20
Section 312: Rescission of Funds for BATF:		
Budget authority	−2	−10
Outlays	−2	−10
Section 313: Rescission of Funds for Construction New Federal Offices and Courthouses:		
Budget authority	−288	−288
Outlays	−28	−538
Section 314: Limitation on Office Equipment and Furnishings Purchases by Members of House of Representatives:		
Budget authority	0	0
Outlays	0	0
Section 315: Rescission of Funds for Executive Office of the President:		
Budget authority	−14	−76
Outlays	−11	−71
Section 316: Rescission of Funds for Legislative Branch:		
Budget authority	−134	−728
Outlays	−121	−711
Section 317: Rescission of Funds for House Franking:		
Budget authority	−12	−63
Outlays	−12	−63
Section 318: Provisions Relating to Annual Pay Adjustments for Members of Congress:		
Budget authority	0	−2
Outlays	0	−2
Section 319: SES Annual Leave Accumulation:		
Budget authority	−2	−55
Outlays	−2	−55
Section 320: Reduction of Federal Full-Time Equivalent Positions:		
Budget authority	−2,122	−31,347
Outlays	−2,037	−30,976
Section 321: Rescission of Funds for Travel Accounts:		
Budget authority	−204	−1,078
Outlays	−174	−1,046

TABLE 3.—SUMMARY OF SPENDING REDUCTIONS IN TITLE III, GOVERNMENT MANAGEMENT—Continued

[Savings from Baseline, in millions of dollars]

	1994	5-year savings
Section 322: Termination of Federal Advisory Committees:		
Budget authority	0	0
Outlays	0	0
Section 323: Increase in Threshold for Application of Davis-Bacon Act:		
Budget authority	−28	−88
Outlays	−16	−151
Section 324: Elimination of Certain Reports Required on Contracts Covered by Davis-Bacon Act:		
Budget authority	−25	−165
Outlays	−15	−255
Section 325: Fees for Applications for Alcohol Labeling and Formula Reviews:		
Budget authority	−5	−25
Outlays	−5	−25
Section 326: Increase in SEC Registration Fees:		
Budget authority	−2	−804
Outlays	−2	−804
Section 327: Travel, Tourism, and Export Promotion Fees:		
Budget authority	−108	−1,109
Outlays	−76	−1,002
Subtotal: Government Management:		
Budget authority	−3,482	−40,337
Outlays	−2,863	−39,820

AASource: Congressional Budget Office.

TITLE IV.—HUMAN RESOURCES

TABLE 4.—SUMMARY OF SPENDING REDUCTIONS IN TITLE IV, HUMAN RESOURCES

[Savings from baseline, in millions of dollars]

	1994	5-year savings
Section 401: Reduction in Funding for Arts and Humanities Programs:		
Budget authority	−15	−560
Outlays	−9	−451
Section 402: Elimination of Operating Subsidies for Vacant Public Housing:		
Budget authority	−54	−284
Outlays	−25	−252
Section 403: Substitution of Voucher Assistance for Public Housing New Construction:		
Budget authority	−367	−1,874
Outlays	2	−318
Section 404: Reform of HUD Multifamily Disposition Program:		
Budget authority	−425	−425
Outlays	−425	−425
Section 405: Termination of Annual Direct Grant Assistance:		
Budget authority	0	−112
Outlays	0	−112
Subtotal: Human Resources:		
Budget authority	−861	−3,255
Outlays	−457	−1,558

Source: Congressional Budget Office.

TITLE V.—SOCIAL SERVICES AND RETIREMENT

TABLE 5.—SUMMARY OF SPENDING REDUCTIONS IN TITLE V, SOCIAL SERVICES

[Savings from baseline, in millions of dollars]

	1994	5-year savings
Section 501: Increase in Retirement Age Under FERS to 65:		
Budget authority	0	0
Outlays	0	0
Section 502: Provision Relating to Government Contributions to the Thrift Savings Plans:		
Budget authority	−2	−144
Outlays	−2	−144
Section 503: Deferral Until Age 62 of Cost-Of-Living Adjustments for Military Retirees who First Entered Military Service on or after January 1, 1994:		
Budget authority	0	0
Outlays	0	0
Section 504: Consolidation of Certain Social Service Programs into a Single Block Grant Program:		
Budget authority	0	−902
Outlays	0	−915
Section 505: Awards of Pell Grants to Prisoners Prohibited:		
Budget authority	0	0
Outlays	0	0
Section 506: Elimination of Education Programs That Have Largely Achieved Their Purpose:		
Budget authority	−47	−248

TABLE 5.—SUMMARY OF SPENDING REDUCTIONS IN TITLE V, SOCIAL SERVICES—Continued

[Savings from baseline, in millions of dollars]

	1994	5-year savings
Outlays	−6	−188
SUBTOTAL: Social Services:		
Budget authority	−49	−1,294
Outlays	−8	−1,247

Source: Congressional Budget Office.

TITLE VI.—AGRICULTURE AND HEALTH CARE

TABLE 6.—SUMMARY OF SPENDING REDUCTIONS IN TITLE VI, AGRICULTURE AND HEALTH CARE

[Savings from baseline, in millions of dollars]

	1994	5-year savings
Section 601: Department of Agriculture Reorganization:		
Budget authority	−13	−865
Outlays	−12	−849
Section 602: Reduction in Triple Base for Deficiency Payments for Basic Agricultural Commodities Under Agriculture Programs:		
Budget authority	0	−748
Outlays	0	−748
Section 603: Imposition of 20-Percent Coinsurance on Clinical Laboratory Services Under Medicare:		
Budget authority	−867	−7,434
Outlays	−737	−7,128
Section 604: Imposition of 20-Percent Coinsurance on Home Health Services Under Medicare:		
Budget authority	−1,529	−13,675
Outlays	−1,529	−13,675
Section 605: Relating Medicare Part B Premium to Income for Certain High-Income Individuals:		
Budget authority	−380	−10,950
Outlays	−380	−10,950
Section 606: Increase in Medicare Hospital Insurance Deductible for Certain High-Income Individuals:		
Budget authority	−130	−1,240
Outlays	−130	−1,240
Section 607: Establishment of Standard Payment Rates for Home Health Services:		
Budget authority	−51	−975
Outlays	−51	−975
Section 608: Eliminating Federal Support for Honey:		
Budget authority	0	−11
Outlays	0	−11
SUBTOTAL: Agriculture/Health:		
Budget authority	−2,970	−35,898
Outlays	−2,839	−35,576

Source: Congressional Budget Office.

GRAND TOTALS

TABLE 7.—NET GRAND TOTAL SAVINGS FOR ALL TITLES AND INTEREST SAVINGS.

[Savings from baseline, in billions of dollars]

	1994	5-year savings
Spending Reductions Titles I through VII		
Budget authority	−9.661	−94.315
Outlays	−6.981	−90.309
Locked-In Savings (Determined by Cap and PAYGO Adjustments)		
Budget authority	−9.024	−83.018
Outlays	−6.372	−80.308
Interest Savings		
Budget authority	−0.171	−9.777
Outlays	−0.171	−9.777
Deficit Reduction		
Budget authority	−9.195	−92.795
Outlays	−6.543	−90.085

Source: Congressional Budget Office.

CONCORD COALITION ENDORSES PENNY/KASICH PLAN

Today, Concord Coalition co-chairs Warren Rudman and Paul Tsongas endorsed the proposal for additional budget cuts released yesterday by Congressmen Tim Penny and John Kasich.

"It is reassuring to see that Representatives PENNY and KASICH have not forgotten about the deficit crisis and the promises made to the American people by Congress and the Administration. While Washington seems to have lost interest in the deficit, PENNY and KASICH have been hard at work developing a worthy plan for taking a big bite out of government spending," said Coalition co-chair Warren Rudman.

"Last month we tried to reignite the debate on the deficit with the release of our Zero Deficit Plan. Obviously Congressmen PENNY and KASICH, as well as the others involved with this proposal, were listening," said former Senator Paul Tsongas.

We are particularly pleased with the bipartisan nature of this plan. It will take the efforts and talents of both parties, working together, to make the tough choices required to eliminate the deficit. This plan shows that kind of cooperation is possible," continued Sen. Tsongas.

On September 20 The Concord Coalition released its own plan for eliminating the deficit by the year 2000. While the Penny-Kasich plan is not a strategy for eliminating the deficit, it is an unprecedented opportunity to have a second shot at deficit reduction this year.

The Concord Coalition is a bipartisan, grass roots organization focused on eliminating the federal budget deficit by educating and organizing citizens across the country. Currently the Coalition has chapters in all 50 states and 100,000 members nationwide.

RESPONSIBLE BUDGET ACTION GROUP,
Washington, DC, November 4, 1993.

Hon. TIM PENNY and Hon. JOHN KASICH,
U.S. House of Representatives, Washington, DC.

DEAR TIM AND JOHN: Throughout the budget debate this year we argued that the President's economic program did not cut spending or the deficit enough. We were concerned that Congress never could enact the deep spending and the deficit reduction we believe to be necessary and appropriate except on a bipartisan basis.

When President Clinton submitted his budget to Congress, he said that further entitlement restraint and deficit reduction depended on health care reform. But the Administration's health care reform proposal actually would increase entitlement spending—would not reduce the deficit at all until after 1998—and then only modestly—even if the Administration's cost and savings estimates are right.

When Congress passed the reconciliation bill, the President promised to submit additional spending cuts this fall. But the Administration's rescission and REGO proposals would not reduce spending. The Administration proposes to cut some programs and redirect the savings to pay for other priorities. And the Administration proposals would have little or no affect on the growth in entitlement spending.

The Penny-Kasich amendment is a serious bipartisan effort. It would cut spending and the deficit by more than $100 billion over five years. We support your amendment.

Certainly, there is something in the package for almost anybody to dislike. But this amendment really would cut spending. Half the Penny/Kasich savings are in entitlements. Those savings would be locked into law immediately. The other half, in discretionary spending, also would be locked-in. Congress could change the mix in discretionary spending in future years, but they would have to stay within the new limits which would be established if the amendment is enacted.

How can anybody who called for more spending cuts earlier this year oppose Penny/

Kasich? We don't know. For our part, we laud this effort. We support your amendment. We will do anything we can to help you in this important effort.

If you have any questions or if there is something more we can do in support of the amendment please call Carol Cox Wait or Susan Tanaka in our office.

Best regards,

ROBERT N. GIAIMO,
HENRY BELLMON.

P.S. We have sent an identical "Dear Former Colleague" letter to all House Members.

CITIZENS FOR A SOUND ECONOMY,
November 4, 1993.

Hon. JOHN KASICH,
U.S. House of Representatives, Washington, DC.

DEAR REPRESENTATIVE KASICH: On behalf of our 250,000 members across the country, Citizens for a Sound Economy (CSE) supports your bipartisan effort to reduce the deficit as outlined in the Penny-Kasich "Common Cent$ Plan" document.

CSE is especially pleased that your initiative will apply savings only toward genuine deficit reduction, not to new spending initiatives. While CSE has not taken a position on each of the specific proposals in the package, we believe that as a whole it would go a long way toward reducing wasteful federal spending. It is highly encouraging that the bipartisan task force that produced this document wants to set an example within the halls of Congress and is willing to make necessary reforms concerning mandatory spending.

CSE looks forward to working with your office to make authentic spending cuts as regular an exercise on Capitol Hill as the appropriations process. We believe that the Penny-Kasich Bipartisan Task Force plan offers tremendous hope for doing that by the close of this session of Congress.

Sincerely,

PAUL BECKNER,
President.

AMERICANS FOR TAX REFORM,
Washington, DC, November 3, 1993.

Hon. JOHN KASICH,
U.S. House of Representatives,
Washington, DC.

DEAR CONGRESSMAN KASICH: Americans for Tax Reform applauds and endorses your legislation (as introduced) to cut $103 billion in federal spending over the next five years.

Passage of this legislation in its current form would represent the first major, sincere effort on the part of Congress to cut the bloated federal budget since 1985, when Gramm-Rudman was approved.

In 1992, voters demanded change. The American people clearly communicated their antipathy for big government and overspending and taxation. Your legislation is consistent with their desires. It breaks with the status quo. It represents change.

You, Congressman Penny, and the other sponsors of this legislation should be complimented for your hard work. Please let me know how our organization can be of assistance.

Best wishes.

Sincerely,

GROVER G. NORQUIST.

LEAD OR LEAVE,
Washington, DC, November 3, 1993.

Hon. JOHN KASICH,
U.S. Congress, Washington, DC.

DEAR CONGRESSMAN: We write to give our strong endorsement to the Penny-Kasich Deficit Reduction Plan. It is a fair, bi-partisan effort to help reduce our runaway budget deficits—and should receive the vote of every House and Senate member who is committed to deficit reduction.

As you know, genuine deficit reduction—not the feel-good stuff of campaign rhetoric—requires tough and painful choices that will affect the lives of millions of Americans. The Penny-Kasich plan is honest about those choices, but would reduce the deficit in a way that clearly protects those least able to pay.

This package of spending cuts is the bare minimum that future generations deserve. Without deep cuts—and a commitment to shifting our spending priorities to invest more in the future—our generation, and those to come, will face an exploding national debt that will lower our living standards and jeopardize our dreams for a stronger America.

There's no good excuse to vote against Penny-Kasich, and anyone who does should be ashamed to look their kids and grandkids in the eye. Before this vote, members should ask themselves one question; what's the point of staying in office if I can't muster the political courage to make some tough choices?

If Washington buries this plan, America should get ready to throw in the towel on any serious, long-term deficit reduction effort.

Sincerely,

JON GOWAN,
President.
ROB NELSON,
Chairman.

[From The Philadelphia Inquirer, Nov. 5, 1993]

BACK TO THE DEFICIT

A lot of Americans seem not to realize it, but despite the taxes and belt-tightening that Congress approved this summer, the federal government will suffer from large deficits throughout the 1990s—unless more is done.

Fortunately, more may happen. To get the budget package passed, Democratic legislative leaders promised rank-and-file lawmakers a shot at making more spending cuts this fall. And it's starting to look as if this Round Two on the budget will deliver serious savings.

For this go-round, which will be getting underway later this month, a hardy band of Republicans and Democrats in the House has just recommended more than 80 eminently doable ways to cut federal spending. Between now and 1998, their plan would save the federal government an average of $20 billion a year. While that's serious money, the leaders of this effort—Reps. Tim Penny (D., Minn.) and John Kasich (R., Ohio)—point out that it's only a 1 percent cut. The Inquirer enthusiastically endorses the "Penny-Kasich Plan."

The proposals include a moratorium on new government buildings, a cut in Congress' own budget, a cutback in federal retirement benefits and a reduction in Medicare benefits for upper-income retirees. This bipartisan package borrows ideas from all over, including Vice President Gore's "reinventing government" report and Republican proposals offered early this year. It is bigger, and thus better, than what President Clinton proposed last week.

At the same time, the politicians and the public need to start thinking and talking about an even bolder, and better, plan for fiscal sanity. That's the Zero Deficit Plan of the Concord Coalition—a grassroots organization founded by former Sens. Paul Tsongas and Warren Rudman. Instead of denting the deficit, as Congress and Mr. Clinton did this summer and plan to do again this fall, the coalition's plan would *eliminate* the deficit by the year 2000.

To achieve this dramatic change, the Zero Deficit Plan cuts entitlement spending much more than the Penny-Kasich Plan, and it raises taxes. The biggest items in the plan are radical and logical: gradually reducing the value of all federal benefits to families whose income exceeds $40,000, and phasing in a 50-cents-a-gallon increase in the gas tax.

Unfortunately, when the Zero Deficit Plan was unveiled in September, it didn't get the attention it deserves. Maybe people and the media were feeling pooped on the subject. In any event, The Inquirer also endorses the Concord Coalition's Zero Deficit Plan. We endorse it lock, stock and barrel. As Warren Rudman said about his group's plan: "Here are all the answers that Ross Perot has the questions for."

[From The San Diego Union-Tribune, Nov. 1, 1993]

BAIT AND SWITCH

When last we heard from President Clinton on the Federal budget, he was promising to get back to Congress with more than $100 billion in spending cuts. Well, he finally has gotten back. But he has come up about $90 billion short of the promised cuts.

If this were not disconcerting enough, the president doesn't even plan to apply the entire $10 billion in spending cuts to deficit reduction. He wants to spend half the savings on his dubious anti-crime bill.

So instead of $106 billion in deficit reduction over five years, which the president promised moderate and conservative Democrats in Congress while stumping for his budget last summer, he actually is proposing to pare only an additional $5 billion off the deficit.

It's the same old budgetary bait-and-switch that taxpayers have seen before. The spendthrifts in Washington promise that tax hikes will be matched dollar-for-dollar with spending cuts. The taxes take effect, but the promised cuts never materialize.

Since Clinton has reneged on his promised spending cuts, a bipartisan group of lawmakers has put its own plan on the table. They propose $103 billion in deficit reduction through cuts in Medicare, federal workers' benefits and other areas of the federal budget.

"This is exactly what the people in this country have been asking for for a very long time," says Rep. Tim Penny, D-Minn., who along with Rep. John Kasich, R-Ohio, drew up the plan. They are joined, so far, by 30 other House members.

The Penny-Kasich plan would trim more than 80 federal programs altogether. There would be cuts in foreign aid and a few small weapons programs. Outlays would be pared for the strategic petroleum reserve. Savings also would be made by gradually raising the minimum retirement age for federal workers from 55 to 65.

The White House has had little to say about the Penny-Kasich package, except that the administration has a problem with the proposed $37 billion in Medicare cuts. Rather than apply those savings to deficit reduction, Clinton wants to spend the entire amount on health care.

It seems the president is not serious about cutting federal spending or reducing the deficit. Otherwise, he would have done much better than propose one-tenth the spending cuts he promised.

Reps. Penny and Kasich are on the right track. Delivery should be made on the more than $100 billion in spending cuts that taxpayers were promised.

The $10 billion in cuts the president proposed last week is simply not enough.

[From Newsday, Nov. 3, 1993]

HOW TO ADD MUSCLE TO A PUNY DEFICIT-CUT PLAN

It's time for President Bill Clinton to pay off on the promises he made last summer when he used any and all devices at hand to push his beleaguered deficit-reduction bill through a reluctant Congress. One of his pledges was to produce another spending-cut package.

The White House has produced a $10-billion measure, chicken feed in a $1.5-trillion budget. Most of the recommended cuts are taken from Vice President Al Gore's National Performance Review and involve streamlining government departments, changing complex and arcane purchasing systems and cutting a few eminently cuttable programs, like the Defense Department's medical school.

The White House package, however, should be seen as the starting point for deeper cuts—specific, legitimate ones that don't involve slash-and-burn gimmickry.

In the House, Reps. Tim Penny (D-Minn.) and John Kasich (R-Ohio) have come up with a $103-billion alternative that is remarkable in its detail and wise in its specifics, but flawed in its mechanics. For the first time in memory, a leading Republican—Kasich is the ranking minority member on the House Budget Committee—is actually pushing a specific and politically dangerous list of programs to be cut. Usually, while Republican conservatives harrumph about the deficit, their plans amount to little more than accounting leger-demain and sweeping proposals for "across-the-board" cuts that leave the hard choices to others. This time, there is indeed a specific list—one that includes painful but perhaps necessary proposals to increase payments by affluent Medicare beneficiaries.

Unfortunately, the Penny-Kasich plan in its current form is unacceptable because it lowers already tight caps on discretionary spending to unrealistic levels and provides no game plan for meeting the new targets. It would change other deficit-reduction rules to make it impossible ever to increase taxes or launch new programs.

But take the gimmickry out, marry the best specifics with Clinton's plan and Congress would actually have sound deficit reduction.

[From The Sun, Nov. 3, 1993]

BUDGET CUTTING: ROUND TWO

Congress will get a second chance to hack away at chronic federal deficits before it adjourns this month, but the fervor it brings to the task may be a lot less that last August's rhetoric suggested. President Clinton's welcome proposals for a complete overhaul of government procurement practices could save significant sums over the next five years, but it could also have the adverse effect of giving Congress a chance to opt out of any serious budget cutting before it goes home for the year.

Thanks to a bipartisan coalition of deficit hawks, however, members of the House (and perhaps the Senate) may be forced to vote on alternative proposals to cut federal spending a whopping $103 billion over the next half decade. Unlike the administration package, which foresees using some $5 billion of the savings to fund the pending anti-crime bill, the hawks would earmark every dollar for deficit reduction. They would also meanstest Medicare, a proposal sure to raise the hackles of the gray-power lobby.

This second round of budget cutting sets the stage for more serious work in 1994, when Congress will be under election-year pressure to convince impatient voters that it can put the government's house in order. The administration will be intent on showing that Vice President Al Gore's plans for "re-inventing government" can bring on savings and efficiencies in the mammoth federal bureaucracy. But conservative Democrats and Republicans will be insisting on a more direct approach. As Rep. Timothy Penny, D-Minn., remarked in presenting 80 specific proposals: "The only way to cut the budget is to cut the budget."

That means eliminating obsolete government programs, canceling costly but marginal weapons systems, putting real caps on the runaway growth of popular middle-class entitlements and reducing the size of the federal work force.

With the president already absorbed with health care reform and the North American Free Trade Agreement, Congress may not get into the kind of prolonged debate seen last summer. But anything to keep public attention focused on the need to get deficits under control is a step forward. Round Two in the budget battle should not be in vain.

[From The Washington Times, Nov. 4, 1993]

BIPARTISAN SPENDING SCISSORHANDS

(By Donald Lambro)

Now is the time for every American taxpayer concerned about the uncontrolled growth in federal spending to get behind the Penny-Kasich deficit reduction plan.

This bipartisan bill was drafted by Rep. Tim Penny, the Minnesota Democrat who has been one of his party's fiercest critics of the Clinton budget, and Rep. John Kasich, the Ohio Republican, who has been a leader in the battle to restrain federal spending.

Their $103 billion budget-cutting package contains more than 80 specific spending reductions, program eliminations and other reforms that would cut $26 billion in discretionary spending, $50 billion in mandatory or entitlement programs, and $27 billion in personnel savings.

It has already won the support of 19 Democrats and 11 Republicans in the House, plus a number of grass-roots organizations, including Ross Perot's United We Stand, the Committee for a Responsible Federal Budget, and the Concord Coalition, headed by former Sens. Paul Tsongas of Massachusetts and Warren Redman of New Hampshire.

This is not a panacea for dissolving the huge deficits we have been putting on future generations of taxpayers. Indeed, its savings amounts to only 1 cent for every dollar in federal spending over the next five years.

But its budget-cutting provisions would cut into some of the government's thickest and oldest layers of fat. And its proposals are truly bipartisan in nature, drawing upon a variety of Republican and Democratic plans.

Among the plan's five-year savings:

It would cut foreign aid by $5 billion, including the Agency for International Development, the International Development Association, and the World Bank, which is putting up a new building whose costs have swollen to $290 million.

It would reduce U.S. military costs in Europe and Asia by $5 billion by asking our allies to shoulder a larger share of our defense operations there.

It would terminate outdated programs, such as the helium subsidy set up to ensure helium for wartime blimps; end the moribund Interstate Commerce Commission; sell the Alaska Power Administration; and abolish the State Justice Institute, which a study found has "no clear federal purpose."

It would cut the waste-ridden Economic Development Administration by 20 percent, the National Endowments for the Arts and Humanities by 10 percent, and the Legal Services Corp. by 5 percent.

It would shut down 1,200 Agriculture Department field offices and eliminate the equivalent of 7,500 full-time employees, savings more than $1.6 billion. It would close the Housing and Urban Development Department's regional office and cut its field staff by 1,500 people.

In Congress, it would cut mass mailing privileges by 20 percent; freeze salaries for lawmakers and tie any future cost-of-living increase to any cost-of-living adjustments given to federal employees; and cut the legislative branch budget by 7.5 percent.

It would mandate the administration's proposed cut in federal personnel by 252,000; raise the federal civilian retirement age to 65 over a 20-year period; defer cost-of-living raises for military retirees until they reach age 62.

In most areas, this plan does not go far enough, considering the magnitude of the mess wer're in. Our military costs in Europe should be cut in half, for starters. So should Agriculture's 12,000 field offices.

There is no evidence that Legal Services has done anything to alleviate poverty or that EDA has promoted economic growth. They should be abolished.

But on balance the Penny-Kasich plan is a good beginning and sends a real signal that Congress, after running up a 1993 deficit of nearly $260 billion, may be getting serious about controlling spending.

Moreover, their proposal not only cements specific spending cuts into law, it mandates that all the savings go into deficit reduction and not be spent elsewhere.

That's why Democratic leaders are opposed to it. House Speaker Tom Foley has promised Messrs. Penny and Kasich a vote on their plan, but he doesn't like the savings going into further deficit reduction.

"If all we do is assign every dollar of savings . . . to deficit reduction, we are not going to develop policy of recycling federal programs in more efficient and effective investments," said Mr. Foley. Translation: We want to plow budget savings into new spending, not into cutting the deficit further.

But Mr. Penny and Mr. Kasich may be striking at just the right time. Public disdain for Congress and the government is at nearly an all-time low. Few believe our tax dollars are being spent wisely or frugally.

"This is a fair plan that touches all corners of the federal budget," says Mr. Penny: "This package represents the sort of choices that need to be made if we are to seriously cut the deficit. If we can't do this much, we will again have missed a tremendous opportunity and let down the American people."

"We believe this package stands a real chance of approval, but the public must get behind it," says Mr. Kasich.

Everyone complains about wasteful government spending. Here's the chance to begin doing something about it. Make your voices heard.

Mr. SABO. Mr. Chairman, I yield 1 minute to the gentleman from Virginia [Mr. SISISKY].

Mr. SISISKY. I thank the gentleman for yielding this time to me.

Mr. Chairman, I do not have any pictures, I do not have any pennies—excuse me, Mr. PENNY—I do not have any gimmicks, I do not have any charts. I really was not going to get into this argument tonight, but, you know, I could not resist the political implications of what is going on here. This is not the tough vote. The tough vote was on August 5. That was the tough vote. Do not make a mistake about it.

I only have a minute, but I can tell you one thing, I can give you the reasons why not to vote for this, but I will just come down to what the gentleman from Pennsylvania said about defense. You cannot deny it, we have cut defense too much. It is going to be cut again, and the historical precedent says that half of that $50 billion will be in defense. Do not do it. Vote against Penny/Kasich.

Mr. PENNY. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. ANDREWS].

(Mr. ANDREWS of New Jersey asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS of New Jersey. I thank the gentleman for yielding.

My colleagues, we are being asked to do tonight what local governments and county governments and churches, synagogues, and small businesses all across this country have already done, and that is make do with just a little bit less. If we went somewhere in this country tonight and asked people if they thought this Government could make the trains run on time and light the Washington Monument, inspect the meat and defend the borders for 99 cents on the dollar instead of a dollar on the dollar, you know that their answer would be "yes."

The answer of our colleagues tonight should be "yes" as well. If in August you voted for the President's plan and said, "But we need to do more," tonight is the night to do more. If in August you voted against the President's plan and said you wanted to cut first and tax later, tonight is the night to cut first.

I am not sure we are going to win this vote, but I will tell you this: The people elected in the last two or three Congresses will carry a large majority of that group, and we will be back.

Mr. SABO. Mr. Chairman, I yield such time as he may consume to the gentleman from Louisiana [Mr. FIELDS].

Mr. FIELDS of Louisiana. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in strong opposition to Penny-Kasich.

Mr. Chairman, I rise to oppose the Penny-Kasich amendment. This amendment will have devastating effects on many of the programs that our constituents and State governments rely on.

This year we have already placed extremely constricting caps on spending levels in the budget. By continuing to reduce the deficit by cutting vital programs like Headstart, Chapter 1 programs, and retraining programs we will only hurt the American people and the economy. We need to be reinvesting in our people, not cutting our reinvestment dollars.

Additional cuts of $34 billion to Medicaid will have a negative affect on our hopes of enacting major health care reform next year. These funds will be used to help finance a health care system that will ultimately reduce the deficit and save the American taxpayer money through decreased health care cost. As we cast our votes tonight, we need to remember the people in our communities who are relying on us to implement a health care plan that will work for the people.

It is simply not acceptable to pass an amendment that is as far reaching as the Penny-Kasich amendment. I urge my colleagues to realize the ability the adoption of the Penny-Kasich has to make such a negative impact on each of our districts. I plan to vote no on the Penny-Kasich amendment and I hope my colleagues will do the same.

Mr. SABO. Mr. Chairman, I yield the balance of my time to our distinguished majority leader, the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. First I want to pay my respects and my deep respect to the gentleman from Minnesota [Mr. PENNY] and the gentleman from Ohio [Mr. KASICH]. I think both of them bring to this question a tremendous commitment to what they are trying to do. Both of them have brought to this debate a set of issues and ideas that were, as the gentleman from Ohio said, not going to be ending on tonight; this is the beginning.

□ 2050

I thought it would be useful to try to put this debate in a larger context. Let us remember that from 1980 to 1992 we as a country, and I put the blame nowhere but on all of us, all 238 million of us, we created about $3 trillion of debt. I think everyone would agree it was too much, way too much, that we borrowed our way to a false prosperity and that now we have to figure out how to get out of that hole, how to get back up to a balanced budget and get this economy to function correctly so that we can produce the kind of economic growth and revenues that will help us get out of that hole.

We just finished a very important first step in attacking that problem, the budget. As the gentleman from Virginia said, it was a tough vote to implement that budget; easy to vote for the budget, hard to take the specific steps to make it happen.

Now the gentleman from Minnesota [Mr. PENNY] and the gentleman from Ohio [Mr. KASICH] bring additional steps that they believe are important to take now before we get to next year's budget to try to take further steps on that budget.

But let me remind you that when we passed that budget we did not just take the steps in this year ahead, we set in place the only thing that I have ever seen here in my years that has been effective, caps on spending.

We put in place a hard freeze on caps in each of the next 5 years.

In other words, we are not going to allow to be spent in discretionary spending any more money in the dollar amount that we spent in fiscal year 1993. It has never been done. We have not even come close.

Some of our friends on the other side talk about base lines and how that skews the debate. There is truth in that, but this is a hard freeze.

Go talk to Leon Panetta, the Director of the Office of Management and Budget, He will tell you that already he is having a conversation with all the Heads of the Departments, saying, "No, you got to get to this number. That number is too high. You are $10 billion over where you need to be. You got to get down under the cap."

We are going to be back here next spring talking about a lot of the ideas that the gentleman from Minnesota [Mr. PENNY] and the gentleman from Ohio [Mr. KASICH] have brought forward tonight, and more. Then there is the year after that, and the year after that and the year after that.

We have just begun to cut. We have just begun to look for places to reduce this deficit. This is the beginning, but if we enact this amendment tonight, in my view, we act prematurely. We act in an untimely manner because we not only cut, we take the caps down further. We will be in a much harder position to deal with this next Spring.

Now, there is another point. What is this all about? What are we trying to do? Are we cutting for the sake of cutting? Are we cutting to reach some goal that theoretically makes us feel good? I do not think so.

We are doing this because we think it makes the economy work better. That is what we are trying to do.

I would argue to you tonight that this economy is fragile. It is not yet strong. Inflation is very low, interest rates historically low, and yet people are still being laid off all over the United States. If you go to many of our states, mine included, what we are seeing is people being laid off in the Defense industry. Do you really want right now to make that transition from defense to a more domestic economy happen faster, prematurely? We are going to do it anyway next Spring.

A final point. Part of their cuts or their action is this amendment is a drastic—what we have all talked about forever, and that is entitlements. How are we going to deal with entitlements?

I give them high marks for making very important suggestions on entitlements.

I just would say this. We are going to do health care reform next year. You are going to be looking for these cuts. Nobody wants to raise taxes. We are

going to need these cuts to make health care work. Please do not act prematurely tonight. Let us not go forward with this amendment.

The gentleman from Ohio [Mr. KASICH] is right. This is not the end. This is the beginning, and the important items they brought up are going to be needed by this Congress this spring, next fall, the spring after, that and every year after that.

Mr. PENNY. Mr. Chairman, I yield myself the remaining time.

Mr. Chairman, the bottom line is that under the current budget plan the deficit goes back up, up to $300 billion or more at the turn of the century. That is simply not good enough.

Inside Washington no one seems to like the Penny-Kasich budget cuts. They have been trashed by the barons of Capitol Hill, bashed by the Clinton administration, attacked by all the special interests and criticized by the Washington Post; but across America these budget cuts are being endorsed. The Penny-Kasich budget plan has been endorsed by the San Diego Union Tribune, by the Dallas Morning News, by the Houston Chronicle, by the Philadelphia Inquirer, by the Boston Herald, by the Baltimore Sun, by New York Newsday, and even in Chairman SABO's home town, the Penny-Kasich plan has been endorsed by the Minneapolis Star Tribune.

It comes down to this. A vote for Penny-Kasich tonight will show the rest of America that maybe Washington is finally getting the message.

Mr. Chairman, vote for Penny-Kasich. Vote for real deficit reduction.

Mr. BACHUS of Alabama. Mr. Chairman, just 3 months ago, President Bill Clinton persuaded many Democratic Members of this body to vote against their constituents and for the largest tax increase in the history of this country. President Clinton convinced these Members to vote against the clearly expressed wishes of their constituents by promising to support "real spending cuts letter" this year.

Well, later this year is here, and Penny-Kasich has real spending cuts—90 billion dollars' worth.

But lo and behold, the President, the same President who promised spending cuts, is now, as I speak, working and lobbying against Penny-Kasich. Once again, President Clinton has broken his promise to the American people.

I, and a majority of the American people, suspected that the promise to "real spending cuts later" was false. Tonight these suspicions are confirmed. Yet another broken promise.

On the other hand, and ironically, it is the proponents of Penny-Kasich, most of whom like me voted against the largest tax increase in the history of the country, who are now trying to keep faith with the American people—working to hold the President to his promise of "real spending cuts later."

And, Mr. Chairman, we will not be silenced now by more false representations, being offered against Penny-Kasich, that cutting spending will destroy this country. The one-cent-on-the-dollar cuts contained in Penny-Kasich will not destroy this country. To the contrary, when combined with a commitment to continued spending cuts, Penny-Kasich might save it. We must get our economic house in order for the sake of our children and grandchildren.

Vote for Penny-Kasich.

Mr. RICHARDSON. Mr. Chairman, the Penny-Kasich plan looks very enticing on the surface. However, if you look just a little below the surface, one quickly finds that the guts of the plan are very detrimental to practically every conceivable constituent group.

I have heard from constituents in my district expressing their fears about: cuts to home health care agencies; cuts to block grants for health care; unfunded Medicaid mandates that would cost the State of New Mexico $13.9 million over the next 5 years; additional bureaucracies that would hurt innovative scientific research; and Superfund waste sites that would be incompletely cleaned up if Penny-Kasich passed. The list goes on and on.

We should look for opportunities to cut the Federal deficit, but not when the unintended effects of the cuts have not been thought through clearly, and not when those unintended effects mean real pain to millions of people. We cannot get caught in a spiral of cut first and ask questions later. There simply has not been adequate time to examine the impact of this amendment and the unintended effects like those listed above.

This Congress has already produced significant savings this year—$500 billion over 5 years from the budget reconciliation bill. The Penny-Kasich plan calls for an additional $34 billion in Medicare cuts, above and beyond those cuts made to the Medicare program in the reconciliation bill. These additional cuts would sink the administration's attempt at health care reform because the Medicare cuts would go to deficit reduction rather than towards financing the President's health care plan. The road to true deficit reduction is with overall health care reform, not greater and greater cuts to the Medicare program. Greater cuts to Medicare simply mean more shifted costs to an inefficient private health care system.

Earlier this year, Congress lowered discretionary caps by $56 billion below what the President had requested in his budget. The Penny-Kasich amendment calls for an additional $53 billion in cuts to the discretionary spending caps. Congress has already made cuts of $34 billion below what was appropriated last year through the fiscal year 1994 appropriations cycle. Finding additional cuts in this fiscal year is like squeezing blood from a turnip. It is going to be awfully tough to find additional cuts without damaging programs that truly make a difference in many persons' lives.

In the future, I hope we are able to more carefully consider the effects of amendments like Penny-Kasich before we strike fear in the lives of so many with proposed budgetary cuts that go to the bone of useful social programs.

Mr. PAYNE of New Jersey. Mr. Chairman, I rise in strong opposition to the Penny-Kasich amendment. This amendment calls for the $37.9 billion in cuts of mandatory spending and $52.5 billion in discretionary spending.

Mr. Chairman, this amendment will do more harm to our economy long term than good. This amendment cuts hard at Medicare and in a health care system where millions of Americans are either uninsured or not able to afford preventive care these cuts are unjustified. Enactment of this amendment will in effect destroy any hope for Congress to pass effective and meaningful health care reform. This amendment contains $34 billion in Medicare savings; unfortunately the money will not be used for the funding of the administration's health plan, this effect would kill the chances of enacting a plan that would provide universal coverage without increasing costs for most Americans.

This amendment will prevent this Congress one real opportunity to get the Federal deficit under control. Under the administration's budget passed this summer by this Congress, the only reason the deficit may rise in a few years is because of out-of-control health care costs. Health care reform will in effect prevent Medicare and Medicaid spending from spiraling upward out of control.

I urge my colleagues to vote against the Penny-Kasich amendment which will kill any chance to legitimately get the deficit under control and impose an undue hardship on older and low-income Americans.

Ms. SNOWE. Mr. Chairman, in the midst of the debate here today on the Penny-Kasich package, one critical point must be made—when an opportunity arises to pass a bill which makes a serious attempt to curtail waste and excessive spending and trim the national deficit, we in Congress have an obligation to take swift action. It is as simple as that.

Mr. Chairman, the American people have again reiterated their demand for change in the way Government functions, especially in the area of fiscal restraint. The message the voters delivered in November 1992 and again, in November 1993, demonstrates that they still have a strong desire for change. They demand an end to the wasteful spending and an end to spending beyond the Government's means. They demand that Congress end the growth of a $4 trillion national debt which has threatened economic growth in our Nation.

Mr. Chairman, we have the responsibility to meet these demands—for what our citizens are asking of us is nothing less than fiscal prudence, nothing less than an accurate accounting of our revenue and expenditures, and nothing less than playing fair and honest with the American people on the question of taxes.

The Penny-Kasich amendment presents an opportunity for the Congress to offer the American people a credible package of spending cuts and make good on our claims that we are serious about reducing the deficit. The Penny-Kasich package is not a perfect plan. But it is an unequivocal, bipartisan step in the right direction. The Penny-Kasich proposals prompts serious discussion, and because it calls for action instead of rhetoric—because it calls for trimming spending rather than giving free rein to the taxers and spenders which have dominated the budget process for too long—and because it makes the tough decisions on the deficit which need to be taken, rather than postponing them to another promised venue in the future.

When the country is running a $253 billion deficit and a national debt in the trillions of dollars, what is needed is a plan that begins to make the bold, new, and meaningful steps in the right direction. Penny-Kasich proposes to devote $90 billion over 5 years to deficit reduction. The White House promised to send Congress a package of proposed spending cuts and Government reform measures that demonstrated it, too, was serious about fixing the Nation's financial troubles. Unfortunately, recommendations that amount to around $3 billion, as proposed by the President, comes up a little short in my book. Their proposal raises serious questions about the administration's commitment to reduce spending. Had the President presented a serious proposal, and had this Congress taken the necessary steps long ago, perhaps Penny-Kasich would not have been necessary. But now it is.

In many areas, this plan seeks to eliminate obsolete projects and target wasteful spending. It aims to infuse reason into decisions to commit hard-earned taxpayer dollars to fund programs. Many of its Government reform proposals and cost-cutting measures are adopted straight from the Vice President's National Performance Review and the President's budget. The plan examines the Federal agencies, Congress, and both discretionary and mandatory spending to see what is needed and what can go toward deficit reduction. To say that Penny-Kasich makes drastic cuts is to say that cutting less than one cent on every dollar, which Penny-Kasich does, is too much.

Penny-Kasich is clearly not a perfect plan. I am sensitive to the concerns expressed by some of the Medicare and Federal retirement proposals. The changes that were made were a step in the right direction. More could have been done. However, we need to be clear on how Penny-Kasich affects health care. Regarding Medicare, the Penny-Kasich plan will actually stop health care reform from taking additional funding from Medicare. The administration says Penny-Kasich will hamper efforts to pay for health care reform, but it includes the exact same proposals on Medicare as the Clinton plan. The administration, in fact, is hampering its own health care reform by promising a lower tobacco tax—one of their funding proposals—in exchange for NAFTA votes. The real reason the administration opposes Penny-Kasich is because its savings will be used for deficit reduction. Passage of Penny-Kasich will preempt the deeper Medicare cuts the administration proposes—$124 billion—and leave them at $34 billion over 5 years. Passage of Penny-Kasich will stop the administration from making deeper cuts in Medicare.

Regrettably, the House leadership did not permit amendments or votes on the individual provisions of Penny-Kasich. I think the American people deserve the chance to have such provisions considered, and/or amended on their own merit alone. The rule on the Penny-Kasich amendment prevented amendments to its individual proposals and allowed only an up or down vote on the package as a whole. Under these restraints, the situation presented is one of supporting a credible deficit reduction package or accepting the status quo of continued Government red ink.

The Penny-Kasich amendment represents a litmus test on deficit reduction. It offers the opportunity for those who want to act on cutting the deficit to separate themselves from those who are content to continue to merely talk about doing it. And simply talking about deficit reduction will not solve the problem. Penny-Kasich is not an ideal plan, but it is the only serious proposal on the table willing to deal with a problem that impacts all Americans. Such opportunities, unfortunately, come along all too rarely. That is precisely why we must seize the opportunity before us, and act.

Mr. CRANE. Mr. Chairman, I rise in support of the Penny-Kasich amendment to H.R. 3400 which would cut Federal spending by more than $90 billion over the next 5 years. Of the three spending reduction proposals before us today, I believe that the Penny-Kasich amendment represents the real opportunity to significantly cut the deficit.

Unlike other proposals that the House has considered this year which promise to cut spending in the future, the Penny-Kasich amendment calls for immediate reductions in Federal expenditures. In particular, I support the language in the Penny-Kasich proposal which prevents the savings in it from being used to finance new Federal programs by adjusting the discretionary spending caps and pay-as-you-go provisions of current budget law. In addition, I believe that the recent changes in the Penny-Kasich package have made it a reasonable and balanced first step toward fiscal responsibility.

Over the past year, the American public has questioned the ability of Congress to take definitive action to cut spending and eliminate waste.

I urge my colleagues to demonstrate their resolve toward deficit reduction today by supporting the Penny-Kasich amendment to H.R. 3400.

Mr. SANTORUM. Mr. Chairman, I rise in strong support of the Penny-Kasich amendment. The amendment is an important step toward bringing the Federal budget into balance, and I urge my colleagues to vote in favor of this important plan. With the Federal debt over $4 trillion, hard choices must be made. I concede that supporting this amendment is a very hard choice for many of my colleagues, but I believe that the Penny-Kasich plan is the right choice.

Mr. Chairman, the opponents of the Penny-Kasich plan have been working diligently to defeat this effort. They would rather see higher taxes and higher deficits than sharp cuts in spending.

The opponents have also been spreading fear. Over the past several days, my office has received dozens of phone calls and letters from concerned constituents. Some of their concerns are valid, and I am acutely aware of the impact of several of these provisions. In many cases, though, these fears are largely unfounded, as demonstrated by the many calls I have received regarding the proposed cut in Medicare for wealthy retirees. Seniors around the country have been whipped into a fury over the Penny-Kasich plan, because they have been told that it will lead to higher Medicare premiums. What these older Americans have not been told is that the changes will only affect the wealthiest seniors, those with annual incomes in excess of $70,000. Most of the callers to my office are retirees living on fixed incomes of less than $25,000, and they are genuinely afraid that this plan will cost them what precious little they have left over each month after the bills are paid. But the Penny-Kasich plan will have little or no impact on their Medicare benefits. In fact, when the time is taken to explain that the changes are primarily aimed at making the wealthy pay their fair share, my callers are very supportive of the Penny-Kasich plan.

One of my constituents called this week to urge me to vote against a specific spending cut, funding for clean coal research, that will affect my district. I explained that a separate vote on clean coal research was not likely to be made in order, the House would probably only have a single vote on the whole package, and I had made up my mind to vote for the Penny-Kasich amendment. While he still wanted the program to continue, he also noted that this might be the price that must be paid for the way we have gone about business for so many years.

He is right. Much of the excess and waste in the Federal budget is the direct result of the way things have been done in Congress. It is an ages-old truth that most representatives will not object to Federal spending programs if there is something in it for them. A bridge or a road or an airport for one Congressman's district can leverage support for the bridge or road or airport to be placed in another district.

My support for this amendment is not unequivocal, however, and there are many things in this package that I oppose. It is difficult for me, for example, to support the elimination of the clean coal and fossil fuel research programs at the Department of Energy, because the development of cleaner coal technology is very important to the economic future of my district and the State of Pennsylvania. When the House voted to cut the program in July, I joined many of my colleagues in writing to the Senate Appropriations Committee to urge that this funding be restored. I have long fought to preserve the clean coal research program, and I am hopeful that during conference consideration this provision will be reexamined and ultimately stripped from the bill.

I am also concerned about the proposal to save money by cutting costs at Veterans Administration hospitals, and I am skeptical that a high quality of care can be maintained while slashing operating budgets. If the amendment is accepted, I will urge the Senate to delay the implementation of this provision until we have the opportunity to review it carefully.

Opponents of the Penny-Kasich plan charge that the 20-percent coinsurance on home health services under Medicare will impose an unfunded mandate of $352 million over 5 years for Pennsylvania alone. In the past, I have supported efforts to prohibit the Federal Government from passing unfunded mandates onto the States. If the Medicare copayment is in fact such a mandate, I would be glad to work with my colleagues to repeal this specific provision.

Another proposal which concerns me is the reduction in Corps of Engineers Division Offices from 11 to 6. The Pittsburgh Corps of Engineers office provides vital services to the people of western Pennsylvania, and I have worked hard to ensure that this office remains

open. I would urge a thorough review before implementing this provision.

Finally, the proposal to create a Federal Department of Science from the Departments of Commerce and Energy, the EPA, the OSTP, NASA and other agencies also concerns me. Though consolidating Federal agencies might be a good idea, I do not believe that an omnibus recision package is the proper forum for this debate. These agencies are branches of the executive branch, and I believe that such a proposal should originate with the administration. Before any wholesale consolidation, I would prefer to commission a study to determine the impact of this consolidation. If the consolidation makes sound public policy, I would be glad to urge the President to consider moving ahead with the creation of a Department of Science.

Mr. Chairman, it is clear that all of us can find reasons to oppose this amendment. But the alternatives to Penny-Kasich, higher taxes and higher spending, are much worse.

It is essential that we support this amendment to demonstrate that we are willing to leave the reckless spending habits of the past behind us. A vote for Penny-Kasich is a clear signal that the old ways of doing business in Congress are dead. It's time to stand up for the rights of the taxpayers in future generations, who will have to bear the burden of today's excess. I urge my colleagues to vote aye.

Mr. BORSKI. Mr. Chairman, I rise in opposition to the Penny-Kasich amendment and in support of the Sabo amendment.

Reducing the deficit is an important goal of this Congress. But what good is deficit reduction if it cripples our cities, prevents us from guaranteeing comprehensive health care to all Americans and critically hurts senior citizens and working Americans. This is what the Penny-Kasich amendment proposes to do.

A large portion of the cuts in the Penny-Kasich amendment target senior citizens. Nearly $40 billion would be cut from Medicare. $20.8 billion would come from a 20 percent coninsurance on clinical lab and home health services. This would mean money out of the pockets of seniors regardless of their income each time they need bloodwork or other laboratory analyses or seek special care in the home. It would also mean that these services would be placed out of the reach of many low-income seniors.

The proposed cuts in Medicare would jeopardize the President's plan for health care reform. The President has proposed using savings from the Medicare Program to finance his health care reform proposals, including extending coverage to all Americans and expanding Medicare coverage for prescription drugs and long-term care. Penny-Kasich would require spending cuts to be used only for deficit reduction and not for health care reform. This would seriously limit our ability to provide universal coverage without increasing costs for most Americans.

In addition, Penny-Kasich would cut Federal programs that are vital to our cities. By lowering discretionary spending caps by $43 billion beyond the limits set under the Budget Reconciliation Act, Penny-Kasich would require substantial cuts in many important programs, including State unemployment, Head Start, low-income energy assistance, aid for disadvantaged school districts, AIDs programs and substance abuse programs.

Penny-Kasich would also virtually eliminate operating subsidies for mass transit. In my district of Philadelphia, SEPTA authorities would have to raise their fares and force thousands of people back into their cars during rush hour.

Years of neglect of our cities have allowed our communities' infrastructure and municipal facilities to deteriorate. Crime, homelessness, and poverty have become commonplace. Our cities simply cannot bare the burden of the additional cutbacks proposed under Penny-Kasich.

Mr. Chairman, we must reduce the deficit, but we must do so carefully to ensure that the burden is distributed fairly and equitably. The Sabo amendment would accomplish this.

In August, I made one of the toughest votes of my career when I supported the President's $500 billion deficit reduction package. Over the next 5 years, $250 billion of this deficit reduction will come from spending cuts that are both real and painful. This year desperately hard choices had to be made in order to meet the strict spending caps set in the bill.

Despite this significant deficit reduction, we have returned today to cut spending even further. The Sabo amendment cuts spending by an additional $37.1 billion over 5 years. It includes many of the President's recommendations for reforming Government to make it more efficient and more effective. In addition, the Sabo amendment eliminates unnecessary programs, including the Federal honey subsidy, the Advanced Metal Liquid Reactor Program, and several Federal highway demonstration projects.

In short, Mr. Chairman, the Sabo amendment reduces the deficit by nearly $40 billion over the next 5 years without threatening health care reform, crippling our cities or unfairly targeting elderly and working Americans. I urge my colleagues to reject Penny-Kasich and support the Sabo amendment.

Mr. LEVIN. Mr. Chairman, I rise in opposition to the Penny-Kasich amendment.

I have not shied away from the tough votes to cut spending. I have voted for every serious comprehensive deficit reduction proposal since coming to Congress. I voted in August for the largest deficit reduction package in our Nation's history. I am voting tonight for the Sabo amendment and the Frank amendment, which together would cut spending by $51.5 billion.

The Penny-Kasich amendment is well-intentioned, but poorly conceived.

It is "Penny"-wise and pound foolish. It makes cuts today that will make it extremely difficult—if not impossible—to achieve the far greater cuts that would be realized from genuine health care reform. The public loses twice: it loses an opportunity for serious deficit reduction and it loses comprehensive health care reform. This alone is reason enough to vote against this amendment.

But there's more. Many of the proposals contained in the amendment appear to be badly flawed and counter-productive. The Chairman of the Securities and Exchange Commission says that the amendment will force a shutdown of his agency. Environmental experts say that it will cripple Superfund cleanup efforts. The Secretaries of Commerce and Energy say that it will create a massive, inefficient bureaucracy.

These are just some of the concerns that have been raised which cannot be considered carefully because of the hasty manner in which this amendment was put together.

Some of the health-related cuts illustrate the trouble with Penny-Kasich.

All the Penny-Kasich Medicare cuts come out of beneficiaries' pockets, placing an unfair share of the burden on the elderly and disabled.

The Penny-Kasich proposal to means-test Medicare Part B premiums could result in some beneficiaries paying more for their Medicare coverage than it is actually worth. If we are to modify the Medicare program—that is, from an entitlement program to an income-tested program—we need to ensure that it is done in a thoughtful way. The authors of this proposal did not do that.

The proposal to require Medicare beneficiaries to pay for part of their home-health services would add to Medicaid costs. The Medicaid program pays for lower-income beneficiaries' Medicare premiums, copayments and deductibles. Since states pay nearly half of Medicaid costs, this amounts to a new and significant unfunded mandate on States. Michigan would have to pay about $164 million over 5 years.

I am all for real, responsible deficit reduction. That is why I am voting tonight for the Sabo amendment. I am also voting for the Frank amendment because it reflects most, though not all, of my previous votes on strong deficit reduction.

And that is why I am voting against Penny-Kasich.

Mr. PORTER. Mr. Chairman, I rise to discuss my support for the Penny-Kasich amendment to H.R. 3400, the "reinventing government" legislation before us tonight. This amendment proposes $90 billion in budget savings over the next 5 years, a reduction of 1 percent from what we expect to spend during that time under current law. While I oppose several of the amendment's provisions, I believe we should pass this legislation in order to make a real cut in the deficit. Indeed, if we are unable to make a mere 1 percent cut in Federal spending, it is doubtful whether we will ever be able to make the deeper cuts needed to finally clean up the fiscal mess Congress has made and Congress continues to worsen with its current policies. My decision to support this amendment was not easy.

Mr. Chairman, I firmly believe that the root cause of the deficit is too much spending rather than too little taxation. My opposition to the recently-enacted budget reconciliation law was based largely on the fact that that legislation depended heavily on tax increases instead of spending cuts to achieve its deficit reduction goals. I also opposed that legislation because it spends most of the new taxes it raises and because its deficit reduction goals are inappropriately modest. If this law works the way its supporters say it will—and there is justifiable doubt that it will—the Fiscal Year 98 deficit will be just 20 percent less than the Fiscal Year 93 and Fiscal Year 94 deficits. I believe we should seek a 50 percent cut in the deficit by Fiscal Year 98, a goal candidate Bill Clinton

espoused during the 1992 presidential campaign.

Given this outlook, the Penny-Kasich amendment represents a chance to help correct one of the most serious faults with current budget law: it allows too much spending and does little in terms of reducing the deficit. The Penny-Kasich proposal takes a reasonable yet significant step in the right direction by cutting total Federal spending by one percent over the next 5 years. By making meaningful and specific cuts, this amendment would lower the deficit and help mitigate the fiscal child abuse Congress continues to commit with its profligacy.

The diversity of cuts within Penny-Kasich is one of the amendment's greatest strengths—and the source of the difficulty I had in making my choice to support this legislation. I strongly oppose several of the amendment's provisions, including the proposed creation of a Department of Science, added defense cuts and others. However, there are several other proposals included in it which I strongly support. These items include the increase in the Davis-Bacon threshold, substitution of vouchers in place of new construction of public housing, termination of the Interstate Commerce Commission, streamlining of various agriculture programs and closing the national helium reserve. On balance, I support a majority of the amendment's provisions. More importantly, I am heartened by and vigorously in favor of the amendment's goal of added deficit reduction through fiscally honest spending cuts. Such cuts are exactly what I called for when I criticized and voted against the 1993 reconciliation law and precisely what the American people continue to call for but which Congress refuses to enact.

Mr. Chairman, a number of charges have been hurled against this proposal by the Clinton administration and the special interests the administration marshalled to oppose it. These opponents charge that enactment of Penny-Kasich will undermine health care reform, send the economy into a calamitous tail spin, unfairly burden various segments of the population and cast aside those who most need government assistance. I believe these charges are unfounded. Were this legislation adopted, total Federal spending over the next 5 years would fall fro $8.015 trillion to just under $7.924 trillion, a decrease of about 1 percent. Certainly, $7.924 trillion leaves us enough money to reform health care and provide necessary Government services to those most in need. Indeed, if we are so bloated, inefficient and uncreative in our use of tax dollars that we cannot meet our society's basic needs over the next 5 years with that amount of money, then American indeed is in deep trouble. We can and should do better, Mr. Chairman, both for the sake of reducing the deficit and for the sake of regaining the confidence of the American people in Congress and its ability to govern.

Mr. Chairman, it never had to come to this. I repeatedly warned about the dangers of big deficits during the early 1980's when I first came to Congress and after. At that time, however, the Nation was enjoying strong economic growth and Congress was unconcerned about the red ink it sent flowing from Washington. On several occasions during the mid eighties, I offered alternative Federal budgets which would have frozen Federal spending by program function, thereby forcing Congress to set priorities and live within reasonable spending limits. Unfortunately, those budgets were blocked from consideration or rejected on the one occasion when Congress was allowed to vote on my proposal. Had any of these proposals been adopted today, the budget would be running a surplus instead of a deficit—and we would have no need for proposals such an Penny-Kasich.

Unfortunately, that is not the situation we find ourselves in today. With respect to the specifics of this vote, I am disappointed that Speaker FOLEY's Rules Committee has again brought a major piece of legislation to the floor under a highly restrictive rule. Specifically, this rule allows Members a vote on only two amendments: Penny-Kasich and Frank-Shays. While there exists a plethora of Government reform and spending cut proposals introduced in this Congress, those of us seeking additional deficit reduction through spending cuts continue to be blocked from voting on those proposals by the Rules Committee and its tight-fisted control of floor debate on major bills such as H.R. 3400.

Mr. Chairman, I will vote for Penny-Kasich and Frank-Shays tonight not because I support every item in them but because they are the only options available to me. They are the only proposals I will have a chance to vote on which attempt to do what we need to do far more of: reduce the deficit through real, comprehensive and far-reaching cuts in spending.

Mrs. LOWEY. Mr. Chairman, I rise to express my opposition to the Penny-Kasich amendment and to urge my colleagues, instead, to support the budget cutting proposals being offered by the chairman of the Budget Committee, Mr. SABO, and by Congressman FRANK and Congressman SHAYS.

I want to congratulate Congressman PENNY and Congressman KASICH for their determination to continue work on reducing the Federal budget deficit. I share their desire to accelerate the process of putting our Nation's fiscal house in order. I have offered my own plan for cutting the deficit by over $53 billion, and I am pleased that all three of the measures before the House tonight contain elements of my proposal.

Mr. Chairman, we do not disagree over the need for deficit reduction but over the means by which to achieve those savings. The Penny-Kasich amendment is fundamentally flawed for four reasons:

It would seriously undermine the chances of enacting meaningful health care reform during the 103d Congress by preventing the use of anticipated medicare savings for health care reform.

It would impose an undue burden of deficit-reduction on seniors, particularly those who live in States, such as New York, which have high costs of living.

It would impede our ability to shift budget priorities to help our communities address our most pressing needs, such as crime control and prevention, job-creation, education, public health, and our economic and environmental infrastructure.

It would make a series of dramatic changes to a range of Federal programs that should be thoroughly reviewed and debated before the full house takes action on these matters.

Mr. Chairman, it would be easy to ignore the impact of these proposals and take what many are calling a free vote in favor of this proposal, in the hope that it will be improved later on in the process. To give the appearance of being tough on spending without taking the time to get it right.

There is no such thing as a free vote in Congress. The people of the 18th district did not send me here as their Representative so that I could cast free votes.

They sent me here with the hope that I would rise to the challenge of a more difficult task—to cut our budget while investing in initiatives that will make our Nation stronger. They know that we must do both. I believe that the Penny-Kasich amendment fails to rise to that challenge.

That is why I am voting against the Penny-Kasich amendment and for the amendment offered by Congressman SABO and the amendment offered by Congressmen FRANK and SHAYS. These amendments will build on the rescission package which my colleagues and I on the Appropriations Committee approved last week.

The Sabo amendment would cut Federal spending by $37.1 billion over 5 years, on top of the savings already enacted last August. Most of these savings would be achieved by reducing the Federal workforce by 252,000 positions. The personnel cuts required by the measure are identical in size to those recommended by the administration's National Performance Review, chaired by Vice President GORE.

The measure would also achieve important savings by reorganizing agencies within the Agriculture Department and eliminating wasteful agriculture subsidies, which I have long advocated, for a savings of over $900 million. The amendment would streamline operations at the Department of Housing and Urban Development and eliminate wasteful programs in the Interior, Energy, and Transportation Departments.

The amendment includes a number of proposals which I made earlier this year, such as the following:

Consolidate in one department the Federal Government's efforts to build polar satellite systems which are currently carried out separately in the Department of Defense, NASA, and the Department of Commerce;

Require Federal agencies to make greater use of direct deposit/electronic funds transfers to pay Federal benefits and salaries; and

Allow the private sector to cogenerate power at Department of Energy Labs.

The Sabo amendment amounts to dramatic, yet sensible, deficit-reduction that will improve our fiscal health while enhancing the effectiveness of federal programs.

Likewise, the Frank-Shays proposal also includes sensible reductions of $14.4 billion that merit support. The amendment would cancel the space station, something I have long supported. It would also cut spending on the defense of Europe by requiring our European allies to contribute to the costs of basing U.S. troops there—or face their withdrawal. Finally, the measure cuts funding for ballistic missile defense and for the advanced liquid metal reactor.

Taken together, the rescission package, as amended by the measures offered by Mr. SABO, Mr. FRANK and Mr. SHAYS, would provide over $51 billion in savings over the next 5 years. These measures provide major new spending reductions that go beyond the record $496 billion deficit-reduction package enacted in August.

These proposals are well considered and keep faith with the mission the American people sent us here to accomplish: To turn our Nation's economy around by making Government work better. I urge my colleagues to support this package.

Mr. POSHARD. Mr. Chairman, I rise today in support of the Penny-Kasich amendment to H.R. 3400.

In my 5 years of service in the House of Representatives, I have tried to help steer this country on a path of fiscal responsibility and deficit reduction. I voted for the 1990 Budget Agreement and the 1993 Budget Agreement, both extremely challenging votes, because I believed that we had to take action against the deficit. Both of those bills cut Federal spending. I do not regret voting for either bill. But their combination of revenue increases and spending cuts have really only slowed the growth in spending. I believe it is time to do more, and Penny-Kasich offers us the best opportunity for real deficit reduction.

I must tell my colleagues that his debate typifies for me why we struggle to make even the most basic decisions on fiscal policy. Ever since the Penny-Kasich amendment was proposed, my offices have been swamped with calls and letters from representatives of particular groups or individuals who say they will be hurt by specific cuts Penny-Kasich has in store for their program. The letterhead lobby here in Washington has produced hundreds of arguments insisting that cuts would do irreparable harm to whatever organization or sector of the economy they happen to represent.

All of these folks are good people. In many cases, they are good friends whom I've had the pleasure of working with for many years. They represent issues I care about deeply—child care, seniors, clean coal research, public broadcasting and on down the list. They can make a compelling case for why each specific cut will cause some pain. And I respect their arguments.

But while our job is to represent our districts and the people who elected us to serve in this House, we are also here to address the broad national interest. And I think Penny-Kasich is a defining moment in terms of whether we are willing to come to grips with deficit reduction, and whether we are willing to cut programs which may serve some of our constituents and may be important to our districts.

Let me give you one concrete example in my district. Illinois is suffering from the effects of the 1990 Clean Air Act. We have lost coal mining jobs by the thousands because we cannot sell the high-sulfur coal which is mined in my state. No one has worked harder than me to support clean coal research and to look for scientific answers to the problems facing our coal industry.

This would seem to be reason enough to oppose Penny-Kasich. And the inclusion of serious cuts in the Clean Coal program was one of the reasons I had to take a long, hard look at this proposal. But suppose I decide that this cut alone is too much for me to support the whole package. Then the Member with the defense industry in his or her district who is affected decides that cut is too much. Then the Member with a high number of senior citizens says the same because of Medicare. You see where I'm headed. So long as we decide to hold all programs harmless, we will never truly achieve deficit reduction. At some point, we will have to make real cuts which affect real programs that may discomfort real people in our district and across the country.

We can eliminate the helium reserve and cut our office budgets—things we should do—until the cows come home and we will never achieve substantial, meaningful and tangible deficit reduction.

Let me return for a moment to the vote this year on the budget bill. I voted for that bill in part because we were promised the opportunity to vote for additional spending cuts. Surely everyone knew that we could not bring forth a package of real cuts that would avoid programs which we believe are worthwhile. There is no safe cut. But unless we re willing to make tough choices, we will keep running up $250 to $300 billion annual deficits and will send the $4 trillion debt even higher.

I think my colleagues have come up with a plan worthy of our support. In the big picture, we are talking about one-cent on the dollar in federal spending cuts over the next 5 years. This is only one-fifth of one-cent per year. We are not tying the President's hands on health care. I have great respect for the President and First Lady for their meaningful response to the health care crisis facing this country. Besides being one of the most critical issues in the daily lives of average Americans, it is one of the driving forces behind our runaway deficits and debt. But making these changes will not rob the administration of options on health care, and if it does, that means we have another tough vote ahead, which is how to fully pay for the reforms people want. That is also our responsibility.

I will vote for the other spending cut options, knowing that it is likely that Penny-Kasich could fail and that we must take at least some measures to address the deficit. But I tell my colleagues, and the people in my district, that the other options, while they are brought forth in an honorable manner, do not meet the test of real deficit reduction.

Mr. Chairman, I have gone across my district to discuss the importance of this issue. Time and time again, with very few exceptions, people in my district tell me they are willing to accept cuts in government programs or even the elimination of government programs if they know the cuts will go to deficit reduction. Quite often, they are willing to accept higher taxes, if they know the money is going to deficit reduction.

But they are almost always willing to do neither—spending cuts or tax increases—if they lack the confidence in this body to apply those cuts to deficit reduction. I believe we have gone about as far as we can on the tax side. We are now faced with the cold, hard reality of spending cuts. And the Penny-Kasich cuts go directly to deficit reduction. We keep the faith with pay-as-you-go government.

To my friends who have called and written to me on specific programs, I want to tell them that I do not take this vote lightly. I appreciate your concerns about how this program will affect education, labor, veterans, coal and Federal employees among many others. If given the opportunity to change this or other alternatives, I might well choose differently in the reductions we propose or buffer the impact of these cuts in other ways. But we are given very few chances like that in today's Congress. We are given a package of tough choices and are asked to vote "up" or "down" and then live with the consequences. That is what you sent us here to do.

For the last 12 years or more, we have endured an administration which told the people, "You don't have to pay for anything, and we will never raise your taxes." And we have suffered from a legislative branch which told the people, "You don't have to do without anything, we will never cut or eliminate a program." That is a disastrous combination which has put this country into long term indebtedness which will take us years and years to reconcile. It will take plenty of very tough decisions. And it will have to start with this one, today, in support of Penny-Kasich.

Mr. BALLENGER. Mr. Chairman, as my colleagues Representative PENNY and Representative KASICH said in a Washington Times editorial, "The vote will define the two kinds of people who occupy Congress: those who truly want to control the flow of red ink, and those who only want to talk about it." I want to stop the flow of red ink in Washington, so I strongly endorse the Penny-Kasich common cents deficit reduction plan to cut spending first.

We have had years to accomplish fiscal responsibility and have failed completely. The political will and honesty have not been there. This plan is needed to give us the backbone to make the tough decisions to return common sense budgeting to our nation. The Democratic majority has thwarted every attempt to bring fiscal sanity to the present budget system. The Penny-Kasich bipartisan plan is the best and really the only hope to reduce the bulging Federal deficit (estimated to be $254.5 billion).

The Penny-Kasich plan is estimated to reduce Government spending by $90.2 billion over the next 5 years, which works out to about .006 percent or less than one cent out of every Federal dollar spent over the next 5 years. The package includes roughly $21 billion in discretionary savings, $39 billion in entitlement savings, and $30 billion in personnel savings. In fiscal year 1994 this plan produces about $7 billion of spending cuts and in a $6 trillion economy, this will certainly have a very small effect on the recovery. This is truly a small price to pay to put our fiscal house in order.

Many naysayers have spoken on the House floor talking of draconian cuts and urging that we do not pass the Penny-Kasich Common Cents Deficit Reduction Act of 1993. Let me clearly say that this is simply a distortion of the truth and in some cases an outright lie. Who are the naysayers—every special interest group who feeds at the public trough.

Let me rebuke a few of the myths about this plan:

The plan does not hurt the economy. Over the next 5 years the Federal Government will

spend $8 trillion dollars and the common cents deficit reduction plan only cuts $90 billion in Federal spending. Government spending does not create jobs. If this money were left in the hands of the taxpayers, it could be spent or saved by them, in other words, creating jobs in the private sector.

The plan does not cut defense. President Clinton sent Congress a budget in February which cut total defense spending by $127 billion over 5 years, $67 billion more than he claimed during the campaign. These cuts are in addition to the Bush build-down. This plan only contains $1.8 billion in defense cuts over the next five years.

The plan does not destroy health care reform. The President's health care reform plan includes $332 billion in new spending over 6 years, $50 billion in deficit reduction and also contains a $45 "fudge factor." If this is really true, it's hard to see how the Penny-Kasich plan's claim of $35 billion in Medicare savings now—rather than later—could possibly harm the Clinton health plan—unless the President is a lot less confident of his health care figures then he claims.

The plan is not unfair to seniors. The Medicare provisions included in the Penny-Kasich plan are the same proposals the administration included in their health care reform proposal. More importantly, the Penny-Kasich plan is seeking only $35 billion in cuts, while the President proposes $124 billion in Medicare cuts.

Finally, let me add a word about the President's so-called deficit reduction plan—it's a sham. President Clinton's deficit plan allows the cuts—$41.2 billion—to be used for anything—including more spending. The Penny-Kasich plan requires the savings to go directly to deficit reduction. The President's proposal does nothing to reduce the Federal deficit.

If you are serious about deficit reduction and want to show the American people who have called for us to cut spending first, you will join me in supporting the Penny-Kasich common cents plan. You can no longer run or hide from these difficult decisions.

Mr. KIM. Mr. Chairman, I rise in strong support of the Kasich-Penny deficit reduction amendment. Actions always speak louder than words. It's time to stop talking about cutting Government waste and start doing something about it. The Kasich-Penny amendment cuts $90 billion in deficit spending over the next 5 years.

Today I was shocked to learn that the Government's own Civil Service and Military Pension Fund is over $1 trillion short. Let me repeat that, the Government pension fund is over $1 trillion in the hole. The Federal Government as a whole is over $4 trillion in debt. We're in trouble and we must stop deficit spending.

The Kasich-Penny amendment is a golden opportunity we must not let pass. Despite all the claims by its opponents, Kasich-Penny is modest, relatively speaking. It is only 1 penny of cuts per $1 for the next 5 years.

Opponents of this responsible amendment have gone to great extremes to try to scare the public away from cutting Federal waste. They claim Kasich-Penny will severely cut Medicare, food for poor children and colas for retirees. They should reread the amendment; it does not do that at all. This is nothing more than clever, fear-mongering rhetoric and it is a disservice to the American public which deserves the facts.

I would not support this amendment if, in fact, it did all these terrible things claimed by its opponents. But, it doesn't. The real reason opponents are fighting this deficit busting amendment is because it is cutting their special pet pork projects. They're upset because Kasich-Penny responsibly reduces programs under the jurisdiction of committees they chair and consider their personal fiefdoms.

The American people are demanding real fiscal reform in Government. This is responsible and genuine reform that cuts the deficit. The rest of the country has tightened its belt in hard economic times, why can't Congress?

I urge my colleagues to join me in strongly supporting the Kasich-Penny amendment.

Mr. WYDEN. Mr. Chairman, Penny-Kasich would impose tremendous new paperwork and administrative hassles on Medicare, a program that already gives millions of seniors a migraine, Our colleagues should review the attached analysis from the Health Care Financing Administration, and vote "no" on Penny-Kasich.

DEPARTMENT OF HEALTH
AND HUMAN SERVICES,
Washington, DC, November 22, 1993.

Hon. RON WYDEN,
House of Representatives, Washington, DC.

DEAR MR. WYDEN: I am writing in response to your inquiry earlier today about the provision included in the Penny-Kasich deficit reduction plan that would vary the amount of the Medicare hospital deductible by income.

This provision is flawed in several respects. First, it falls flat in achieving its intended goal, to require beneficiaries who can afford it to pay more out-of-pocket than those with lower incomes. Rather, the additional costs to beneficiaries will be passed through to the majority of beneficiaries, both rich and poor, have supplemental insurance coverage that pays the hospital deductible. Only 20 percent of Medicare beneficiaries are liable for paying the hospital deductible out of pocket and these are mostly not higher income beneficiaries Sixty-five percent of beneficiaries have the deductible paid through supplemental coverage received as retiree benefits or by Medigap policies. It is in this group where most higher income beneficiaries can be found. Another 15 percent of beneficiaries are Medicaid eligible. The increase in the deductible will, therefore, not be borne by higher income persons, as intended by the proposal, but by those who will pay the higher premiums for supplemental coverage that will result from a higher deductible.

The second flaw is equally troubling to me. This proposal will result in an unprecedented invasion of privacy for Medicare beneficiaries. Each of the sixty-five percent of beneficiaries with supplemental coverage, nearly 25 million people, will need to provide proof of income to their health insurers. Hospitals will require similar information from the more than 11 million Medicare beneficiaries a year who are admitted to hospitals.

Finally, the provisions will create new administrative burdens for beneficiaries, the Federal Government, private insurers, and hospitals. Beneficiaries will be required to report their incomes annually to the Government and to supplemental insurers as well as to provide income information upon admission to a hospital. The Government, insurers and hospitals will need to collect and maintain the information, and to use it each time to calculate correctly the amount of payment for hospital claims. Even after the claim is paid, the burden continues. Because until the year's end, which is after hospital services have been rendered and payment made, many payments will require retroactive adjustments.

I hope that this information is useful to you in evaluating this proposal.

Sincerely,

BRUCE C. VLADECK,
Administrator.

Mr. REED. Mr. Chairman, I rise in support of the Sabo and Frank amendments to responsibly reduce our Nation's budget deficit by $51.4 billion and in opposition to the Penny-Kasich amendment.

While some claim that the Penny-Kasich amendment is the only initiative that reduces spending, I believe that the Sabo and Frank alternatives are far more deserving of this mantle. In contrast to Penny-Kasich, the Sabo and Frank amendments do not endanger health care reform which is the real way to control Federal spending, but they do reduce spending now.

Supporters of Penny-Kasich would have Americans believe that Congress has not already taken steps to control the budget deficit. To the contrary, just 3 months ago, Congress passed a $496 billion deficit reduction plan at the urging of the President, and during the appropriations process, hundreds of specific programs were cut, $34 billion was trimmed from the fiscal year 1993 spending level, and fiscal year 1994 appropriations were $11 billion under the administration's request. Moreover, the President's deficit reduction plan froze the caps on domestic discretionary spending at the fiscal year 1993 level with no adjustments for inflation. All of these efforts cut spending now and will mean more tough choices in the future.

The Penny-Kasich amendment would place an enormous burden on the backs of my State's senior citizens. Over 90 percent of the entitlement cuts in their proposal would come from cuts in Medicare, and, overall, seniors are the target of one-third of Penny-Kasich's budget slashing. Rhode Island's older Americans have already sacrificed under the President's $496 billion deficit reduction plan. Penny-Kasich demands even more and does not recognize that we need health care reform before we gut health programs for seniors. Cutting more from Medicare before reforming health care is putting the cart before the horse. Indeed, controlling health care costs is the real key to reducing the deficit. Penny-Kasich also proposes to reduce investments in our most precious resource—children. This amendment not only reduces funding for libraries and makes it more difficult to expand funding for Head Start job training, school reform, and other future-oriented investments, it also would reverse a recent decision that children should not have to compete for Federal resources. Indeed, Penny-Kasich proposes to combine several social service grant programs and reduce the overall funding level in the name of efficiency. We should control Federal spending to protect future generations, however, we should not jeopardize the ability of our children to compete in the future.

As the Secretary of Defense and the Joint Chiefs have pointed out, Penny-Kasich poses a threat to our Nation's military readiness. Penny-Kasich lowers the discretionary spending cap which would require unspecified cuts in the Defense budget beyond the reductions included in the President's economic plan. In addition, Penny-Kasich threatens the military's ability to recruit by reducing the incentives offered to those Americans who volunteer their lives in service to our country. I am pleased to note that the sponsors of this amendment dropped provisions which would have reneged on past promises by drastically reducing the benefits of the thousands of Federal and military retirees in Rhode Island. However, making these benefit reductions prospective does not eliminate the impact on recruiting and readiness that has been pointed out by the Defense Department, the American Legion, and others.

Finally, Penny-Kasich contains a number of policy changes from unaccompanied tours of duty for service personnel to cuts in university research to the creation of a new Department of Science to abandoning the Superfund program's preference for permanent environmental clean up in favor of mere containment. These policy changes may be called for, but none has received sufficient review from Congress or the public to be enacted today.

Mr. Chairman, while my constituents care about the future and the deficit, they are more concerned with jobs for their families and neighbors. They have seen thousand of manufacturing jobs disappear, families up-rooted, mortgages foreclosed, and they are afraid that their children will be part of the first American generation that does not have a better life than the preceding generation. The American Dream is fundamentally tied to economic opportunity and rising wages. That is why the President's economic plan was careful not to adversely affect the nascent economic recovery. Penny-Kasich jeopardizes jobs and the dream by cutting first and asking questions later.

I urge my colleagues to support a continuing economic recovery and vote against Penny-Kasich.

Ms. VELÁZQUEZ. Mr. Chairman, many Members in this Chamber recognize the need to address the deficit,—the need to cut Government waste,—the ability to cut Federal spending in some select areas. But, it seems that many Members do not realize that we must proceed responsibly and sensibly.

Contrary to the cutting frenzy which has taken hold of this Congress, every proposed cut is not a wise cut, and I can offer no better proof than the Penny-Kasich amendment which is before us today.

We should not and cannot destroy the present with the flawed intention of saving the future. That approach, as embodied in this amendment, would spiral this Nation down an irreversible path.

In the 12th Congressional District of New York, which I represent, far too many people cannot sacrifice any more for tomorrow because they are struggling—literally fighting—to survive today.

Passage of the Penny-Kasich amendment would mean the final, lethal blow to these communities which endured 12 years of disregard and disaffection.

The Penny-Kasich amendment eats away at the social safety net of society like a pack of frenzied piranhas by requiring $70 billion in future cuts in discretionary spending. These devastating cuts would affect education and training, WIC and Headstart, environmental initiatives and infrastructure improvements. These are unspecified cuts that go above and beyond the more than $50 billion in savings that we must presently find as a result of passage of President Clinton's budget and deficit reduction legislation earlier this year.

The Penny-Kasich amendment also reduces spending and consolidates into a single block grant a host of vital programs such as the social services block grant, the "At Risk" Child Care Program, and two major nutrition programs for our elderly.

But possibly even more distressing is the fact that Penny-Kasich seeks $37 million in savings from Medicare, the vast majority of which replicate Medicare savings requested by President Clinton. An important difference however, is that while the President would recycle these savings into much needed health care reform, Penny-Kasich would put all the savings into the deficit. This means that Penny-Kasich would effectively sabotage our Government's ability to reform thie present health care system and join the large family of nations that provide universal coverage.

This amendment also violates the Government's pact with our workers by removing prevailing wage rates from Federal construction contracts and removing the critical protections of the Copeland Act.

Mr. Chairman, I urge my colleagues to have the courage to register their vote against this irresponsible amendment. I urge my colleagues not to be fooled by the bold print of this $90 billion cutting scheme and to look carefully at the small print which outlines the decay and chaos this amendment would beget.

Let us recall the words of Ralph Barton Perry who stated that "any government has in the final analysis to be justified by the quality of life which it promotes."

I urge my colleagues to heed the advice of Mr. Perry and vote "no" on Penny-Kasich.

Mr. OWENS. Mr. Chairman, I rise in strong opposition to the Penny-Kasich amendment. This amendment includes over 85 provisions that cut Federal spending and make permanent changes in various authorizations. It would further squeeze domestic spending programs which already are hard-pressed to support the Nation's most needy citizens.

Adoption of the amendment would destroy and opportunity for this Congress to enact comprehensive health care reform. Everyone agrees that Americans need more affordable health care, and yet the amendment purports to achieve $34 billion in so-called Medicare savings and directs the savings toward deficit reduction only. Such savings includes imposing 20-percent co-insurance fees on home health services and clinical laboratory services—services for which co-insurance is not currently required. These savings provisions would hit the poor and the elderly the hardest.

I also would like to remind Penny-Kasich supporters that if they rob this Congress of the opportunity to pass meaningful health care reform legislation, they also prevent this Congress from tackling the deficit. Health care cost containment cannot be achieved without comprehensive reform, and health care continues to soak-up more than 14 percent of our gross national product.

Some of the entitlement cuts contained in the amendment would be unfunded mandates on the States, coming at a time when many States, including my home State of New York, are experiencing fiscal crises of their own. For example, the amendment requires that the 20-percent co-insurance for Medicare home health services for low-income beneficiaries be paid by State Medicaid, amounting to a $5 billion burden on the States over the next 5 years.

Moreover, like the disastrous Gramm-Latta amendment which was enacted in 1981, this amendment contains major policy revisions that have not been scrutinized by the usual, rigorous, legislative process. For instance, without a single hearing on the issue, the Penny-Kasich amendment would establish a new cabinet-level department, the Department of Science, Space, Energy, and Technology, by combining the Departments of Commerce and Energy with the National Science Foundation and NASA.

Even H.R. 3400 itself includes major policy changes that have barely been examined because of the determination of the Clinton administration to ram the bill through Congress before Thanksgiving. Again, without a single hearing on the issue, H.R. 3400 would radically alter the way in which government information is published and disseminated. That provision flies in the face of the Depository Library Program, which has existed for more than 150 years; the Government Printing Office, which has existed for more than 130 years; and the Joint Committee on Printing, which has existed for 160 years. Despite the fact that this system has achieved cost savings over time, the Clinton administration is asking Congress to make sweeping changes.

Congress should not make such an important decision with haste. The impact and cost of dismantling the Government Printing Office should be studied carefully over a period of months, not a period of days. In fact, a study just completed by the Deputy Librarian of Congress concludes that shifting the Government Printing Office's functions elsewhere may cost, not save, money.

Mr. Chairman, the cuts proposed by the Penny-Kasich amendment are rash, and the changes proposed by H.R. 3400 may be premature. I urge my colleagues to vote against the Penny-Kasich amendment.

Mr. HOUGHTON. Mr. Chairman, I don't have much time to endorse the Penny-Kasich bill but recognizing that limitation I must say that this debate astounds me. Imagine a family, a business moving slowly into bankruptcy arguing about technical irregularities. This is what we're doing. Remember the old saying—the last thing a company does before it goes out of business is to issue a new controller's procedure. That is what we're doing. Or to put it another way let's say our family income is $12,000 a year, but our expenses are $15,000—and somebody says "Hey you better watch out. You're going broke. Why don't you face reality. Make a start, save $150 a year. It's not much you'll have to cut down a bit, but

what's the alternative? Don't put it off—do it—do it." And then your answer comes slowly back—"No, I can't do it. I haven't thought it through, I'll have to wait."

My fellow associates—hear me. That is what we're doing here tonight. The sad part is that we're doing it not with our money, you see we're borrowing hundreds of billions each year. We're doing it with our children's money. In your heart do you feel right about that. We're losing our will, we're losing our backbone. I cry for our country.

Mr. BEREUTER. Mr. Chairman, this Member would like to comment on a matter mentioned in a previous debate by the gentlemen from Pennsylvania [Mr. GOODLING] which refers to the punitive effect of civil penalties. This Member shares the gentlemen from Pennsylvania's concern and objection to section 16701 of H.R. 3400, which would index all civil penalties, except those under the Internal Revenue Code, to inflation. This provision would affect hundreds of provisions in existing law by increasing penalty levels by September 1994 to reflect past inflation, then indexing to inflation thereafter.

This Member supports the Penny-Kasich amendment, and is pleased that a similar provision was removed from the original draft of this initiative. However, the Penny-Kasich amendment does not delete the language providing for the indexing of all civil penalties in H.R. 3400.

This Member expects that this situation will be rectified in any conference and pledges his support to any future effort by the gentlemen from Pennsylvania [Mr. GOODLING] to address this issue.

Mr. STARK. Mr. Chairman, I rise in strong opposition to the Penny-Kasich amendment that would require Medicare beneficiaries to pay an additional $35 billion for their medical bills over the next 5 years. Just a few months ago, the Congress enacted $56 billion in Medicare savings as part of OBRA 93. Many of us recognize that it may be necessary to consider further reductions in Medicare spending within the broader context of health care reform. If this amendment is passed, and if these Medicare savings are enacted, health reform will be stopped in its tracks.

A vote for the Penny-Kasich amendment is a vote against the Medicare Program and the beneficiaries it serves. This amendment would:

First, income-relate the Medicare part B premium, which would quadruple the part B premium for higher income Medicare beneficiaries; second means-test the hospital deductible incurred by Medicare patients; third, impose a new 20 percent copayment for laboratory services, and fourth require home health beneficiaries to pay a 20 percent coinsurance for all home health visits.

Enacted apart from broad health care reform, the Medicare proposals would be financially burdensome to Medicare beneficiaries, and would undermine future efforts to achieve health care reform.

The Penny-Kasich amendment would increase medical bills paid by the oldest and most frail senior citizens. The amendment would establish a new 20 percent coinsurance for home health services, which is a highly regressive sick tax. Seniors who are near-poor—with incomes around $11,000 per individual—will be billed hundreds, if not thousands of dollars for home health services.

Under the Penny-Kasich amendment, a typical senior citizen with medical needs requiring home health services would pay about $800 in Medicare deductibles and another $650 for the new home health coinsurance. Of course, these individuals will also be required to pay the entire cost of their prescription drugs, which are not covered by Medicare. Those who are older and sicker, with the greatest need for home health services, could pay more than $1,000 for home health care, if this proposal is enacted.

The Penny-Kasich amendment imposes a new and onerous reporting requirement on all seniors and the disabled, beginning 60 days after the date of enactment. This proposal would force 35 million elderly and disabled Medicare beneficiaries to report their expected, modified adjusted gross income to the Secretary of HHS each year. This is likely to generate anxiety and confusion for beneficiaries since no such reporting requirement currently exists. It is also likely to result in erroneous reports unless HHS functions as a shadow IRS and instructs individuals how to estimate their modified adjusted gross income.

The Penny-Kasich amendment will increase Medigap premiums, as a result of the means-tested hospital deductible, and the coinsurance on home health services. More than two-thirds of all seniors have supplemental coverage, in addition to Medicare. These supplemental policies wrap around the Medicare benefit package. The Penny-Kasich amendment will result in higher Medigap premiums to pick up the new and substantial cost sharing that would be required under Medicare.

The Penny-Kasich amendment will provide confidential income data to hospitals. To administer the means-tested hospital deductible, the Secretary of HHS will develop and maintain income data on every Medicare beneficiary to determine the appropriate level of payment for each of the 11 million hospital stays that occur each year. If, based upon the Secretary's income records, the deductible charged to the individual were too low, Medicare would recoup the difference from the hospital, and the hospital would chase down the beneficiary to collect the residual part of the deductible that they are due.

Obviously, this gives hospital billing departments the ability to deduce which of their patients have incomes that exceed $70,000.

The Penny-Kasich amendment increases the administrative burden on HHS and the IRS, and requires the Department of Health and Human Services to function as a shadow IRS. This plan would force Medicare to monitor the income of senior citizens in order to decide which patients are liable for the proposed $2,000 hospital deductible and the quadrupled part B premium. The Secretary of HHS would begin to collect and use self-reported income data, filed by seniors and the disabled, to determine the applicable inpatient hospital deductible for each admission, and the appropriate part B monthly premium amounts to be deducted from each beneficiary's monthly Social Security check.

The IRS would provide taxpayer information to the Secretary of HHS to verify self-reported data. The Secretary of HHS would reconcile IRS information with the self-reported income for each Medicare beneficiary. Any discrepancy would be corrected through the part B premium deductions applied to future monthly Social Security payments.

Mr. Speaker, the Penny-Kasich amendment would widen the current disparity between seniors and the under 65-population with respect to health coverage. Seniors already pay over three times more than the younger population for their medical bills. The current law part A deductible, now at $676, is substantially higher than the deductibles paid by the vast majority of those with employment provided health benefits. Moreover, seniors are not protected by a catastrophic cap on out-of-pocket expenses. This amendment would only make matters worse.

I urge my colleagues to vote against this amendment.

Mr. FORD of Michigan. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio [Mr. KASICH] and the gentleman from Minnesota [Mr. PENNY].

While offered in the name of deficit reduction, this amendment is not simply a matter of budget numbers. It is not simply a matter of cover or an easy vote. Rather, it is a proposition that threatens to deny our children's education, our workers' training, and services all Americans count on in their daily lives.

The Penny-Kasich amendment includes specific rescissions. It proposes to eliminate Federal support for library construction. It slashes meals on wheels for senior citizens, child care assistance for families, and health research for cancer and other diseases.

The discretionary caps enacted with the 1993 reconciliation act already threaten the education resources needed to meet the challenges of tomorrow. The lower cap proposed by this amendment would make the pressure that much worse.

With this amendment we would be unable to meet the commitments to which we pledged ourselves in the budget resolution, such as full funding for Head Start, expanding title 1 compensatory education beefing up training and retraining for Americans and renewing investments in school reform and higher education.

Mr. Chairman, we have twin responsibilities. One is to eliminate the budget deficit in order that we not leave a mountain of debt to future generations. The other is to provide for our children the tools they need to become educated, responsible, contributing members of society.

Mr. Chairman, this amendment would make a modest step to reduce the deficit, but its cost will be measured in a generation less able to meet the other challenges that will confront them.

Mr. Chairman, I must also oppose this amendment because of the way it would unfairly reduce retirement benefits and increase the retirement age for Federal workers. As former chairman of the Committee on Post Office and Civil Service and one of the principal architects of the Federal Employees Retirement System, I am deeply troubled by this proposal to undo FERS—a retirement system modeled after plans used by private industry and even viewed by the Reagan administration as fiscally correct—in the name of deficit reduction.

These proposals represent bad personnel policy and should be summarily rejected. These changes are just plain wrong, particularly at a time when some are proposing to reinvent Government by improving efficiency and rewarding exemplary service. Federal employees should be lauded for their hard work and dedicated to service, commonly for salaries far below those of their private sector colleagues.

I urge defeat of the amendment.

Mr. KYL. Mr. Chairman, President Clinton promised wavering Members of Congress and the American people that if they went along with his record-setting tax increase last summer, he would initiate a second round of spending cuts this fall. In what OMB Director Leon Panetta characterized as a package that "more than fulfilled" the President's commitment, the administration has since submitted a package which it claimed would save about $5.9 billion over 5 years.

That is far short of the magnitude of savings which I suspect most who went along with the President's tax package had in mind. And, I suspect they will be even more disappointed to learn that the Congressional Budget Office recalculated the savings at only $305 million, not even the $5.9 billion the administration claimed.

Mr. Chairman, the President proposed and won passage of a budget which is top-heavy with tax increases that take effect now—and, in some cases, retroactively to January 1, 1993—while 80 percent of the claimed spending cuts won't take effect until 1997 and 1998—after the next Presidential election. He won the vote based, in part, on his promise to seek additional spending cuts, and out of a $1.5 trillion budget, the best he was able to do was propose $305 million in savings.

If the President can't propose serious spending cuts only 4 months after he promised to seek additional savings, how can the American people really believe that the 80 percent of spending cuts in the Clinton budget which are scheduled for 4 and 5 years from now will ever materialize?

Fortunately, we do have an opportunity today to consider significant cuts in spending. The Penny-Kasich amendment won't balance the budget in and of itself; it amounts to a cut of only one cent on every dollar that will be spent by the Federal Government over the next 5 years. But, Penny-Kasich represents the only chance we will have this year to vote on a credible package of spending cuts.

Mr. Chairman, the opposition to this plan has amazed me. The President, instead of backing the effort he helped set in motion, has been furiously lobbying special interest groups around the country to defeat it. It's not surprising that the special interests oppose the plan. But, it is surprising the extent to which they've gone to exaggerate its impact and frighten people.

Many retirees, for example, have been told that Penny-Kasich will eliminate cost-of-living adjustments [COLAs]. The fact is, the COLA provisions don't even affect current retirees. Only Federal civilian and military personnel, newly hired or enlisted as of January 1, 1994, will be affected by Penny-Kasich's under-age-62 COLA deferral.

This amendment will not devastate Medicare as some are suggesting. Compared to the $124 billion in Medicare reductions which President Clinton is proposing, Penny-Kasich trims just $34 billion over 5 years, almost half of which comes from asking those with annual incomes over $70,000—couples with incomes over $90,000—to pay more for Part B premiums rather than receive a 75 percent Government subsidy. The President's own health care reform plan includes a similar proposal. The real difference, besides the depth of the Medicare cut, is that the President wants to spend the savings that would result, whereas Penny-Kasich applies it to the deficit.

Health researchers have been told that biomedical research will be devastated. Here's what Penny-Kasich will really do: it simply says that overhead costs associated with federally sponsored university research can't exceed 50 percent. Penny-Kasich will ensure that more resources go directly to research, and less to wasteful overhead. 50 percent is not an unreasonable limit.

Some groups are urging a "no" vote, saying it will cut WIC, Head Start or Child Immunization funding. These programs are not even mentioned in the Penny-Kasich amendment.

To cut administrative costs, Penny-Kasich does consolidate several social services programs—the social services block grant, the community services block grant, title IV–A at-risk child care, and the child care and development block grant—into one block grant program. By consolidating the programs, it provides an opportunity to cut administrative costs—as opposed to services to the American people—and, in the process, provide those services more efficiently.

Will it devastate education? No. It cuts only $170 million from four programs that have either achieved their goals or are duplicated in large part by other programs. Those programs include Public Library Construction, Follow Through, Law-Related Education, and Law School Clinical Experience. It doesn't touch the bulk of education, including Pell Grants.

There are some things in Penny-Kasich I would do differently. For example, while it would freeze the budget of the Appalachian Regional Commission at last year's level for a 5-year savings of $38 million, I would eliminate the commission for a 5-year savings of about $1 billion.

Penny-Kasich would cut the Legal Service Corporation by 5 percent for a 5-year savings of $80 million. I would eliminate it for a 5-year savings of $1.2 billion.

I would still like to see Congress cut its own budget deeper—by 25 percent instead of the recommended 7.5 percent in this amendment—eliminate agencies like the Economic Development Administration, cut deeper into farm subsidies, and repeal the costly Davis-Bacon and Service Contract Acts, to name a few.

On balance, while I believe some changes need to be made in Penny-Kasich—and we will still have that chance later in the legislative process—Penny-Kasich is a sound and reasonable spending cut package. A "yes" vote will keep the process moving forward, and there will be opportunities in the Senate and in conference to try to deal with any problems anyone might have. But, a "no" vote will stop deficit reduction dead in the water.

Mr. Chairman, if we can't even cut a penny on the dollar over the next 5 years, how are we ever going to make the really difficult decisions needed to balance the budget?

I urge my colleagues to support the Penny-Kasich amendment.

Ms. NORTON. Mr. Chairman, I rise in support of Chairman SABO's amendment to H.R. 3400, the Government Reform and Savings Act of 1993, which embodies many of the proposals from Vice President GORE's National Performance Review. However, I strongly oppose the Penny-Kasich amendment to the bill. The Penny-Kasich amendment is a massive package of ill-considered policy changes which have completely bypassed the committee review process, and which, if passed, would do irreparable harm to the administration's goal of achieving greater government efficiency and health care reform.

As chair of the House Subcommittee on Compensation and Employee Benefits, which has jurisdiction over proposals effecting Federal employees' and retirees' benefits, I am especially concerned about the Penny-Kasich proposals to increase the retirement age for Federal employees from 55 to 65 and to reduce the Government's contribution to employees' Thrift Savings Plans. These proposals are based on the mistaken belief that Federal employees' retirement benefits are somehow out of line with those enjoyed by private sector employees who the proponents believe must work until age 65. However, a 1991 study by the Bureau of Labor Statistics showed that the majority of private sector pension plans allowed their employees to retire before age 65 with full benefits, and data collected by the Office of Personnel Management indicates that more than half the Federal work force currently retires after age 60. In other words, the Federal civil service retirement closely parallels that in the private sector.

As regards the Thrift Savings Plan, the Penny-Kasich proposal mistakenly presumes that this employee retirement savings plan is more generous than those offered by large private sector employers. However a 1991 Bankers Trust survey revealed that approximately half of the 182 corporate plans surveyed matched employee contributions at a rate comparable to the Thrift Plan, and that the definitive trend amongst corporate private sector employers was to increase, not decrease, their matching contributions. More importantly, the Thrift Savings Plan was designed to accomplish two things: First, to encourage Federal employees to save for their own retirement; and second, to save the Government money. It has done both, has done so significantly, and should not be precipitously altered.

Finally, my friends, the changes in civil service retirement contained in the Penny-Kasich amendment do not save money. According to the Congressional Budget Office, increasing the retirement age from 55 to 65 generates no scoreable savings to the budget, and the radical alteration of the Thrift Savings Plan will only cut the budget by $1 million. These facts clearly evidence that these two changes in civil service retirement are both ill-considered and totally unwarranted.

Mr. Chairman, this Member, in our successful work to achieve the President's deficit reduction savings, has shown that she is committed to greater Government efficiency. This Member, however, does not support steps to

achieve it without the necessary deliberation of committee review we insist upon for important measures, especially those which effect the pocketbooks of Americans. I am certainly opposed to further reductions of Federal employee and retiree benefits in the name of deficit reduction. Federal employees and retirees have already contributed their fair share. I urge all Members to vote "No" on the Penny-Kasich amendment.

Mr. STOKES, Mr. Chairman, I rise in opposition to the Penny-Kasich amendment.

Mr. Chairman, I would like to describe the impact of this amendment on appropriations for VA, HUD, and Independent Agencies.

The amendment seeks to reduce VA medical care by $1 billion over 5 years. It is doubtful that the proposed prospective payment system legislation will save anything close to $1 billion. Reducing medical care funds by $1 billion will result in fewer sick and disabled veterans receiving medical treatment.

The amendment also seeks to replace public housing with vouchers. The Congress has reviewed this proposal before, and rejected it—for good reason. Public housing plays a crucial and unique role in offering the poorest members of our society a decent place to live. It cannot be replaced with vouchers.

Further, the amendment would rescind $367 million appropriated in 1994 for public housing, reducing the number of families that will be able to receive housing assistance.

It changes Superfund cleanup standards and lowers authorization levels, probably leading to lower appropriation levels and fewer sites being cleaned up. It would extend the lengthy process of addressing high risk sites and reduce the level of enforcement.

I share the authors' concern about the Superfund Program. No one can argue that changes are not needed in the legislation. But significant policy changes should not be made in an amendment to a rescission bill. Such changes need to be thoroughly considered by the authorization committees and deserve to be fully debated in Congress.

It creates a new Department of Science. Proponents claim that this will save money and improve efficiency. It may not. The amendment provides for a new science bureaucracy—a new Secretary, Deputy, and attendant offices, while preserving all offices and staff of the original agencies. The additional management layers would create a larger, less flexible and less focused bureaucracy.

It cuts $220 million from scientific research, leaving to the administration the decision to take such cuts out of health care, the military, space or basic science. These areas of investigation are not equal in their importance to the country. We should not enact these cuts without knowing their impact. Furthermore, it is the job of the Congress, not the Office of Management and Budget, to set funding priorities.

Yet all of these cuts and legislative changes are dwarfed by the last section of the amendment—the lowering of the discretionary spending caps. For VA–HUD appropriations, a proportionate share of the cap reductions would mean about a $1 billion cut every year for 5 years. This could mean reductions in the quality of veteran's medical care—and a devastation of VA's attempts to upgrade its facilities in anticipation of health care competition. This could endanger NASA's manned and unmanned space program—already encountering funding problems. Penny-Kasich could also damage our science, housing and environmental programs. I urge Members to vote down the Penny-Kasich amendment.

Mr. QUINN. Mr. Chairman. As a freshman elected to this body light year ago; I promised the people of my district that I would fight business as usual in Washington. Along with 110 other new Members of Congress, most of us promised to fight for reform of this institution: to try and change the way things have been done in Washington, DC.

This year, I voted against a huge pork barrel spending bill. I voted against the largest tax increase in American history. I also voted against this House raising the debt ceiling for our Government. I watched in dismay as all these measures passed the House Mr. Speaker.

I watched as line item veto legislation I introduced, with two of my freshman colleagues—something the President asked for during his campaign—was voted down by the House. The first real test of fiscal reform this year.

Now, we have one last opportunity to change the way this body spends, taxes, and increases its own credit line before this session ends this year.

The Penny-Kasich amendment represents a true test of cutting wasteful spending—but more importantly, it offers a choice today for all Members of Congress. A choice between business as usual—more spending, more taxes, and bowing to all the letters and calls from special interests; or—choosing to change by supporting Penny-Kasich.

Yes, there are tough cuts in this amendment. And many groups will find reasons to oppose every single cut in this amendment. But, this amendment represents real overall cuts in spending. The Penny-Kasich amendment will cut 1 cent, that's right, 1 cent on every $1 over 5 years. It will reduce Federal spending by $90 billion dollars.

Mr. Chairman, the American people don't want more government and they don't want more of their hard earned tax dollars going to Washington to support more spending.

Congress needs to go on a diet.

I told my constituents in western New York that I would not vote to send one more dime in taxes to Washington before Congress cuts spending first. Well, I am going to stand up and vote yes for Penny-Kasich and vote for cutting spending. I'm going to vote for change, I'm going to vote against business as usual in Washington.

And I urge each and every one of my colleagues, especially Members of my freshman class who support reform—vote for the Penny-Kasich amendment. Vote for real bipartisan change.

Mr. HEFLEY. Mr. Chairman, in many respects, that is a historic vote. It represents the first time in my memory that the House has held a debate solely designed to cut spending. Given the Democratic leadership's violent opposition to such efforts in the past, just getting the vote is a victory.

How did we score such a victory? It wasn't easy, or cheap. During debate on Bill Clinton's budget for 1994, Congressman TIM PENNY struck the following deal with the President: I'll vote for your $300 billion tax increase if you promise to submit additional spending cuts to Congress this fall.

Like myself and so many other fiscal conservatives, Congressman PENNY had seen other deficit reduction packages pass the House, always with the promise to raise taxes now, cut spending later. Unfortunately for the taxpayer, later never came and Federal spending just grew faster.

This time, however, Clinton was desperate. He needed every vote, so he cut the deal. Congressman PENNY then turned to his Democratic leaders and extracted a promise that they would allow him to offer his own spending cut amendment to the President's proposal. The Democratic leaders, faced with the same dilemma, agreed.

Why go to such lengths to cut spending? Look at the numbers. In 1993, the Federal Government operated at a deficit of $254 billion. Under the Clinton plan that passed last summer, future deficits are expected to remain above $200 billion for the forseeable future.

That's using President Clinton's questionable accounting, which relies on especially optimistic forecasts of new revenues. Historically, new taxes have never raised as much revenue as expected. If the Clinton tax increases follow suit, then we can expect budget deficits exceeding $300 billion through the year 2000.

On the other side of the ledger, spending is barely touched. For 1994, after the much-ballyhooed deficit reduction plan, spending will increase by $60 billion. If you don't count the very real defense cuts, then spending increases even more.

Given the opportunity to actually cut Federal spending, a bipartisan group of Representatives put together a package of over 80 distinct cuts which would save, according to the Congressional Budget Office, $80 billion over 5 years.

Many of these cuts, like reducing the Federal work force by 250,000, were recommended by Vice President GORE in his "Reinventing Government" report, but were left out of the President's reduction package. Other cuts, like the elimination of the ICC and reducing Congress' budget, were included in the earlier Grace Commission Report but have never been enacted.

In an effort to gather support, several extremely controversial cuts, including retarding military retirement COLA's, raising the retirement age for civil service, and reducing matches to the Federal Thrift Savings Plan, have been dropped from the amendment. This helps Colorado, which has more than many States of military and civil service retirees, but it leaves plenty of cuts for Coloradans and others to shoulder.

By contrast, the CBO scored the President's spending cuts at only $320 million. Over the 5 years projected, those cuts represent a total cut to the Federal budget of only 0.004 percent. This is hardly leadership on the deficit front, it's considerably less than the $10 billion advertised by the administration, and it's been no small embarrassment to Bill Clinton.

So now we have our package and our vote. Obviously, it's easier to spend the taxpayer's dollar than to save it. The taxpayer doesn't always know where it's going, while the recipients always know where it's been!

On the other hand, several factors are in our favor. First, the House has a large freshmen class intent on making its mark on Congress. They've been frustrated on congressional reform and other issues important to them. This is an opportunity to flex their muscle.

Second, we have the novelty of it all. The House doesn't vote to cut spending every day, and this is the type of vote taxpayers remember. Many Representatives who are already damaged by their support of the Clinton tax increases are looking for ways to redeem themselves to their constituents. With Hillary's health care bill on the schedule for next year, this is the only chance they'll get.

Commenting on the upcoming debate, Speaker TOM FOLEY stated that Penny/Kasich would get more support if Congress could use the savings to fund new programs. That's the Washington mindset in a nutshell, and it explains why Congress has allowed 25 consecutive budget deficits. It's time to take a new path, and Penny/Kasich is the first step.

Mr. RAHALL. Mr. Chairman, I rise in opposition to the pending Penny-Kasich amendment to H.R. 3400, the rescission/government reorganization bill, and in reluctant support for the Sabo substitute.

Mr. Chairman, I voted for the Clinton budget reconciliation bill last August out of a conviction that we absolutely had to respond to America's demand for reduced spending and a reduced deficit over the next 5 years. We did that, and it was a painful process, because we not only capped spending for discretionary use in the coming years, we also raised taxes—something I have consistently voted against doing for nearly the whole of my nine terms in office.

There is no skirting that issue. But I was willing to help the President to at least make a beginning dent in our national indebtedness, while at the same time not putting so enormous a pressure on our fragile economic recovery as to drive us back into a recessional trench from which we may never rise again.

Just as we are beginning to see an honest-to-goodness emergency of economic improvement, and to feel those warm winds of recovery that soothe the bodies and souls of our people, giving them hope that just may be 4 years from now they will be able to say they are better off, we are about to be sandbagged into voting once again for additional, seriously draconian, spending caps and spending cuts that will, just as sure as we are standing here today, confuse and confound Americans to the point where new-found confidence in our economy will disappear. Too much pressure on the economy now will cause it to spiral downward, and interest and inflation rates will not be able to drop lower to accommodate the pressure. Such measures as are before us today will place a greater burden upon the marketplace than it can absorb.

Mr. Chairman, in 1990 I voted against the so-called White House budget summit agreement; I didn't think it would work. I particularly voted against it because of its reliance on new taxes. It didn't work as well as had been hoped, because the deficit refused to go down, in spite of the cuts made in spending. Spending cuts created a continuing inability for us to invest in our infrastructure, which in turn caused our economy to founder for a lack of job creating initiatives. Our gross national or domestic product grew for too many years by less than 3 percent—a growth level of 3 percent or higher being necessary before the first new job is created. This lack of growth was due to a serious decline in infrastructure investment in the United States, while Japan and Germany were investing billions in theirs. We made the recession that plagued us possible, and we created an environment of no economic growth and no new jobs and the highest unemployment rates since the Great Depression.

But in spite of the fact that it didn't work as well as predicted, the 1990 budget agreement did work in one respect: It set spending caps—and those spending caps were not breached one time by Congress. Not once. And this is a record we can be and are proud of at a time when Congress is being bashed by many who claim that when we make hard decisions we can't stick to them.

The Clinton budget adopted those spending caps again in this year's budget—and in so doing we stretched our capability to the limits with respect to how much the economy could bear without going under again, while still cutting spending and reducing the deficit. As I urged my own constituents after passage of the 1990 budget, the one I voted against, I urge them again, "let us give this budget time to work * * * before we give in to total despair."

Mr. Chairman, we have spent this entire year on budget matters, at the expense of other pressing issues. Infrastructure repair, job creation, economic development, campaign reform, health care reform. Let us give the budget a rest. Let us give the budget we have a chance to work—before doing it all over again.

Many of the actions taken in the rescission bill and in H.R. 3400, the vehicle for reinventing Government, I can vote for, even though the National Performance Review proposals have not been the subject of appropriate hearings or due deliberations by authorizing committees. This legislation, as everyone knows, was introduced and referred to 17 committees, and Members were given less than 18 days to act.

The President and his Vice President have a good, positive thing going—the National Performance Review Report—and had put before the country and the Congress the blueprint at least to reinvent Government, make it more efficient and less costly, and save money besides. I have no interest, nor does the House today, in creating a negative by voting to pass a piecemeal, lip-service, cosmetic version. To do so, would represent nothing more or less than a quick and dirty vote achieving nothing noteworthy before we adjourn the session. All this just so everyone will have something to go home and brag about? Let us wait, and when we give more than lip service to the real reinvent Government package next year, we can point with pride to how it helps the economy, creates jobs, reduces unemployment, gets people off welfare, if it does.

Penny-Kasich, I believe, is one of the most dangerous and unproductive proposals I have ever witnessed here. It does not scan—moneywise or policywise. I am reminded of two small, mischievous boys with nothing better to do, who got together and decided to play a trick on the rest of the gang. It's numbers are every bit as suspect—every bit as tricky—as the ones in the rescission bill and in H.R. 3400. Separately, the rescission bill might stand alone on its own and be passed handily. Merged with H.R. 3400, it becomes an injury. Add Penny-Kasich and we add insult to injury.

Penny-Kasich relies almost solely on the pocketbooks of the elderly to achieve its so-called goals. Don't believe me? Take a good look. Take a look at yet another $37 billion in Medicare cuts on top of the $56 billion in Medicare cuts contained in the just enacted budget bill. President Clinton needs those Medicare savings next year if he is to get health care reform through. Where are our priorities, anyway. Are we so anxious for a shot from Dr. Feelgood that we'd sacrifice our economic growth and the future health care coverage for our constituencies for it?

We are acting like a bunch of swooning Scarlet O'Hara's who, upon inspecting the ruins of Tara, decided to worry about all that tomorrow. Let us not vote here today and be left looking at the ruins of what was a recovering economy, tomorrow.

Another $53 billion in discretionary spending cuts is too deep. But Penny-Kasich don't think so.

Entitlement cuts and means testing the elderly under Medicare, so that many of them end up paying either the full national average cost of part B premiums, or more, is unconscionable. For example, West Virginia seniors would see their part B, doctor's office fees, rise from the current $106 a month to $157 a month. Taking $37 billion away from health care reform, an expenditure that is hoped will bring the cost of health care way down for everyone—including the elderly—will leave us broke when health care reform comes up next year.

Remember what President Clinton says: Don't stop thinking about tomorrow. Tomorrow we absolutely must do health care reform.

How about equity? We've already acted to severely downsize the military; we've agreed to troop cuts; we've agreed to close bases all over the country. We've cut defense spending by a great deal compared with past years. Shall we take another hit on the military by denying military retirees an annual COLA until they reach age 62? If so, we will have cut military retirement benefits even further beyond what was done in the recently enacted, painfully enacted, budget bill.

I understand Penny-Kasich have modified their bill to apply the no-COLA provision to those entering the service after January 1994. What an incentive to get and keep a voluntary Armed Forces—enact into law a denial of annual cost-of-living increases for future service men and women upon retirement. Wow. At this rate, we will have to reinstate the draft in times of national need in order to scrape enough soldiers to fight for their country.

Penny-Kasich contains some unprecedented—by nature and by number—policy changes which it says will save money. By creating a new Cabinet level Department of Science by abolishing the Department of Commerce? The Department of Energy? By creating another block grant program out of current

categorical programs serving women, infants and children, and then cutting funding across the board. Shades of Ronald Reagan. How soon we forget!

And Penny-Kasich, those self-appointed guardians of the people's purse would do this with one mere amendment on the floor—an amendment that bypasses and totally ignores the need for debate, any hope for real consensus, and denies due process to citizens whose oxen are about to get good and "Gored." No pun intended.

But to me, the most important factor in all this is that: The Penny-Kasich amendment will tend to put more pressure on the economy than it can stand, and our fragile economic recovery is going to be history. Slash another $24 billion from the budget in the next 2-year span, which Penny-Kasich will do, and we are not likely to see another lowering of interest rates to offset its effects.

The assurance of continued low interest rates was the only saving grace of the just-enacted Clinton budget. Low interest rates were the answer Members could give in support of their painful vote to cut spending and raise taxes in order, at the same time, to create a modest reduction in the deficit, when they voted to support the President's budget last August.

It is the main reason I believed I could vote for it, breaking with my own established traditional voting record, and not harm the country.

I didn't vote for the Clinton budget because someone promised me another crack at budget cuts just before adjournment. I was fairly convinced last August that we had made all the cuts we could afford and keep the economy healthy. I still think so.

Mr. Chairman, I urge my colleagues to reject the Penny-Kasich amendment. It amounts to economic terrorism. And if we want to do all that is required of us, which is hard enough—let us just pass the reconciliation bill as we do every year. The record shows that in the past we have exceeded every Presidential request for total rescissions—rescinding far more dollars than we were asked to rescind. We can do that, in good conscience, today. We can reinvent Government next year, when we have time to give it timely and appropriate consideration, debate it, and form consensus agreements that won't thrust the economic recovery back to the stone age.

Mr. MATSUI. Mr. Chairman, I rise today in strong opposition to the amendment offered by my colleagues, Mr. PENNY and Mr. KASICH, to H.R. 3400. However laudatory their goal and however pure their motive, this amendment must be defeated.

It is often said in legal circles that the tough cases make for bad law. This might very well be said of the Penny-Kasich amendment. The case is tough. Our deficit continues to bind our hands when we most need flexibility in our fiscal policy. It is clear that we must find ways to reduce the deficit. We must cut Government waste and provide the services citizens of the United States pay for with their tax dollars. And we must do this work urgently because the deficit is a drag on our economy and prevents the Government the flexibility it needs to react quickly to correct negative forces in the economy.

We all recognize the importance of deficit reduction. But we must not do more damage to the economy we are trying to help. The Government cannot abdicate its duty to ensure the long-term viability of our economy. Ill-advised quick fixes will not remedy the serious problems facing the Federal budget. Our approach to deficit reduction must be circumspect, persistent, even-handed, and sober.

Many on the floor today will argue that the amendment will make extremely damaging cuts in Medicare and will undermine our ability to pass meaningful health care reform legislation. Others will argue that the amendment will compromise our national security by forcing the Department of Defense to make drastic cuts in personnel and programs. I share the concerns of my colleagues on these points.

There are other casualties of the Penny-Kasich amendment which also deserve attention. These areas of the budget might not have high profile of national defense and health care, but they are extremely important as well. The amendment's handling of these portions of the budget serves to illustrate the sweeping, ill-conceived, meat-cleaver approach to budget cutting envisioned by the amendment which is at odds with rational budget management and deficit reduction.

The provisions of the amendment pertaining to Federal retiree benefits are far too draconian and fail to recognize the valuable service of Federal employees. If we are to continue to attract highly competent women and men to service in the Armed Forces, we must not take action which sends a signal that their service is less valuable than individuals in the private sector. Delaying military retirement cost-of-living adjustments, or COLAs, from the compensation packages offered to potential military personnel makes service less attractive to the qualified candidates we need in today's scaled-back military.

Civilian Federal employees work hard and make many sacrifices for our country, and we must find ways to adequately compensate them for their service. Cutting Federal contributions to the Thrift Savings Plan is definitely a step in the wrong direction, as is raising the civilian retirement age to 65. I remind my colleagues that recent Bureau of Labor Statistics data show that a majority of workers in the private sector may retire on a full pension before age 65, and most State and local government workers may retire at age 55 with full benefits. Military personnel and civilian employees in my district and across the country work hard and deserve better than this amendment allows. For these reasons alone I will vote against the amendment, but there are other grounds on which to reject the proposal.

Mr. Chairman, many discretionary spending programs also attract the eye of this amendment. I cannot speak to the importance of all of the programs targeted by the amendment, but I can highlight the negative effects of the amendment in at least two instances.

Penny-Kasich proposal No. 32 under the section entitled "Physical Capital," would place a moratorium on all the purchases of Federal buildings and courthouses. It seems plausible that freezing construction might save money. But this proposal fails to look beyond the horizon and recognize the long-range costs of leasing.

The General Services Administration identified Sacramento's dire need for new Federal judicial facilities. The old facility is dangerously insecure and cannot handle the current caseload, let alone the projected future caseload. GSA ran a cost-benefit analysis of construction of a new facility versus leasing adequate facilities. Over a 30-year period, the time period used to determine facility requirements, construction of a new facility in Sacramento actually costs $27.5 million less than leasing facilities. In the long run, this proposal will actually be damaging to our deficit reduction efforts.

The Penny-Kasich amendment also targets many projects undertaken by the Army Corps of Engineers. The corps, primarily responsible for flood control across the United States, must have the resources it needs to protect against dangerous floodwaters. We need only look to the horrible disaster which beset the Mississippi a few months ago to fully fathom the importance of the work of the corps. I know personally of the importance of the corps' work. In 1986, Sacramento narrowly avoided a disaster when the floodwaters of February almost inundated the majority of my district. The corps continues to work to protect Sacramento and other communities from the dangers of flooding; the Penny-Kasich amendment must not hinder this critical work.

Mr. Chairman, President Clinton's deficit reduction plan makes strides in the right direction. The administration presents a reasonable approach to deficit reduction that, in the long run, will help achieve our goal and give life and flexibility back to Government. We must not tie the hands of this President with this amendment. Furthermore, a close reading of the details of the amendment shows that the means are drastic, inequitable, and perhaps extremely hurtful in both the short and long run.

In short, I believe the Penny-Kasich amendment does much more harm than good. I urge my colleagues to vote against this amendment.

Mr. WELDON. Mr. Chairman, the people of this country want us to get our house in order. They are fed up with our inability to control spending.

Earlier this year, the Congress passed the President's budget plan. This plan increases Federal spending $850 billion over the next 5 years, and allows our Federal debt to continue to skyrocket. This plan was not reform or change, but instead maintained business as usual.

Mr. Chairman, for the sake of our children's future we must begin to take seriously the issue of debt reduction. I am sure every Member of this House has taken the well of the House, or spoken with their constituents to exclaim their support of reducing our Federal debt and controlling Federal spending. Today is our opportunity to be true to our words.

If we are to be serious about significantly reducing the Federal deficit, controlling Federal spending, and eliminating bureaucratic redtape, then the only option we have is to support the Penny-Kasich amendment. The plan will cut $90 billion in Federal spending over the next 5 years. Therefore, this plan asks us to cut just one cent from every dollar of Federal spending over the next 5 years. Is this too much to ask? If we can not support this plan, what cuts will we support? The Sabo and

Frank-Shays plans are little more than window dressing for those who want to say they are for spending cuts, but are unwilling to make tough cuts. These plans do not accomplish deficit reduction, instead these plans allow the funds to be spent elsewhere. Do not believe for one second that voting for one of these two alternatives is a vote for deficit reduction.

Certainly, we all have concerns about certain projects that will be hurt under this plan. For instance, I want to make sure that cuts in Medicare are not placing an excessive financial burden on the elderly. As the ranking Republican on the Oceanography Subcommittee, I am concerned about the amendment's treatment of National Oceanic and Atmospheric Administration's [NOAA] programs.

Specifically, the amendment attempts to save taxpayer funds by eliminating NOAA's fleet modernization account. The intent is for NOAA to charter vessels to replace the ships that it was planning to construct. Unfortunately, the moneys in the fleet modernization account are the only funds NOAA currently has available to build or charter vessels. If the fleet modernization accounts is eliminated, NOAA will be unable to charter vessels to conduct its crucial mission.

Also of concern is the elimination of over $140 million from NOAA programs. Although NOAA receives its share of unneeded moneys for pork projects in selected Members' districts, many of the programs which are eliminated by the amendment are worthy projects which are currently authorized. Although some of the cuts in NOAA's budget are ill-advised, I am confident that these issues can be resolved when the bill goes to conference with the Senate.

The truth is that to reduce the Federal deficit the Federal Government's role must be diminished. We can not continue a free-wheeling tax-and-spend approach. It is time to take responsibility and do what is right. The Penny-Kasich plan is the first step toward addressing the Federal debt. It is a reasonable approach that should enjoy support from both sides of the aisle.

Finally, there is a plan which allows Congress to take appropriate action to reduce our Federal debt. Finally, we can stand up and be counted for change and fiscal accountability. I hope my colleagues will join me in supporting Penny-Kasich.

Mr. McCLOSKEY. Mr. Chairman, I rise today to strongly urge a no vote on the Penny-Kasich amendment. I am opposing it because this amendment makes broad and ill-advised policy changes under the guise of deficit reduction.

I also strongly resent the implication that a vote against this bill is a vote for the status quo, and evidence of a lack of seriousness about the budget deficit. Personally, I find much of the rhetoric surrounding this amendment insulting and demeaning, especially the charge that opponents of Penny-Kasich are pawns of special interests. The truth is that this amendment contains massive policy changes on which there is ample room for honest disagreement.

The original Penny-Kasich spending cuts package would have had a devastating negative effect on the Federal employees. Now I understand that the proposals have been prospective, and would only apply to employees who are hired after December 31, 1993. Although this is an improvement, as chairman of the Subcommittee on Civil Service I still question the wisdom of these proposals and ask why they are in the bill at all anymore.

I say that because by making the changes only prospective, I am not sure what the budget savings are, though I suspect they are zero. According to the proponents of Penny-Kasich, the point is to reduce the deficit in the next 5 years, but the proposal to raise the retirement age, cut COLAs for military retirees, and reduce Government contributions to the Thrift Savings Plan have no effect on the deficit. So my question is, why include such massive policy changes in the amendment at all?

With concerns about unfunded Federal pension liability, perhaps such reforms may eventually be necessary, but they should be based on the deliberative committee process, including hearings.

The Penny-Kasich plan would raise the civil service retirement age from 55 to 65 immediately for employees hired after December 31, 1993. Maybe it makes sense to raise the retirement age at some point, but shouldn't we stop to think about the long-range implications of this.

What affect will it have on the Government's ability to hire and retain workers? What is the long-range effect on the budget? Won't this lead to retaining more higher grade, high-salary positions, which will increase the cost? Can the proponents of this amendment answer those questions? Can my colleagues who have pledged to support the bill answer them? Or do the proponents simply not care what the policy implications are?

Raising the retirement age in this way also conflicts with the goal of reducing the Federal work force by 252,000 also contained in the amendment. This combination could lead to costly and destructive reductions in force [RIF's] which disproportionately hurt women and minorities and other employees in low-grade positions who have less seniority, regardless of productivity.

Apparently we are not going to pass legislation to authorize agencies to offer buy-out incentives to employees to help reduce the size of the work force. It is my understanding that without these incentives—already offered to Defense and CIA employees—agencies face a real threat of RIF's next year to meet work force limits.

Quite simply, raising the retirement age is likely to make achieving these goals more difficult. I suggest that the authors of this amendment should sort out these conflicting incentives before making such major changes in civil service policy.

As I mentioned before, this amendment reduces the pensions of future Federal retirees by reducing the Government's matching contribution under the Thrift Savings Plan—the Government's 401(k) plan. Like the change in the retirement age, and the reduced COLA for the military, there are no budget savings from this proposal, and I don't understand why it has been included in the Penny-Kasich amendment. We want people to save more for retirement, not less, yet this amendment does the opposite. Asking Federal employees to retire at an older age with less income is a bad idea.

Penny-Kasich would also reduce retirement pay to members of the military hired after December 31, 1993, who retire before age 62. Despite the fact that this is made prospective, the Joint Chiefs of Staff have written in a letter that this "would have immense implications for recruiting, retention, and morale." I urge my friends on both sides of the aisle to read that letter before casting their vote on this amendment.

I have heard many speeches on the floor of this House by Members who want to pass Penny-Kasich decrying the effect of congressional action on military readiness. I hope those Members think twice before voting for this change in military retirement, which should more properly be left to the Armed Services Committee, and not a deficit-cutting amendment.

The Penny-Kasich cuts target seniors for over 46 percent of the budget cuts—some $42 billion over 5 years. This figure comes directly from the handbook put out by the authors of the amendment.

I have read several press reports in the last several days that proponents of Penny-Kasich say that the administration and others are being alarmist about the Medicare cuts, because they have virtually no chance of surviving in the other body. This begs the question why are they being offered in the first place? To me it makes no sense to support substantial Medicare cuts that if enacted would shift costs to seniors while arguing that there's no chance they will ever be enacted. The public should not tolerate this crass political gesture.

According to the authors of this proposal, $7.1 billion is from a 20-percent coinsurance payment on clinical lab services, which means money out of the pockets of seniors regardless of ability to pay each time bloodwork or other medically necessary laboratory analysis is done.

Much of the other savings come from means testing high-income seniors. There are strong arguments that current budget realities may lead to means testing entitlement spending for those with income well above the average. However, savings from such proposals are projected by the administration to be used to pay for health reform in the near future.

By immediately applying these projected savings to deficit reduction, Penny-Kasich mandate additional costs for health care reform. Members who support health reform should ask themselves where this money that is needed for health reform will come from. In seeking to cut the deficit now, we may be placing strong pressures to raise taxes or curtail health care benefits to seniors and everyone else during the debate on health care reform.

I am more than perplexed about why we are using a so-called deficit cutting amendment to creating a new Federal agency. According to the most recent copy of the amendment consolidates several duplicative agencies and bureaucracies, including the Department of Commerce, the Department of Energy, NASA, the National Science Foundation, and the Office of Science and Technology Policy, into a Department of Science.

Dosen't such a major policy change deserve hearings? What is the effect of this change and why are we doing it in this amendment?

I doubt most the people who intend to vote for this bill could tell me why this change is being made, but I hope they are aware that they are about to vote for it. According to press reports I've read, the staff of the authors of the amendment weren't even aware it has been included.

I also am concerned about language in the Penny-Kasich proposal cutting all further outlays for the Clean Coal Technology Program. Eliminating this program would devastate the coal industry in my district and would be destructive to the environment throughout the entire eastern seaboard.

I question the wisdom of reneging on an international commitment that was supported by Presidents Reagan and Bush as well as the Congress. The joint Lewis-Davis American-Canadian report called for the United States to engage in a $5 billion Clean Coal Program to reduce United States-caused acid rain in Canada and up to now we have been committed to this. The Department of Energy has already made outlays of $1.9 billion to fund 48 clean coal technology programs while the commercial entities participating in this cost-sharing program have made investments of $2.974 billion.

My home State of Indiana produces over 31 million tons of coal annually, two-thirds of which is consumed in-State. Six of the clean coal projects—representing a total investment of $1 billion, including $403 million in DOE funds—have been in Indiana.

Clean coal is exactly the kind of public-private partnership that Government should be engaging in. These funds have all been used to help turn new and innovative coal technologies into viable commercial programs. The results of these investments will help us to clean our environment and fulfill our commitment to the Canadians.

It also will help to rapidly bring about new technologies from which coal-burning utilities—which still generate 58 percent of all U.S.-consumed electric power—can choose to help them meet the sulfur and nitrous oxide emission standards of the two phases of the 1990 amendments to the Clean Air Act in a cost-effective way.

DOE's role in developing these new technologies helps to make compliance with clean air standards more efficient and less expensive, thereby benefiting not only residential consumers, but also the commercial and industrial activities which provide the jobs at which those consumers work. They also ultimately will lead to the development of exportable technologies which can help improve our balance of trade, while creating jobs and generating new tax revenues.

To withdraw funding from the Clean Coal Technology Program at this point could lead to 164,000 job losses over the next 4 years, terminate many of the ongoing projects just as they are at the point of producing a return on DOE's investment, eliminate much needed flexibility for the electric power industry, and substantially reduce our future ability to compete in the world market of technologies to reduce sulfur emissions.

These provisions I've discussed are at best questionable public policy, and are reason enough for any fair minded and responsible Member to oppose Penny-Kasich. This amendment is referred to by its supporters as the "common cents" deficit reduction plan, but when it comes to the civil service provisions, the Medicare cuts, creating a new Federal agency, and eliminating clean coal technology, common sense is noticeably absent. I urge a "no" vote on the amendment.

Mr. SAWYER. Mr. Chairman, I rise in opposition to the Penny-Kasich amendment. Of particular concern to me are the provisions affecting Federal and postal employees and retirees.

The Penny-Kasich amendment would, in part, raise the retirement age for Federal employees from 55 to 65; delay cost of living adjustments [COLA's] for military retirees until age 62; and reduce the Government's contribution to retirement Thrift Savings Plans [TSP] from 5 percent to 3.5 percent.

I believe that our career civil servants have already endured enormous erosion in their benefits over the past decade. We expect efficient, knowledgeable service from our Government, but we often fail to acknowledge adequately the basic needs of the very people who administer those services day in and day out.

I understand that the provisions to raise the retirement age, delay military COLA's, and restrict matching Government contributions to the TSP would only affect new hires—individuals hired after December 3, 1993. Those proposals represent significant changes to the civil service system. We should not make such sweeping changes without comprehensive oversight hearings to assess the consequences for the efficient operation of the Federal Government. It simply would be irresponsible to enact these proposals as part of a budget measure, without giving them the full scrutiny they deserve.

In 1990, Congress passed the Federal Employee Pay Comparability Act. The primary purpose of that act was to help the Government attract and retain a qualified work force. Even the locality pay plan has been the target of efforts to reduce the budget deficit. The Penny-Kasich amendment would further hamper the Federal Government's ability to meet the needs of the people it serves.

I urge my colleagues to vote "No" on the Penny-Kasich amendment. We ought to ensure that our current, as well as future, Federal and postal employees, who make the smooth operation of our Government possible under often difficult circumstances, do not see any further erosion in their benefits.

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Minnesota [Mr. PENNY].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. PENNY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 213, noes 219, not voting 7, as follows:

[Roll No. 609]

AYES—213

Allard	Goodling	Molinari
Andrews (NJ)	Gordon	Moorhead
Andrews (TX)	Goss	Murphy
Archer	Grams	Nussle
Armey	Grandy	Orton
Bacchus (FL)	Greenwood	Oxley
Bachus (AL)	Gunderson	Packard
Baesler	Hall (TX)	Paxon
Baker (CA)	Hamilton	Payne (VA)
Baker (LA)	Hancock	Penny
Ballenger	Hansen	Peterson (MN)
Barca	Harman	Petri
Barlow	Hastert	Pombo
Barrett (NE)	Hayes	Pomeroy
Barrett (WI)	Hefley	Porter
Bartlett	Herger	Portman
Barton	Hoagland	Poshard
Bateman	Hobson	Pryce (OH)
Bentley	Hoekstra	Quinn
Bereuter	Hoke	Ramstad
Bilirakis	Holden	Ravenel
Bliley	Houghton	Regula
Blute	Huffington	Ridge
Boehner	Hunter	Roberts
Bonilla	Hutchinson	Roemer
Browder	Hyde	Rohrabacher
Bunning	Inglis	Roukema
Burton	Inhofe	Rowland
Buyer	Inslee	Royce
Callahan	Istook	Santorum
Calvert	Johnson (CT)	Saxton
Camp	Johnson (GA)	Schaefer
Canady	Johnson, Sam	Schenk
Cantwell	Kaptur	Schiff
Castle	Kasich	Sensenbrenner
Coble	Kim	Sharp
Collins (GA)	Kingston	Shaw
Condit	Klink	Shays
Cooper	Klug	Shuster
Coppersmith	Knollenberg	Slattery
Cox	Kolbe	Smith (MI)
Crane	Kyl	Smith (NJ)
Crapo	Lambert	Smith (OR)
Cunningham	Lancaster	Smith (TX)
Deal	LaRocco	Snowe
DeLay	Laughlin	Solomon
Dickey	Leach	Spence
Dooley	Lewis (CA)	Stearns
Doolittle	Lewis (FL)	Stenholm
Dornan	Linder	Stump
Dreier	Livingston	Sundquist
Duncan	Long	Swett
Dunn	Mann	Talent
Edwards (TX)	Manzullo	Tanner
Emerson	Margolies-Mezvinsky	Tauzin
Everett		Taylor (MS)
Ewing	Mazzoli	Taylor (NC)
Fawell	McCandless	Thomas (CA)
Fields (TX)	McCollum	Thomas (WY)
Fingerhut	McCrery	Torkildsen
Fish	McCurdy	Upton
Fowler	McHale	Vucanovich
Franks (CT)	McHugh	Walker
Franks (NJ)	McInnis	Walsh
Gallegly	McKeon	Weldon
Gallo	McMillan	Wolf
Gekas	Meehan	Young (AK)
Geren	Meyers	Young (FL)
Gilchrest	Mica	Zeliff
Gillmor	Michel	Zimmer
Gingrich	Miller (FL)	
Goodlatte	Minge	

NOES—219

Abercrombie	Brown (CA)	Coyne
Ackerman	Brown (FL)	Cramer
Andrews (ME)	Brown (OH)	Danner
Applegate	Bryant	Darden
Barcia	Byrne	de la Garza
Becerra	Cardin	DeFazio
Beilenson	Carr	DeLauro
Berman	Chapman	Dellums
Bevill	Clay	Derrick
Bilbray	Clayton	Deutsch
Bishop	Clement	Diaz-Balart
Blackwell	Clyburn	Dicks
Boehlert	Coleman	Dingell
Bonior	Collins (IL)	Dixon
Borski	Collins (MI)	Durbin
Boucher	Combest	Edwards (CA)
Brewster	Conyers	Engel
Brooks	Costello	English (AZ)

English (OK)	Lipinski	Roth
Eshoo	Lloyd	Roybal-Allard
Evans	Lowey	Rush
Farr	Machtley	Sabo
Fazio	Maloney	Sanders
Fields (LA)	Manton	Sangmeister
Filner	Markey	Sarpalius
Flake	Martinez	Sawyer
Foglietta	Matsui	Schroeder
Foley	McCloskey	Schumer
Ford (MI)	McDade	Scott
Ford (TN)	McDermott	Serrano
Frank (MA)	McKinney	Shepherd
Frost	McNulty	Sisisky
Furse	Meek	Skaggs
Gejdenson	Menendez	Skeen
Gephardt	Mfume	Skelton
Gibbons	Miller (CA)	Slaughter
Gilman	Mineta	Smith (IA)
Glickman	Mink	Spratt
Gonzalez	Moakley	Stark
Green	Mollohan	Stokes
Gutierrez	Montgomery	Strickland
Hamburg	Moran	Studds
Hastings	Morella	Stupak
Hefner	Murtha	Swift
Hilliard	Myers	Synar
Hinchey	Nadler	Tejeda
Hochbrueckner	Natcher	Thompson
Horn	Neal (MA)	Thornton
Hoyer	Neal (NC)	Thurman
Hughes	Oberstar	Torres
Hutto	Obey	Torricelli
Jacobs	Olver	Towns
Jefferson	Ortiz	Traficant
Johnson (SD)	Owens	Tucker
Johnson, E.B.	Pallone	Unsoeld
Johnston	Parker	Valentine
Kanjorski	Pastor	Velazquez
Kennedy	Payne (NJ)	Vento
Kennelly	Pelosi	Visclosky
Kildee	Peterson (FL)	Volkmer
King	Pickett	Washington
Kleczka	Pickle	Waters
Klein	Price (NC)	Watt
Kopetski	Quillen	Waxman
Kreidler	Rahall	Wheat
LaFalce	Rangel	Whitten
Lantos	Reed	Williams
Lazio	Reynolds	Wilson
Lehman	Richardson	Wise
Levin	Rogers	Woolsey
Levy	Ros-Lehtinen	Wyden
Lewis (GA)	Rose	Wynn
Lightfoot	Rostenkowski	Yates

NOT VOTING—7

Clinger	Hall (OH)	Underwood (GU)
de Lugo (VI)	Norton (DC)	
Faleomavaega (AS)	Romero-Barcelo (PR)	

□ 2114

So the amendment was rejected.

The results of the vote was announced as above recorded.

The CHAIRMAN. It is now in order to consider amendment No. 3 printed in part 2 of House Report 103–430.

AMENDMENT OFFERED BY MR. FRANK OF MASSACHUSETTS

Mr. FRANK of Massachusetts. Mr. Chairman, pursuant to the rule, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. FRANK of Massachusetts: Add the following at the end of the bill:

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Government Reform and Savings Act of 1993".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title and table of contents.

TITLE I—DEPARTMENT OF AGRICULTURE

Subtitle A—Department of Agriculture Reorganization

Sec. 1001. Department of Agriculture reorganization.

Subtitle B—Eliminating Federal Support for Honey

Sec. 1101. Amendments to section 207 of the Agricultural Act of 1949.
Sec. 1102. Amendment to section 405 of the Agricultural Act of 1949.
Sec. 1103. Amendments to section 405A of the Agricultural Act of 1949.
Sec. 1104. Savings provision.

TITLE II—DEPARTMENT OF COMMERCE

Sec. 2001. Polar satellite convergence.

TITLE III—DEPARTMENT OF DEFENSE

Sec. 3001. Use of proceeds from the sale of recyclable materials at military installations.
Sec. 3002. Closure of the Uniformed Services University of the Health Sciences.
Sec. 3003. Streamlining and reorganization of the Corps of Engineers.

TITLE IV—DEPARTMENT OF ENERGY

Subtitle A—Alaska Power Administration Sale Authorization

Sec. 4001. Short title.
Sec. 4002. Sale of Snettisham and Eklutna hydroelectric projects.
Sec. 4003. Assessment of alternative options.

Subtitle B—Federal-Private Cogeneration of Electricity

Sec. 4101. Federal-private cogeneration of electricity.

Subtitle C—Power Marketing Administrations

Sec. 4201. Power Marketing Administrations refinancing study.
Sec. 4202. Bonneville Power Administration refinancing study.

Subtitle D—Termination of Advanced Liquid Metal Reactor Program

Sec. 4301. Termination of advanced liquid metal reactor program.

TITLE V—DEPARTMENT OF HEALTH AND HUMAN SERVICES

Sec. 5001. Study of methods to increase flexibility in contracting for Medicare claims processing.
Sec. 5002. Workers' compensation data exchange pilot projects.
Sec. 5003. Federal clearinghouse on death information.
Sec. 5004. Continuing disability reviews.

TITLE VI—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Sec. 6001. Multifamily property disposition.
Sec. 6002. Section 235 mortgage refinancing.
Sec. 6003. Use of emergency assistance funds for residency in multifamily housing disposition projects.
Sec. 6004. Additional employees to facilitate disposition of FHA inventory properties.
Sec. 6005. HUD streamlining.

TITLE VII—DEPARTMENT OF THE INTERIOR

Sec. 7001. Improvement of Minerals Management Service royalty collection.
Sec. 7002. Phase out of Mineral Institute program.
Sec. 7003. Reorganization study of Bureau of Indian Affairs.
Sec. 7004. Termination of annual direct grant assistance

TITLE VIII—MISCELLANEOUS PROVISIONS

Sec. 8001. Limitation on certain annual pay adjustments.
Sec. 8002. Reduction of Federal full-time equivalent positions.

TITLE IX—DEPARTMENT OF LABOR

Sec. 9001. Deterrence of fraud and abuse in FECA program.
Sec. 9002. Enhancement of reemployment programs for Federal employees disabled in the performance of duty.
Sec. 9003. Wage determinations.
Sec. 9004. Elimination of filing requirements.

TITLE X—DEPARTMENT OF STATE AND UNITED STATES INFORMATION AGENCY

Sec. 10001. Improvement of efficiency of State Department activities.
Sec. 10002. Improvement of efficiency of USIA public diplomacy activities.

TITLE XI—DEPARTMENT OF TRANSPORTATION

Sec. 11001. Reemployment rights for certain merchant seamen.
Sec. 11002. Reform of essential air service program.
Sec. 11003. Airway science program.
Sec. 11004. Collegiate training initiative.

TITLE XII—DEPARTMENT OF VETERANS AFFAIRS

Subtitle A—Administrative Improvements

Sec. 12001. Elimination of hospital and nursing home bed capacity requirements.
Sec. 12002. Elimination of requirement for minimum number of personnel in the Office of Inspector General.
Sec. 12003. Modification of administrative reorganization authority.
Sec. 12004. Elimination of requirement for certain services in the Veterans Health Administration.
Sec. 12005. Modification of physician requirement for certain senior Veterans Health Administration officials.
Sec. 12006. Use of funds recovered from third parties.

Subtitle B—Closure of Certain Facilities

Sec. 12101. Closure of supply depots.
Sec. 12102. Waiver of other provisions.

Subtitle C—Provision of Information From the Medicare and Medicaid Coverage Data Bank to the Department of Veterans Affairs

Sec. 12201. Provision of data bank information to Department of Veterans Affairs.

Subtitle D—Veterans' Appeals Improvements

Sec. 12301. Board of Veterans' Appeals.
Sec. 12302. Decisions by the Board.
Sec. 12303. Technical correction.
Sec. 12304. Hearings.
Sec. 12305. Elimination of requirement for annual income questionnaires.

TITLE XIII—HUMAN RESOURCE MANAGEMENT

Sec. 13001. Federal workforce training.
Sec. 13002. SES annual leave accumulation.

TITLE XIV—REINVENTING SUPPORT SERVICES

Sec. 14001. Short title.
Sec. 14002. Transfer of functions.
Sec. 14003. Government publications to be available throughout the Government.

Sec. 14004. Inventory and furnishing of Government publications.
Sec. 14005. Additional responsibilities of the Public Printer.
Sec. 14006. Additional responsibilities of the Superintendent of Documents.
Sec. 14007. Depository libraries.
Sec. 14008. Definitions.

TITLE XV—STREAMLINING MANAGEMENT CONTROL

Sec. 15001. Authority to increase efficiency in reporting to Congress.

TITLE XVI—FINANCIAL MANAGEMENT

Sec. 16001. Short title.
Sec. 16002. Electronic payments.
Sec. 16003. Franchise funds and innovation funds.
Sec. 16004. Simplification of management reporting process.
Sec. 16005. Annual financial reports.
Sec. 16006. Authorization of appropriations for enhancing debt collection.
Sec. 16007. Contracts for collection services.
Sec. 16008. Notification to agencies of debtors' mailing addresses.
Sec. 16009. Contracts for collection services.
Sec. 16010. Adjusting civil monetary penalties for inflation.

TITLE XVII—RESCISSIONS OF BUDGET AUTHORITY

Sec. 17001. Short title.

Subtitle A—Department of Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

Subtitle B—Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies

Subtitle C—Energy and Water Development

Subtitle D—Foreign Operations, Export Financing, and Related Agencies

Subtitle E—Department of the Interior and Related Agencies

Subtitle F—Departments of Labor, Health and Human Services, Education, and Related Agencies

Subtitle G—Legislative Branch

Subtitle H—Department of Defense-Military

Subtitle I—Department of Transportation and Related Agencies

Subtitle J—Treasury, Postal Service, and General Government

Subtitle K—Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies

TITLE XVIII—ADDITIONAL DEFICIT REDUCTION PROVISIONS

Sec. 18001. Rescission of funds and cancellation of space station.
Sec. 18002. Rescission of funds and reduction of authorization for ballistic missile defense program.
Sec. 18003. Rescission of funds and cancellation of advanced liquid metal reactor program.
Sec. 18004. Reduction of forces in Europe.

TITLE I—DEPARTMENT OF AGRICULTURE

Subtitle A—Department of Agriculture Reorganization

SEC. 1001. DEPARTMENT OF AGRICULTURE REORGANIZATION.

(a) IN GENERAL.—The Secretary of Agriculture shall (1) consolidate field, regional, and national offices within the Department of Agriculture and (2) reduce personnel by not less than 7,500 staff years, so as to achieve a reduction in expenditures by the Department of not less than $1,640,000,000 during the period fiscal years 1995 through 1999.

(b) AUTHORITIES.—In consolidating offices and reducing personnel as required by subsection (a), the Secretary shall take such action on the basis of the powers vested in the Secretary under other laws.

Subtitle B—Eliminating Federal Support for Honey

SEC. 1101. AMENDMENTS TO SECTION 207 OF THE AGRICULTURAL ACT OF 1949.

(a) Section 207(a) of the Agricultural Act of 1949 is amended to read as follows:

"(a) IN GENERAL.—For each of the 1991 through 1995 crops of honey, the price of honey shall be supported through loans, purchases, or other operations, except that for the 1994 and 1995 crops, the price of honey shall be supported through recourse loans.

"(1) For the 1991 through 1993 crop years, the rate of support shall be not less than 53.8 cents per pound.

"(2) For the 1994 and 1995 crop years, the Secretary shall provide recourse loans to producers at such a rate that minimizes costs and forfeitures, except that such rate shall not be less than 44 cents a pound. Section 407 shall not be applicable to honey forfeited to the Commodity Credit Corporation under loans made under this paragraph.

"(3) A producer who fails to repay a loan made under paragraph (2) by the end of the crop year following the crop year for which such loan was made shall be ineligible for a loan under this section for subsequent crop years, except that the Secretary may waive this provision in any case where in which the Secretary determines that the failure to repay the loan was due to hardship conditions or circumstances beyond the control of the producer.".

(b) Section 207(b) of the Agricultural Act of 1949 is amended by striking "for a crop" and inserting "for the 1991 through 1993 crops".

(c) Section 207(c) of the Agricultural Act of 1949 is amended by striking "1998" and inserting "1993".

(d) Section 207(e) of the Agricultural Act of 1949 is amended by—

(1) striking subparagraphs (D) through (G);

(2) inserting "and" after the semicolon following subparagraph (B); and

(3) changing the semicolon following subparagraph (C) to a period.

(e) Section 207(j) of the Agricultural Act of 1949 is amended by striking "1998" and inserting "1995".

SEC. 1102. AMENDMENT TO SECTION 405 OF THE AGRICULTURAL ACT OF 1949.

Section 405(a) of the Agricultural Act of 1949 is amended by striking in the first sentence "section 405A" and inserting "sections 207 and 405A".

SEC. 1103. AMENDMENTS TO SECTION 405A OF THE AGRICULTURAL ACT OF 1949.

Section 405A(a) of the Agricultural Act of 1949 is amended by striking all that follows "1992 crop year," and inserting "and $150,000 in the 1993 crop year.".

SEC. 1104. SAVINGS PROVISION.

A provision of this subtitle may not affect the liability of any person under any provision of law as in effect before the effective date of the provision.

TITLE II—DEPARTMENT OF COMMERCE

SEC. 2001. POLAR SATELLITE CONVERGENCE.

The Departments of Commerce and Defense and the National Aeronautics and Space Administration shall propose a single operational polar environmental and weather satellite system, which meets national needs. It is the sense of Congress that such a proposed system, contingent on the provision of adequate resources to fully meet the national security interests of the United States, shall be operated as a civil system by the Department of Commerce. A detailed implementation plan shall be submitted to Congress by the Director of the Office of Science and Technology Policy, in consultation with the Departments of Commerce and Defense and the National Aeronautics and Space Administration, by April 30, 1994. The plan shall be designed to result in savings of up to $300 million in budget authority and up to $251 million in outlays between fiscal years 1994 and 1999. The National Aeronautics and Space Administration and the National Oceanic and Atmospheric Administration shall jointly develop a plan to implement a program modelled after the Operational Satellite Improvement Program for the purpose of making incremental enhancements in operational weather satellite systems. The goal of the plan shall be to achieve these enhancements in a cost effective manner by implementing procedures aimed at avoiding duplication of effort, cost overruns, and schedule delays. The Administrators of the National Aeronautics and Space Administration and the National Oceanic and Atmospheric Administration shall submit to Congress no later than April 30, 1994, a report detailing the elements of the plan and outlining savings in budget authority and budget outlays projected through fiscal year 1999.

TITLE III—DEPARTMENT OF DEFENSE

SEC. 3001. USE OF PROCEEDS FROM THE SALE OF RECYCLABLE MATERIALS AT MILITARY INSTALLATIONS.

Section 2577 of title 10, United States Code, is amended by striking out subsections (b) and (c) and inserting in lieu thereof the following:

"(b) Proceeds from the sale of recyclable materials at an installation shall be credited—

"(1) to funds available for operations and maintenance at that installation; and

"(2) at the discretion of the commander of the installation and if a balance remains available after such funds are credited, to the nonappropriated morale and welfare account of the installation to be used for any morale or welfare activity.".

SEC. 3002. CLOSURE OF THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES.

(a) CLOSURE REQUIRED.—Section 2112 of title 10, United States Code, is amended—

(1) in subsection (c)—

(A) by inserting "and the closure" after "The development"; and

(B) by striking out "subsection (a)" and inserting in lieu thereof "subsections (a) and (b)"; and

(2) by striking out subsection (b) and inserting in lieu thereof the following new subsection:

"(b)(1) Not later than September 30, 1998, the Secretary of Defense shall close the University. To achieve the closure of the University by that date, the Secretary shall begin to terminate the operations of the University beginning in fiscal year 1995. On account of the required closure of the University under this subsection, no students may be admitted to begin studies in the University after September 30, 1994.

"(2) Section 2687 of this title and any other provision of law establishing preconditions to the closure of any activity of the Department of Defense shall not apply with regard to the termination of the operations of the University or to the closure of the University pursuant to this subsection.".

(b) FINAL GRADUATION OF STUDENTS.—Section 2112(a) of such title is amended—

(1) in the second sentence, by striking out ", with the first class graduating not later

than September 21, 1982." and inserting in lieu thereof ", except that no students may be awarded degrees by the University after September 30, 1998."; and

(2) by adding at the end the following new sentence: "On a case-by-case basis, the Secretary of Defense may provide for the continued education of a person who, immediately before the closure of the University under subsection (b), was a student in the University and completed substantially all requirements necessary to graduate from the University.".

(c) TERMINATION OF UNIVERSITY BOARD OF REGENTS.—Section 2113 of such title is amended by adding at the end the following new subsection:

"(k) The Board shall terminate on September 30, 1998, except that the Secretary of Defense may terminate the Board before that date as part of the termination of the operations of the University under section 2112(b) of this title.".

(d) PROHIBITION ON RECIPROCAL AGREEMENTS.—Section 2114(e)(1) of such title is amended by adding at the end the following new sentence: "No agreement may be entered into under this subsection after September 30, 1994, and all such agreements shall terminate not later than September 30, 1998.".

(e) CONFORMING AMENDMENTS.—(1) Section 178 of such title, relating to the Henry M. Jackson Foundation for the Advancement of Military Medicine, is amended—

(A) in subsection (b), by inserting after "Uniformed Services University of the Health Sciences," the following: "or after the closure of the University, with the Department of Defense,";

(B) in subsection (c)(1)(B), by striking out "the Dean of the Uniformed Services University of the Health Sciences" and inserting in lieu thereof "a person designated by the Secretary of Defense"; and

(C) in subsection (g)(1), by inserting after "Uniformed Services University of the Health Sciences," the following: "or after the closure of the University, the Secretary of Defense".

(2) Section 466(a)(1)(B) of the Public Health Service Act (42 U.S.C. 286a(a)(1)(B)), relating to the Board of Regents of the National Library of Medicine, is amended by striking out "the Dean of the Uniformed Services University of the Health Sciences,".

(f) CLERICAL AMENDMENTS.—(1) The heading of section 2112 of title 10, United States Code, is amended to read as follows:

"§2112. Establishment and closure of University".

(2) The item relating to such section in the table of sections at the beginning of chapter 104 of such title is amended to read as follows:

"2112. Establishment and closure of University.".

SEC. 3003. STREAMLINING AND REORGANIZATION OF CORPS OF ENGINEERS.

(a) DEVELOPMENT OF PLAN.—The Secretary of the Army shall develop a plan to reorganize the United States Army Corps of Engineers by reorganizing the headquarters offices, reducing the number of division offices, and restructuring the district functions so as to increase the efficiency of the United States Army Corps of Engineers and reduce staff and costs, with the goal of achieving approximately $50 million in net annual savings by fiscal year 1998.

(b) TRANSMITTAL AND APPROVAL OF PLAN.—The Secretary of the Army shall transmit to Congress the plan developed under subsection (a) for approval. The Secretary shall not implement such plan until it is approved by Congress.

TITLE IV—DEPARTMENT OF ENERGY

Subtitle A—Alaska Power Administration Sale Authorization

SEC. 4001. SHORT TITLE.

This subtitle may be cited as the "Alaska Power Administration Sale Authorization Act".

SEC. 4002. SALE OF SNETTISHAM AND EKLUTNA HYDROELECTRIC PROJECTS.

(a) The Secretary of Energy may sell the Snettisham Hydroelectric Project (referred to in this subtitle as "Snettisham") to the State of Alaska Power Authority (now known as the Alaska Industrial Development and Export Authority, and referred to in this subtitle as the "Authority"), or its successor, in accordance with the February 10, 1989, Snettisham Purchase Agreement between the Alaska Power Administration of the United States Department of Energy and the Authority.

(b) The Secretary of Energy may sell the Eklutna Hydroelectric Project (referred to in this subtitle as "Eklutna") to the Municipality of Anchorage doing business as Municipal Light and Power, the Chugach Electric Association, Inc., and the Matanuska Electric Association, Inc. (referred to in this subtitle as "Eklutna Purchasers") in accordance with the August 2, 1989, Eklutna Purchase Agreement between the United States Department of Energy and the Eklutna Purchasers.

(c) The heads of other affected Federal departments and agencies, including the Secretary of the Interior, shall assist the Secretary of Energy in implementing the sales authorized by this Act.

(d) The Secretary of Energy shall deposit sale proceeds in the Treasury of the United States to the credit of miscellaneous receipts.

(e) There are authorized to be appropriated such sums as are necessary to prepare or acquire Eklutna and Snettisham assets for sale and conveyance, such preparations to provide sufficient title to ensure the beneficial use, enjoyment, and occupancy to the purchasers of the assets to be sold.

(f) No later than one year after both of the sales authorized in section 4002 have occurred, as measured by the Transaction Dates stipulated in the Purchase Agreements, the Secretary of Energy shall—

(1) complete the business of, and close out, the Alaska Power Administration; and

(2) prepare and submit to Congress a report documenting the sales.

SEC. 4003. ASSESSMENT OF ALTERNATIVE OPTIONS.

Before taking any action authorized in section 4002, the Secretary shall assess the feasibility of alternative options for maximizing the return to the Treasury from the sale of the Alaska Power Marketing Administration.

Subtitle B—Federal-Private Cogeneration of Electricity

SEC. 4101. FEDERAL-PRIVATE COGENERATION OF ELECTRICITY.

Section 804(2)(B) of the National Energy Conservation Policy Act (42 U.S.C. 8287c(2)(B)) is amended by striking ", excluding any cogeneration process for other than a federally owned building or buildings or other federally owned facilities.".

Subtitle C—Power Marketing Administrations

SEC. 4201. POWER MARKETING ADMINISTRATIONS REFINANCING STUDY.

The Administrators of the Southeastern, Southwestern and Western Area Power Administrations, in consultation with their respective firms power contractors and other interested parties (including, where applicable, the Bureau of Reclamation), shall study refinancing options, including modifications to existing financial and accounting practices that may be required to effectively and efficiently issue and manage revenue bonds. Such refinancing options shall, for each of the power systems they administer, satisfy their respective repayment obligations to the United States Treasury without causing any increase in their respective firm power rates beyond the rates that would otherwise result under rate-setting policies and practices in effect on October 1, 1993. The results of such studies shall be submitted no later than May 1, 1994, to the Speaker of the House of Representatives and the President of the Senate. Such studies shall be made within the limits of existing funding, or, if necessary, with funds contributed by firm power contractors.

SEC. 4202. BONNEVILLE POWER ADMINISTRATION REFINANCING STUDY.

The Administrator of the Bonneville Power Administration, in consultation with his customers and constituents, shall study options, including an open market buyout, a Treasury buyout, or any other reasonable alternative that would lead to a permanent resolution of the repayment reform initiative directed at Bonneville's appropriation investment repayment obligation. Such refinancing options shall satisfy the outstanding appropriated investment repayment obligation, without increasing rates beyond the rates that would otherwise result under rate-setting policies and practices in effect on October 1, 1993. The result of this study shall be submitted to the Speaker of the House of Representatives and the President of the Senate no later than March 1, 1994.

Subtitle D—Termination of Advanced Liquid Metal Reactor Program

SEC. 4301. TERMINATION OF ADVANCED LIQUID METAL REACTOR PROGRAM.

(a) IN GENERAL.—No amount of funds provided for any fiscal year may be obligated by the Secretary of Energy after the date of the enactment of this Act for the civilian portion of the advanced liquid metal reactor program, including—

(1) the program's promotion of the use of such reactors for the disposal of high-level radioactive waste; and

(2) Department of Energy support for regulatory applications to the Nuclear Regulatory Commission for design certification for advanced liquid metal reactors or related licensed facilities.

(b) PROHIBITION OF OTHER USES.—The amount of funds available on the date of the enactment of this Act for obligation for the program described in subsection (a) shall not be available for obligation by the Secretary of Energy after such date for any other purpose.

(c) EXCEPTION.—Subsections (a) and (b) shall not apply to obligations required to be incurred in terminating the program described in subsection (a).

TITLE V—DEPARTMENT OF HEALTH AND HUMAN SERVICES

SEC. 5001. STUDY OF METHODS TO INCREASE FLEXIBILITY IN CONTRACTING FOR MEDICARE CLAIMS PROCESSING.

(a) STUDY.—The Secretary of Health and Human Services shall conduct a study of methods to increase flexibility in contracting for claims processing under the medicare program and to otherwise simplify the administration of program, and shall include in

the study an analysis of the feasibility and desirability of carrying out the following changes to the program:

(1) Permitting entities other than insurance companies to serve as carriers under part B of the program.

(2) Eliminating the requirement that fiscal intermediaries under part A of the program be nominated by a group or association of providers of services under such part.

(3) Increasing the Secretary's flexibility in assigning particular functions to fiscal intermediaries and carriers.

(4) Expanding the circumstances and standards under which the Secretary may terminate a contract with a fiscal intermediary or a carrier.

(5) Permitting the Secretary to require that a fiscal intermediary or a carrier meet data matching requirements for purposes of identifying situations in which medicare is a secondary payer.

(6) Eliminating the requirements that the Secretary make an additional payment to fiscal intermediaries and carriers for administrative costs.

(7) Eliminating the requirement that the Secretary enter into an agreement with a separate carrier for purposes of administering part B with respect to individuals entitled to benefits as qualified railroad retirement beneficiaries.

(b) REPORT.—Not later than April 30, 1994, the Secretary shall submit a report to the Committees on Energy and Commerce and Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the study conducted under subsection (a), together with any recommendations of the Secretary for statutory revisions to increase flexibility and reduce costs in the administration of the medicare program.

SEC. 5002. WORKERS' COMPENSATION DATA EXCHANGE PILOT PROJECTS.

(a) IN GENERAL.—The Secretary is authorized to conduct pilot projects with not more than three States for the purpose of studying various means of obtaining on a timely and accurate basis such information relating to benefits paid on account of total or partial disability under the States' workers' compensation plan as the Secretary may require for the purpose of carrying out section 224 of the Social Security Act.

(b) REIMBURSEMENT OF STATE COSTS.—A State that participates in a project conducted pursuant to subsection (a) may be paid by the Secretary, from amounts available pursuant to subsection (e), the reasonable costs of such participation.

(c) EVALUATION.—The Secretary shall evaluate each project conducted pursuant to subsection (a) and shall apply the findings, as appropriate, to agreements negotiated pursuant to subsection (h)(2) of such section 224.

(d) DEADLINE FOR COMMENCEMENT OF PROJECTS.—No pilot project authorized by subsection (a) may be commenced after the expiration of the 5-year period beginning on the date of enactment of this section.

(e) FUNDING.—Expenditures for pilot projects conducted pursuant to subsection (a) may be made from the Federal Disability Insurance Trust Fund and the Old-Age and Survivors Insurance Trust Fund, as determined appropriate by the Secretary.

(f) EFFECTIVE DATE.—This section shall be effective upon enactment.

SEC. 5003. FEDERAL CLEARINGHOUSE ON DEATH INFORMATION.

(a) CLEARINGHOUSE DESIGNATION.—The heading for section 205(r) of the Social Security Act is amended to read as follows: "Clearinghouse on Death Information".

(b) ACQUISITION OF DISCLOSABLE DEATH INFORMATION FROM STATES.—

(1) Section 205(r)(1)(A) of the Social Security Act is amended by striking "to furnish the Secretary periodically with" and inserting "to furnish periodically to the Secretary, for use in carrying out subparagraph (B) and paragraphs (3) and (4),".

(2)(A) Notwithstanding clause (ii) of section 6103(d)(4)(B) of the Internal Revenue Code of 1986 (as added by section 13444(a) of the Omnibus Budget Reconciliation Act of 1993 (Public Law 103–66)), in order for a contract requiring a State to furnish the Secretary of Health and Human Services information concerning individuals with respect to whom death certificates (or equivalent documents maintained by the State or any subdivision thereof) have been officially filed with it to meet the requirements of such section 6103(d)(4)(B), such contract shall authorize the Secretary to use such information and to redisclose such information to any Federal agency or any agency of a State or political subdivision in accordance with section 205(r) of the Social Security Act.

(B) The provisions of subparagraph (A) of this paragraph and, notwithstanding subparagraph (C) of section 6103(d)(4) of the Internal Revenue Code of 1986 (as added by section 13444(a) of the Omnibus Budget Reconciliation Act of 1993 (Public Law 103–66)), the provisions of subparagraphs (A) and (B) of such section 6103(d)(4) shall apply to all States, regardless of whether they were, on July 1, 1993, pursuant to a contract, furnishing the Secretary of Health and Human Services information concerning individuals with respect to whom death certificates (or equivalent documents maintained by the State or any subdivision thereof) have been officially filed with it.

(C) Subparagraphs (A) and (B) of this paragraph shall take effect at the same time as the amendment made by section 13444(a) of the Omnibus Budget Reconciliation Act of 1993 takes effect.

(D) For the purpose of applying the special rule contained in section 13444(b)(2) of the Omnibus Budget Reconciliation Act of 1993, the reference in such section to section 6103(d)(4)(B) of the Internal Revenue Code of 1986 shall be deemed to include a reference to subparagraph (A) of this paragraph.

(c) PAYMENT TO STATES FOR DEATH INFORMATION.—Section 205(r)(2) of the Social Security Act is amended—

(1) by striking "the reasonable costs" and inserting "a reasonable amount"; and

(2) by striking "transcribing and transmitting" and inserting "furnishing".

(d) FEE FOR CLEARINGHOUSE INFORMATION.—

(1) Section 205(r)(3) of the Social Security Act is amended by striking out "if" and all that follows, and inserting ", provided that such agency agrees to pay the fees set by the Secretary pursuant to paragraph (8).".

(2) Section 205(r)(4) of the Social Security Act is amended—

(A) by inserting "and political subdivisions" after "States" the first place such term appears;

(B) by striking "the States" and inserting "any State, political subdivision, or combination thereof"; and

(C) by striking "if" and all that follows and inserting "provided such States and political subdivisions agree to pay the fees set by the Secretary pursuant to paragraph (8).".

(3) Section 205(r) of the Social Security Act is amended by adding at the end a new paragraph as follows: "(8) The Secretary shall establish fees for the disclosure of information pursuant to this subsection. Such fees shall be in amounts sufficient to cover all costs (including indirect costs) associated with the Secretary's responsibilities under this subsection. Fees collected pursuant to this paragraph shall remain available, without fiscal year limitation, to the Secretary to cover the administrative costs of carrying out this subsection.".

(e) TECHNICAL ASSISTANCE.—Section 205(r) of the Social Security Act is amended by adding at the end (after the paragraph added by subsection (d)(3)) the following new paragraph:

"(9) The Secretary may provide to any Federal or State agency that provides Federally funded benefits, upon the request of such agency, technical assistance on the effective collection, dissemination, and use of death information available under this subsection for the purpose of ensuring that such benefits are not erroneously paid to deceased individuals.".

(f) TECHNICAL AMENDMENT.—Section 205(r) of the Social Security Act is amended by adding at the end (after the paragraph added by subsection (e)) the following new paragraph:

"(10) For purposes of this subsection, the term 'Federally funded benefit' means any payment funded in whole or in part by the Federal Government.".

(g) EFFECTIVE DATE.—Except as otherwise provided, the amendments made by this section shall take effect upon their enactment.

SEC. 5004. CONTINUING DISABILITY REVIEWS.

Section 201(g)(1)(A) of the Social Security Act is amended by adding at the end of the paragraph the following sentence: "From funds provided pursuant to this subparagraph for the following fiscal years, not less than the following amounts shall be available only for conducting continuing disability reviews and related workloads: for fiscal year 1994, $46 million; for fiscal year 1995, $47,200,000; for fiscal year 1996, $48,500,000; for fiscal year 1997, $49,800,000; for fiscal year 1998, $51,100,000; and for fiscal year 1999, $52,500,000.".

TITLE VI—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SEC. 6001. MULTIFAMILY PROPERTY DISPOSITION.

(a) FINDINGS.—The Congress finds that—

(1) the portfolio of multifamily housing project mortgages insured by the FHA is severely troubled and at risk of default, requiring the Secretary to increase loss reserves from $5,500,000,000 in 1991 to $11,900,000,000 in 1992 to cover estimated future losses;

(2) the inventory of multifamily housing projects owned by the Secretary has more than tripled since 1989, and, by the end of 1993, may exceed 75,000 units;

(3) the cost to the Federal Government of owning and maintaining multifamily housing projects escalated to approximately $250,000,000 in fiscal year 1992;

(4) the inventory of multifamily housing projects subject to mortgages held by the Secretary has increased dramatically, to more than 2,400 mortgages, and approximately half of these mortgages, with over 230,000 units, are delinquent;

(5) the inventory of insured and formerly insured multifamily housing projects is rapidly deteriorating, endangering tenants and neighborhoods;

(6) over 5 million families today have a critical need for housing that is affordable and habitable; and

(7) the current statutory framework governing the disposition of multifamily housing projects effectively impedes the Government's ability to dispose of properties, protect tenants, and ensure that projects are maintained over time.

(b) MANAGEMENT AND DISPOSITION OF MULTIFAMILY HOUSING PROJECTS.—Section 203 of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z–11) is amended to read as follows:

"SEC. 203. MANAGEMENT AND DISPOSITION OF MULTIFAMILY HOUSING PROJECTS.

"(a) GOALS.—The Secretary of Housing and Urban Development shall manage or dispose of multifamily housing projects that are owned by the Secretary or that are subject to a mortgage held by the Secretary in a manner that—

"(1) is consistent with the National Housing Act and this section;

"(2) will protect the financial interests of the Federal Government; and

"(3) will, in the least costly fashion among reasonable available alternatives, further the goals of—

"(A) preserving housing so that it can remain available to and affordable by low-income persons;

"(B) preserving and revitalizing residential neighborhoods;

"(C) maintaining existing housing stock in a decent, safe, and sanitary condition;

"(D) minimizing the involuntary displacement of tenants;

"(E) maintaining housing for the purpose of providing rental housing, cooperative housing, and homeownership opportunities for low-income persons; and

"(F) minimizing the need to demolish multifamily housing projects.

The Secretary, in determining the manner in which a project is to be managed or disposed of, may balance competing goals relating to individual projects in a manner that will further the purposes of this section.

"(b) DEFINITIONS.—For purposes of this section:

"(1) MULTIFAMILY HOUSING PROJECT.—The term 'multifamily housing project' means any multifamily rental housing project which is, or prior to acquisition by the Secretary was, assisted or insured under the National Housing Act, or was subject to a loan under section 202 of the Housing Act of 1959.

"(2) SUBSIDIZED PROJECT.—The term 'subsidized project' means a multifamily housing project that, immediately prior to the assignment of the mortgage on such project to, or the acquisition of such mortgage by, the Secretary, was receiving any of the following types of assistance:

"(A) Below market interest rate mortgage insurance under the proviso of section 221(d)(5) of the National Housing Act.

"(B) Interest reduction payments made in connection with mortgages insured under section 236 of the National Housing Act.

"(C) Direct loans made under section 202 of the Housing Act of 1959.

"(D) Assistance in the form of—

"(i) rent supplement payments under section 101 of the Housing and Urban Development Act of 1965,

"(ii) additional assistance payments under section 236(f)(2) of the National Housing Act,

"(iii) housing assistance payments made under section 23 of the United States Housing Act of 1937 (as in effect before January 1, 1975), or

"(iv) housing assistance payments made under section 8 of the United States Housing Act of 1937 (excluding payments made for tenant-based assistance under section 8),

if (except for purposes of section 183(c) of the Housing and Community Development Act of 1987) such assistance payments are made to more than 50 percent of the units in the project.

"(3) FORMERLY SUBSIDIZED PROJECT.—The term 'formerly subsidized project' means a multifamily housing project owned by the Secretary that was a subsidized project immediately prior to its acquisition by the Secretary.

"(4) UNSUBSIDIZED PROJECT.—The term 'unsubsidized project' means a multifamily housing project owned by the Secretary that is not a subsidized project or a formerly subsidized project.

"(5) AFFORDABLE.—A unit shall be considered affordable if—

"(A) for units occupied—

"(i) by very low-income families, the rent does not exceed 30 percent of 50 percent of the area median income, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish the rent based on an amount higher or lower than 50 percent of the median for the area on the basis of the Secretary's findings that such variation is necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes; and

"(ii) by low-income families other than very low-income families, the rent does not exceed 30 percent of 80 percent of the area median income, as determined by the Secretary, except that the Secretary may establish the rent based on an amount higher or lower than 80 percent of the median for the area on the basis of the Secretary's findings that such variation is necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes; or

"(B) the unit, or the family residing in the unit, is receiving assistance under section 8 of the United States Housing Act of 1937.

"(6) LOW-INCOME FAMILIES AND VERY LOW-INCOME FAMILIES.—The terms 'low-income families' and 'very low-income families' shall have the meanings given the terms in section 3(b) of the United States Housing Act of 1937.

"(7) PREEXISTING TENANT.—The term 'preexisting tenant' means, with respect to a multifamily housing project, a family that—

"(A) resides in a unit in the project; and

"(B) immediately before foreclosure or acquisition of the project by the Secretary, was residing in a unit in the project.

"(8) MARKET AREA.—The term 'market area' means a market area determined by the Secretary for purposes of establishing fair market rentals under section 8(c) of the United States Housing Act of 1937.

"(9) SECRETARY.—The term 'Secretary' means the Secretary of Housing and Urban Development.

"(c) MANAGEMENT OR DISPOSITION OF PROPERTY.—

"(1) DISPOSITION TO PURCHASERS.—The Secretary may, in carrying out this section, dispose of a multifamily housing project owned by the Secretary on a negotiated, competitive bid, or other basis, on such terms as the Secretary deems appropriate considering the low-income character of the project and the market area in which the project is located and the requirements of subsection (a), to a purchaser determined by the Secretary to be capable of—

"(A) satisfying the conditions of the disposition;

"(B) implementing a sound financial and physical management program that is designed to enable the project to meet anticipated operating and repair expenses to ensure that the project will remain in a decent, safe, and sanitary condition;

"(C) responding to the needs of the tenants and working cooperatively with tenant organizations;

"(D) providing adequate organizational, staff, and financial resources to the project; and

"(E) meeting such other requirements as the Secretary may determine.

"(2) CONTRACTING FOR MANAGEMENT SERVICES.—The Secretary may, in carrying out this section—

"(A) contract for management services for a multifamily housing project that is owned by the Secretary (or for which the Secretary is mortgagee in possession), on a negotiated, competitive bid, or other basis at a price determined by the Secretary to be reasonable, with a manager the Secretary has determined is capable of—

"(i) implementing a sound financial and physical management program that is designed to enable the project to meet anticipated operating and maintenance expenses to ensure that the project will remain in decent, safe, and sanitary condition;

"(ii) responding to the needs of the tenants and working cooperatively with tenant organizations;

"(iii) providing adequate organizational, staff, and other resources to implement a management program determined by the Secretary; and

"(iv) meeting such other requirements as the Secretary may determine;

"(B) require the owner of a multifamily housing project that is subject to a mortgage held by the Secretary to contract for management services for the project in the manner described in subparagraph (A); and

"(C) contract for management of such properties with nonprofit organizations and public agencies, including public housing authorities.

"(d) MAINTENANCE OF HOUSING PROJECTS.—

"(1) HOUSING PROJECTS OWNED BY THE SECRETARY.—In the case of multifamily housing projects that are owned by the Secretary (or for which the Secretary is mortgagee in possession), the Secretary shall—

"(A) to the greatest extent possible, maintain all such occupied projects in a decent, safe, and sanitary condition;

"(B) to the greatest extent possible, maintain full occupancy in all such projects; and

"(C) maintain all such projects for purposes of providing rental or cooperative housing.

"(2) HOUSING PROJECTS SUBJECT TO A MORTGAGE HELD BY SECRETARY.—In the case of any multifamily housing project that is subject to a mortgage held by the Secretary, the Secretary shall require the owner of the project to carry out the requirements of paragraph (1).

"(3) HOUSING STANDARDS.—In disposing of any multifamily housing project under this section, the Secretary shall enter into an agreement with the purchaser under which the purchaser agrees that the project will be rehabilitated so that it is in compliance with, and will be maintained in compliance with, any standards under applicable State or local laws, rules, ordinances, or regulations relating to the physical condition of the housing and any such standards established by the Secretary.

"(e) REQUIRED ASSISTANCE.—In disposing of any multifamily housing property under this section, the Secretary shall take, separately or in combination, one or more of the following actions:

"(1) CONTRACT WITH OWNER FOR PROJECT-BASED ASSISTANCE.—In the case of multifamily housing projects that are acquired by a purchaser other than the Secretary at foreclosure or after sale by the Secretary, the Secretary may enter into contracts under section 8 of the United States Housing Act of 1937 (to the extent budget authority is available) with owners of the projects, subject to the following requirements:

"(A) SUBSIDIZED OR FORMERLY SUBSIDIZED PROJECTS RECEIVING MORTGAGE-RELATED ASSISTANCE.—In the case of a subsidized or formerly subsidized project referred to in subparagraphs (A) through (C) of subsection (b)(2)—

"(i) the contract shall be sufficient to assist at least all units covered by an assistance contract under any of the authorities referred to in subsection (b)(2)(D) before acquisition, unless the Secretary acts pursuant to the provisions of subparagraph (C);

"(ii) the contract shall provide that, when a vacancy occurs in any unit in the project requiring project-based rental assistance pursuant to this subparagraph that is occupied by a family who is not eligible for assistance under such section 8, the owner shall lease the available unit to a family eligible for assistance under such section 8; and

"(iii) the Secretary shall take actions to ensure that any unit in any such project that does not otherwise receive project-based assistance under this subparagraph remains available and affordable for the remaining useful life of the project, as defined by the Secretary; to carry out this clause, the Secretary may require purchasers to establish use or rent restrictions maintaining the affordability of such units.

"(B) SUBSIDIZED OR FORMERLY SUBSIDIZED PROJECTS RECEIVING RENTAL ASSISTANCE.—In the case of a subsidized or formerly subsidized project referred to in subsection (b)(2)(D) that is not subject to subparagraph (A)—

"(i) the contract shall be sufficient to assist at least all units in the project that are covered, or were covered immediately before foreclosure on or acquisition of the project by the Secretary, by an assistance contract under any of the provisions referred to in such subsection, unless the Secretary acts pursuant to provisions of subparagraph (C); and

"(ii) the contract shall provide that, when a vacancy occurs in any unit in the project requiring project-based rental assistance pursuant to this subparagraph that is occupied by a family who is not eligible for assistance under such section 8, the owner shall lease the available unit to a family eligible for assistance under such section 8.

"(C) EXCEPTIONS.—In lieu of providing project-based assistance under subparagraph (A)(i) or (B)(i) for a project, the Secretary may require certain units in unsubsidized projects to contain use restrictions providing that such units will be available to and affordable by very low-income families for the remaining useful life of the project, as defined by the Secretary, if—

"(i) the Secretary provides an increase in project-based assistance for very low-income persons for units within unsubsidized projects located within the same market area as the project otherwise required to be assisted with project-based assistance under subparagraph (A) or (B) that is at least equivalent to the units otherwise required to be so assisted; and

"(ii) upon disposition of the project, low-income families residing in units otherwise required to be assisted with project-based assistance under subparagraph (A) or (B) receive tenant-based assistance under such section 8.

"(D) UNSUBSIDIZED PROJECTS.—Notwithstanding actions taken pursuant to subparagraph (C), in the case of unsubsidized projects, the contract shall be sufficient to provide—

"(i) project-based rental assistance for all units that are covered, or were covered immediately before foreclosure or acquisition, by an assistance contract under—

"(I) the new construction and substantial rehabilitation program under section 8(b)(2) of the United States Housing Act of 1937 (as in effect before October 1, 1983);

"(II) the property disposition program under section 8(b) of such Act;

"(III) the project-based certificate program under section 8 of such Act;

"(IV) the moderate rehabilitation program under section 8(e)(2) of such Act;

"(V) section 23 of such Act (as in effect before January 1, 1975);

"(VI) the rent supplement program under section 101 of the Housing and Urban Development Act of 1965; or

"(VII) section 8 of the United States Housing Act of 1937, following conversion from assistance under section 101 of the Housing and Urban Development Act of 1965; and

"(ii) tenant-based assistance under section 8 of the United States Housing Act of 1937 for families that are preexisting tenants of the project in units that, immediately before foreclosure or acquisition of the project by the Secretary, were covered by an assistance contract under the loan management set-aside program under section 8(b) of the United States Housing Act of 1937 at such time.

"(2) ANNUAL CONTRIBUTION CONTRACTS FOR TENANT-BASED ASSISTANCE.—In the case of multifamily housing projects that are acquired by a purchaser other than the Secretary at foreclosure or after sale by the Secretary, the Secretary may enter into annual contribution contracts with public housing agencies to provide tenant-based assistance under section 8 of the United States Housing Act of 1937 on behalf of all low-income families who, on the date that the project is acquired by the purchaser, reside in the project and are eligible for such assistance, subject to the following requirements:

"(A) REQUIREMENT OF SUFFICIENT AFFORDABLE HOUSING IN AREA.—The Secretary may not take action under this paragraph unless the Secretary determines that there is available in the area an adequate supply of habitable, affordable housing for very low-income families and other low-income families.

"(B) LIMITATION FOR SUBSIDIZED AND FORMERLY SUBSIDIZED PROJECTS.—The Secretary may not take actions under this paragraph in connection with units in subsidized or formerly subsidized projects for more than 10 percent of the aggregate number of units in such projects disposed of by the Secretary annually.

"(C) PROVISION OF PROJECT-BASED ASSISTANCE UNDER CHANGED CIRCUMSTANCES.—The Secretary shall, to the extent such amounts are available, provide project-based assistance under section 8 of the United States Housing Act of 1937 for any units in a project for which the Secretary has provided tenant-based assistance under this paragraph if, and only to the extent that, the owner demonstrates to the satisfaction of the Secretary within 24 months after the date of acquisition by the owner that—

"(i) the provision of such project-based assistance (I) is necessary to maintain the financial viability of the project because of changes occurring after such acquisition that are beyond the control of the owner, and (II) may reasonably be expected to maintain such financial viability; or

"(ii) sufficient habitable, affordable housing for very low-income families and other low-income families is not available in the market area in which the project is located.

Assistance provided pursuant to this subparagraph shall have a term of not more than 5 years.

"(3) OTHER ASSISTANCE.—

"(A) IN GENERAL.—In accordance with the authority provided under the National Housing Act, the Secretary may reduce the selling price, apply use or rent restrictions on certain units, or provide other financial assistance to the owners of multifamily housing projects that are acquired by a purchaser other than the Secretary at foreclosure, or after sale by the Secretary, on terms that ensure that—

"(i) at least the units in the project otherwise required to receive project-based assistance pursuant to subparagraphs (A), (B), or (D) of paragraph (1) are available to and affordable by low-income persons; and

"(ii) for the remaining useful life of the project, as defined by the Secretary, there shall be in force such use or rent restrictions as the Secretary may prescribe.

"(B) VERY LOW-INCOME TENANTS.—If, as a result of actions taken pursuant to this paragraph, the rents charged to any very low-income families residing in the project who are otherwise required (pursuant to subparagraph (A), (B), or (D) of paragraph (1)) to receive project-based assistance under section 8 of the United States Housing Act of 1937 exceed the amount payable as rent under section 3(a) of the United States Housing Act of 1937, the Secretary shall provide assistance under section 8 of such Act to such families.

"(4) TRANSFER FOR USE UNDER OTHER PROGRAMS OF SECRETARY.—

"(A) IN GENERAL.—The Secretary may transfer a multifamily housing project—

"(i) to a public housing agency for use of the project as public housing; or

"(ii) to an entity eligible to own or operate housing under assisted section 202 of the Housing Act of 1959 or under section 811 of the Cranston-Gonzalez National Affordable Housing Act for use as supportive housing under either of such sections.

"(B) REQUIREMENTS FOR AGREEMENT.—An agreement providing for the transfer of a project described in subparagraph (A) shall—

"(i) contain such terms, conditions, and limitations as the Secretary determines appropriate, including requirements to ensure use of the project as public housing, supportive housing under section 202 of the Housing Act of 1959, or supportive housing under section 811 of the Cranston-Gonzalez National Affordable Housing Act, as applicable; and

"(ii) ensure that no tenant of the project will be displaced as a result of actions taken under this paragraph.

"(f) DISCRETIONARY ASSISTANCE.—In addition to the actions taken under subsection (e) for a multifamily housing project, the Secretary may take any of the following actions:

"(1) SHORT-TERM LOANS.—The Secretary may provide a short-term loan to facilitate the sale of a multifamily housing project to a nonprofit organization or a public agency if—

"(A) authority for such loans is provided in advance in an appropriation Act;

"(B) such loan has a term of not more than 5 years;

"(C) the Secretary determines, based upon documentation provided to the Secretary, that the borrower has obtained a commitment of permanent financing to replace the short-term loan from a lender who meets standards established by the Secretary; and

"(D) the terms of such loan is consistent with prevailing practices in the marketplace or the provision of such loan results in no cost to the Government, as defined in section 502 of the Congressional Budget Act of 1974.

"(2) TENANT-BASED ASSISTANCE.—The Secretary may make available tenant-based assistance under section 8 of the United States Housing Act of 1937 to very low-income families residing in a multifamily housing project that do not otherwise qualify for project-based assistance.

"(3) ALTERNATIVE USES.—

"(A) IN GENERAL.—Notwithstanding any other provision of law, after providing notice to and an opportunity to comment by existing tenants, the Secretary may allow not more than—

"(i) 10 percent of the total number of units in multifamily housing projects that are disposed of by the Secretary during any 1-year period to be made available for uses other than rental or cooperative uses, including low-income homeownership opportunities, or in any particular project, community space, office space for tenant or housing-related service providers or security programs, or small business uses, if such uses benefit the tenants of the project; and

"(ii) 5 percent of the total number of units in multifamily housing projects that are disposed of by the Secretary during any 1-year period to be used in any manner, if the Secretary and the unit of general local government or area-wide governing body determine that such use will further fair housing, community development, or neighborhood revitalization goals.

"(B) DISPLACEMENT PROTECTION.—The Secretary may take actions under subparagraph (A) only if—

"(i) tenant-based rental assistance under section 8 of the United States Housing Act of 1937 is made available to each eligible family residing in the project that is displaced as a result of such actions; and

"(ii) the Secretary determines that sufficient habitable, affordable rental housing is available in the market area in which the project is located to allow use of such assistance.

"(g) REQUIRED ASSISTANCE FOR CERTAIN PROJECTS.—In disposing under this section of multifamily housing projects, the Secretary shall, to the extent that such assistance is available—

"(1) in the case of any project located in a market area in which habitable, affordable rental housing for very low-income families is not sufficiently available, provide tenant-based or project-based rental assistance under section 8 of the United States Housing Act of 1937 (depending on the circumstances of the family) to very low-income families who are preexisting tenants of the project and do not otherwise qualify for project-based assistance; and

"(2) provide project-based assistance for very low-income families who are preexisting tenants of the project to the extent that such assistance is necessary to maintain the financial viability of the project and is reasonably expected to maintain such financial viability.

"(h) RENT RESTRICTIONS.—

"(1) AUTHORITY FOR USE IN UNSUBSIDIZED PROJECTS.—In carrying out the goals specified in subsection (a), the Secretary may require certain units in unsubsidized projects to be subject to use or rent restrictions providing that such units will be available to and affordable by very low-income persons for the remaining useful life of the property, as defined by the Secretary.

"(2) REQUIREMENT REGARDING SUBSIDIZED AND FORMERLY SUBSIDIZED PROJECTS.—In disposing under this section of any subsidized or formerly subsidized multifamily housing project, the Secretary shall require rent restrictions providing that any unassisted very low-income family who resides in a unit in the project on the date of disposition may not pay as rent for the unit an amount in excess of 30 percent of the adjusted income of the family at any time during the period beginning upon such disposition and ending upon the earlier of—

"(A) 15 years after such disposition; or

"(B) the time at which the family first fails to qualify as a very low-income family.

"(3) REQUIREMENT REGARDING UNSUBSIDIZED PROJECTS.— Unless the Secretary determines that the applicability of rent restrictions under this paragraph to a project would unreasonably impede the disposition of the project, in disposing under this section of any unsubsidized multifamily housing project the Secretary shall require rent restrictions providing that any unassisted very low-income family who resides in a unit in the project on the date of disposition may not pay as rent for the unit an amount in excess of 30 percent of the adjusted income of the family at any time during the period beginning upon such disposition and ending upon the earlier of—

"(A) 15 years after such disposition; or

"(B) the time at which the family first fails to qualify as a very low-income family.

"(4) PHASE-IN OF RENT INCREASES.—If the disposition under this section of any multifamily housing project results in any rent increases for any very low-income families who are preexisting tenants of the project and are paying less than 30 percent of the adjusted income of the family for rent, the Secretary shall provide that such rent increases shall be phased in equally over a period of not less than 3 years.

"(5) DEFINITION OF 'UNASSISTED VERY LOW-INCOME FAMILY'.—For purposes of this subsection, the term 'unassisted very low-income family' means a very low-income family who resides in a unit that is not assisted with project-based assistance under section 8 of the United States Housing Act of 1937 and on whose behalf tenant-based assistance under such section is not provided.

"(i) CONTRACT REQUIREMENTS.—Contracts for project-based rental assistance under section 8 of the United States Housing Act of 1937 provided pursuant to this section shall be subject to the following requirements:

"(1) CONTRACT TERM.—The contract shall have a term of 15 years, except that—

"(A) the term may be less than 15 years to the extent that the Secretary finds that, based on the rental charges and financing for the multifamily housing project to which the contract relates, the financial viability of the project can be maintained under a contract having such a term;

"(B) to the extent that units receive project-based assistance for a contract term of less than 15 years, the Secretary shall require that the mount of rent payable by tenants of the project for such units shall not exceed the amount payable for rent under section 3(a) of the United States Housing Act of 1937 for a period of at least 15 years; and

"(C) the term may be less than 15 years if such assistance is provided—

"(i) under a contract authorized under section 6 of the HUD Demonstration Act of 1993; and

"(ii) pursuant to a disposition plan under this section for a project that is determined by the Secretary to be otherwise in compliance with this section.

"(2) CONTRACT RENT.—

"(A) IN GENERAL.—The Secretary shall establish contract rents for section 8 project-based rental contracts issued under this section at levels that provide sufficient amounts for the necessary costs of rehabilitating and operating the multifamily housing project and do not exceed 144 percent of the existing housing fair market rentals for the market area in which the project assisted under the contract is located.

"(B) UP-FRONT GRANTS AND LOANS.—If the Secretary determines that action under this subparagraph is more cost-effective, the Secretary may utilize the budget authority provided for contracts issued under this section for project-based assistance under section 8 of the United States Housing Act of 1937 to (in addition to providing project-based section 8 rental assistance)—

"(i) provide up-front grants to nonprofit organizations or public housing agencies for the necessary cost of rehabilitation; or

"(ii) pay any cost to the Government, as defined in section 502 of the Congressional Budget Act of 1974, for loans made pursuant to subsection (f)(1).

"(j) DISPOSITION PLAN.—

"(1) IN GENERAL.—Prior to the sale of a multifamily housing project that is owned by the Secretary, the Secretary shall develop an initial disposition plan for the project that specifies the minimum terms and conditions of the Secretary for disposition of the project, the initial sales price that is acceptable to the Secretary, and the assistance that the Secretary plans to make available to a prospective purchaser in accordance with this section. The initial sales price shall be reasonably related to the intended use of the property after sale, any rehabilitation requirements for the project, the rents for units in the project that can be supported by the market, the amount of rental assistance available for the project under section 8 of the United States Housing Act of 1937, and the occupancy profile of the project.

"(2) COMMUNITY AND TENANT INPUT.—In carrying out this section, the Secretary shall develop procedures—

"(A) to obtain appropriate and timely input into disposition plans from officials of the unit of general local government affected, the community in which the project is situated, and the tenants of the project; and

"(B) to facilitate, where feasible and appropriate, the sale of multifamily housing projects to existing tenant organizations with demonstrated capacity, to public or nonprofit entities that represent or are affiliated with existing tenant organizations, or to other public or nonprofit entities.

"(3) TECHNICAL ASSISTANCE.—To carry out the procedures developed under paragraph (2), the Secretary may provide technical assistance, directly or indirectly, and may use amounts available for technical assistance under the Emergency Low Income Housing Preservation Act of 1987, subtitle C of the Low-Income Housing Preservation and Resident Homeownership Act of 1990, subtitle B of title IV of the Cranston-Gonzalez National Affordable Housing Act, or this section, for the provision of technical assistance under

this paragraph. Recipients of technical assistance funding under the provisions referred to in this paragraph shall be permitted to provide technical assistance to the extent of such funding under any of such provisions or under this paragraph, notwithstanding the source of the funding.

"(k) RIGHT OF FIRST REFUSAL FOR LOCAL AND STATE GOVERNMENT AGENCIES.—

"(1) NOTIFICATION OF ACQUISITION OF TITLE.—Not later than 30 days after acquiring title to a multifamily housing project, the Secretary shall notify the unit of general local government (which, for purposes of this subsection, shall include any public housing agency) for the area in which the project is located and the State agency or agencies designated by the Governor of the State in which the project is located of such acquisition.

"(2) RIGHT OF FIRST REFUSAL.—During the period beginning upon acquisition of title to a multifamily housing project and ending 45 days after completion of notification under paragraph (1), the Secretary may offer to sell and may sell the project only to the unit of general local government or the designated State agency.

"(3) EXPRESSION OF INTEREST.—The unit of general local government or designated State agency may submit to the Secretary a preliminary expression of interest in a project not later than 45 days after receiving notification from the Secretary under paragraph (1) regarding the project. The Secretary may take such actions as may be necessary to require the unit of general local government or designated State agency to substantiate such interest.

"(4) TIMELY EXPRESSION OF INTEREST.—If the unit of general local government or designated State agency has submitted an expression of interest in a project before the expiration of the 45-day period referred to in paragraph (3) and has substantiated such interest if requested, the Secretary, upon approval of a disposition plan for the project, shall—

"(A) notify the unit of general local government and designated State agency of the terms and conditions of the disposition plan; and

"(B) provide that, for 90 days after the date of such notification, only the unit of general local government or designated State agency may make an offer to purchase the project.

"(5) FAILURE TO TIMELY EXPRESS INTEREST.—If the unit of general local government or designated State agency does not timely express and, if requested, substantiate interest in a project as provided in paragraph (4), the Secretary may offer the project for sale to any interested person or entity upon approval of the disposition plan for the project.

"(6) ACCEPTANCE OF OFFERS.—If the unit of general local government or designated State agency timely expresses and, if requested, substantiates interest in a project as provided in paragraph (4), the Secretary shall accept an offer made by the unit of general local government or designated State agency during the 90-day period for the project under paragraph (4)(B) that complies with the terms and conditions of the disposition plan for the project. The Secretary may accept an offer that does not comply with the terms and conditions of the disposition plan if the Secretary determines that the offer will further the goals specified in subsection (a) by actions that include extension of the duration of low-income affordability restrictions or otherwise restructuring the transaction in a manner that enhances the long-term affordability for low-income persons. The Secretary may reduce the initial sales price in exchange for the extension of low-income affordability restrictions beyond the period of assistance contemplated by the attachment of assistance pursuant to subsection (i)(1) and in order to facilitate affordable rents.

"(7) FAILURE TO SELL TO LOCAL OR STATE GOVERNMENT AGENCY.—If the Secretary and the unit of general local government or designated State agency cannot reach agreement on an offer for purchase of a project within the 90-day period for the project under paragraph (4)(B), the Secretary may offer the project for sale to the general public.

"(8) PURCHASE BY UNIT OF GENERAL LOCAL GOVERNMENT OR DESIGNATED STATE AGENCY.—Notwithstanding any other provision of law, a unit of general local government (including a public housing agency) or designated State agency may purchase a subsidized or formerly subsidized project in accordance with this subsection.

"(9) APPLICABILITY.—This subsection shall apply to projects that are acquired on or after the effective date of this subsection. With respect to projects acquired before such effective date, the Secretary may apply—

"(A) the requirements of paragraphs (2) and (3) of section 203(e) (as in effect immediately before the effective date of this subsection); or

"(B) the requirements of paragraphs (1) through (7) of this subsection, if—

"(i) the Secretary gives the unit of general local government or designated State agency 45 days to express interest in the project; and

"(ii) the unit of general local government or designated State agency expresses interest in the project before the expiration of the 45-day period, and substantiates such interest if requested, within 90 days from the date of notification of the terms and conditions of the disposition plan to make an offer to purchase the project.

"(10) TRANSFER BY LOCAL OR STATE GOVERNMENT AGENCY PURCHASERS.—The Secretary shall permit units of general local government and designated State agencies to transfer multifamily housing projects acquired under the right of first refusal under this subsection to a private entity, but only if the local government or State agency clearly identifies its intention to transfer the project in the offer to purchase the property accepted by the Secretary under this subsection.

"(l) DISPLACEMENT OF TENANTS AND RELOCATION ASSISTANCE.—

"(1) IN GENERAL.—Whenever tenants will be displaced as a result of the disposition of, or repairs to, a multifamily housing project that is owned by the Secretary (or for which the Secretary is mortgagee in possession), the Secretary shall identify tenants who will be displaced and shall notify all such tenants of their pending displacement and of any relocation assistance that may be available. In the case of the disposition of tenants of a multifamily housing project that is not owned by the Secretary (and for which the Secretary is not mortgagee in possession), the Secretary shall require the owner of the project to carry out the requirements of this paragraph.

"(2) RIGHTS OF DISPLACED TENANTS.—The Secretary shall ensure for any such tenant (who continues to meet applicable qualification standards) the right—

"(A) to return, whenever possible, to a repaired unit;

"(B) to occupy a unit in another multifamily housing project owned by the Secretary;

"(C) to obtain housing assistance under the United States Housing Act of 1937; or

"(D) to receive any other available relocation assistance as the Secretary determines to be appropriate.

"(m) MORTGAGE AND PROJECT SALES.—

"(1) IN GENERAL.—The Secretary may not approve the sale of any loan or mortgage held by the Secretary (including any loan or mortgage owned by the Government National Mortgage Association) on any subsidized project or formerly subsidized project, unless such sale is made as part of a transaction that will ensure that such project will continue to operate at least until the maturity date of such loan or mortgage, in a manner that will provide rental housing on terms at least as advantageous to existing and future tenants as the terms required by the program under which the loan or mortgage was made or insured prior to the assignment of the loan or mortgage on such project to the Secretary.

"(2) SALE OF CERTAIN PROJECTS.—The Secretary may not approve the sale of any subsidized project—

"(A) that is subject to a mortgage held by the Secretary, or

"(B) if the sale transaction involves the provision of any additional subsidy funds by the Secretary or a recasting of the mortgage, unless such sale is made as part of a transaction that will ensure that the project will continue to operate, at least until the maturity date of the loan or mortgage, in a manner that will provide rental housing on terms at least as advantageous to existing and future tenants as the terms required by the program under which the loan or mortgage was made or insured prior to the proposed sale of the project.

"(3) MORTGAGE SALES TO STATE AND LOCAL GOVERNMENTS.—Notwithstanding any provision of law that requires competitive sales or bidding, the Secretary may carry out negotiated sales of subsidized or formerly subsidized mortgages held by the Secretary, without the competitive selection of purchasers or intermediaries, to units of general local government or State agencies, or groups of investors that include at least one such unit of general local government or State agency, if the negotiations are conducted with such agencies, except that—

"(A) the terms of any such sale shall include the agreement of the purchasing agency or unit of local government or State agency to act as mortgagee or owner of a beneficial interest in such mortgages, in a manner consistent with maintaining the projects that are subject to such mortgages for occupancy by the general tenant group intended to be served by the applicable mortgage insurance program, including, to the extent the Secretary determines appropriate, authorizing such unit of local government or State agency to enforce the provisions of any regulatory agreement or other program requirements applicable to the related projects; and

"(B) the sales prices for such mortgages shall be, in the determination of the Secretary, the best prices that may be obtained for such mortgages from a unit of general local government or State agency, consistent with the expectation and intention that the projects financed will be retained for use under the applicable mortgage insurance program for the life of the initial mortgage insurance contract.

"(4) SALE OF MORTGAGES COVERING UNSUBSIDIZED PROJECTS.—Notwithstanding any other provision of law, the Secretary may sell mortgages held on unsubsidized

projects on such terms and conditions as the Secretary may prescribe.

"(n) REPORT TO CONGRESS.—Not later than June 1 of each year, the Secretary shall submit to the Congress a report describing the status of multifamily housing projects owned by or subject to mortgages held by the Secretary. The report shall include—

"(1) the name, address, and size of each project;

"(2) the nature and date of assignment of each project;

"(3) the status of the mortgage for each project;

"(4) the physical condition of each project;

"(5) for each subsidized or formerly subsidized project, an occupancy profile of the project, stating the income, family size, race, and ethnic origin of current residents and the rents paid by such residents;

"(6) the proportion of units in each project that are vacant;

"(7) the date on which the Secretary became mortgagee in possession of each project, if applicable;

"(8) the date and conditions of any foreclosure sale for a project;

"(9) the date of acquisition of each project by the Secretary, if applicable;

"(10) the date and conditions of any property disposition sale for a project;

"(11) a description of actions undertaken pursuant to this section, including a description of the effectiveness of such actions and any impediments to the disposition or management of multifamily housing projects;

"(12) a description of any of the functions performed in connection with this section that are contracted out to public or private entities or to States; and

"(13) a description of the activities carried out under subsection (k) during the preceding year.".

(c) CLARIFICATION OF FEDERAL PREFERENCES.—

(1) PUBLIC HOUSING TENANCY.—Section 6(c)(4)(A)(i) of the United States Housing Act of 1937 (42 U.S.C. 1437d(c)(4)(A)(i)) is amended by inserting after "displaced" the following: "(including displacement because of disposition of a multifamily housing project under section 203 of the Housing and Community Development Amendments of 1978)".

(2) SECTION 8 ASSISTANCE.—Section 8(d)(1)(A)(i) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(1)(A)(i)) is amended by inserting after "displaced" the following: "(including displacement because of disposition of a multifamily housing project under section 203 of the Housing and Community Development Amendments of 1978)".

(d) DEFINITION OF OWNER.—Section 8(f)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437f(f)(1)) is amended by inserting "an agency of the Federal Government," after "cooperative,".

(e) AMENDMENT TO NATIONAL HOUSING ACT.—Title V of the National Housing Act (12 U.S.C. 1731a et seq.) is amended by adding at the end the following new section:

"PARTIAL PAYMENT OF CLAIMS ON MULTIFAMILY HOUSING PROJECTS

"SEC. 541. (a) AUTHORITY.—Notwithstanding any other provision of law, if the Secretary is requested to accept assignment of a mortgage insured by the Secretary that covers a multifamily housing project (as such term is defined in section 203(b) of the Housing and Community Development Amendments of 1978) and the Secretary determines that partial payment would be less costly to the Federal Government than other reasonable alternatives for maintaining the low-income character of the project, the Secretary may request the mortgagee, in lieu of assignment, to—

"(1) accept partial payment of the claim under the mortgage insurance contract; and

"(2) recast the mortgage, under such terms and conditions as the Secretary may determine.

"(b) REPAYMENT.—As a condition to a partial claim payment under this section, the mortgagor shall agree to repay to the Secretary the amount of such payment and such obligation shall be secured by a second mortgage on the property on such terms and conditions as the Secretary may determine.".

(f) EFFECTIVE DATE.—The Secretary shall issue interim regulations necessary to implement the amendments made by subsections (b) through (d) not later than 90 days after the date of the enactment of this Act. Such interim regulations shall take effect upon issuance and invite public comment on the interim regulations. The Secretary shall issue final regulations to implement such amendments after opportunity for such public comment, but not later than 12 months after the date of issuance of such interim regulations.

SEC. 6002. SECTION 235 MORTGAGE REFINANCING.

Section 235(r) of the National Housing Act is amended—

(1) in paragraph (2)(C), by inserting after "refinanced" the following: ", plus the costs incurred in connection with the refinancing as described in paragraph (4)(B) to the extent that the amount for those costs is not otherwise included in the interest rate as permitted by subparagraph (E) or paid by the Secretary as authorized by paragraph (4)(B)";

(2) in paragraph (4)—

(A) in the matter preceding subparagraph (A), by inserting after "otherwise)" the following: "and the mortgagee (with respect to the amount described in subparagraph (A))"; and

(B) in subparagraph (A), by inserting after "mortgagor" the following: "and the mortgagee"; and

(3) by amending paragraph (5) to read as follows:

"(5) The Secretary shall use amounts of budget authority recaptured from assistance payments contracts relating to mortgages that are being refinanced for assistance payments contracts with respect to mortgages insured under this subsection. The Secretary may also make such recaptured amounts available for incentives under paragraph (4)(A) and the costs incurred in connection with the refinancing under paragraph (4)(B). For purposes of subsection (c)(3)(A), the amount of recaptured budget authority that the Secretary commits for assistance payments contracts relating to mortgages insured under this subsection and for amounts paid under paragraph (4) shall not be construed as unused.".

SEC. 6003. USE OF EMERGENCY ASSISTANCE FUNDS FOR RESIDENCY IN MULTIFAMILY HOUSING DISPOSITION PROJECTS.

Section 203(f) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z–11), as amended by section 6001 of this Act, is further amended by adding at the end the following new paragraph:

"(4) EMERGENCY ASSISTANCE FUNDS.—The Secretary may make arrangements with State agencies and units of general local government of States receiving emergency assistance under part A of title IV of the Social Security Act for the provision of assistance under such Act on behalf of eligible families who would reside in any multifamily housing projects.".

SEC. 6004. ADDITIONAL EMPLOYEES TO FACILITATE DISPOSITION OF FHA INVENTORY PROPERTIES.

Notwithstanding any other provision of law, during fiscal years 1993, 1994, and 1995 amounts in the various funds of the Federal Housing Administration otherwise available to the Secretary of Housing and Urban Development for non-overhead expenses associated with processing, accounting, loan servicing, asset management, and disposition services may be used by the Secretary for personnel compensation and benefits for temporary employees of the Department of Housing and Urban Development employed to manage, service, and dispose of single family and multifamily properties insured by, assigned to, or owned by the Secretary. The Secretary may employ not more than 400 temporary employees at any one time using amounts made available pursuant to this section, no such employee may be employed in a temporary position pursuant to this section for a period in excess of 2 years, and such employees shall not be considered for purposes of any personnel ceiling applicable to the Department of Housing and Urban Development or any unit therein or any personnel ceiling applicable to temporary employees of the Federal Government.

SEC. 6005. HUD STREAMLINING.

The Secretary of Housing and Urban Development shall carry out the recommendation of the Report of the National Performance Review, issued on September 7, 1993, that the Department streamline its headquarters, regional, and field office structure and consolidate and reduce its size, without regard to the requirements of section 7(p) of the Department of Housing and Urban Development Act.

TITLE VII—DEPARTMENT OF THE INTERIOR

SEC. 7001. IMPROVEMENT OF MINERALS MANAGEMENT SERVICE ROYALTY COLLECTION.

(a) The Secretary of the Interior shall, by fiscal year 1995, direct the Minerals Management Service, Royalty Management Program, to develop and implement (1) an automated business information system to provide to its auditors a lease history that includes reference, royalty, production, financial, compliance history, pricing and valuation, and other information; (2) the optimum methods to identify and resolve anomalies and to verify that royalties are paid correctly; (3) a more efficient and cost-effective royalty collection process by instituting new compliance and enforcement measures, including assessments and penalties for erroneous reporting and underreporting; (4) pilot projects under which a State may assume mineral receipt collections on Federal lands within the State and where the State assumes 50 percent of the cost of such pilot project; and (5) such other actions as may be necessary to reduce royalty underpayment and increase revenue to the U.S. Treasury by an estimated total of $28 million by fiscal year 1999.

(b) The Federal Oil and Gas Royalty Management Act of 1982 (Public Law No. 97–451), 30 U.S.C. 1701 et seq.) is amended by adding a new subsection 111(h) as follows:

"PENALTY ASSESSMENT FOR SUBSTANTIAL UNDERREPORTING OF ROYALTY"

"SEC. 111. (h)(1) If there is any under reporting of royalty owed on production from any lease issued or administered by the Secretary for the production of oil, gas, coal, any other mineral, or geothermal steam, from any Federal or Indian lands or the Outer Continental Shelf, for any production

month, by any person who is responsible for paying royalty, the Secretary may assess a penalty of 10 percent of the amount of that underreporting.

"(2) If there is a substantial under reporting of royalty owed on production from any lease issued or administered by the Secretary for the production of oil, gas, coal, any other mineral, or geothermal steam, from any Federal or Indian lands or the Outer Continental Shelf, for any production month, by any person who is responsible for paying royalty, the Secretary may assess a penalty of 20 percent of the amount of that substantial underreporting.

"(3) For purposes of this section, the term 'underreporting' means the difference between the royalty on the value of the production which should have been reported and the royalty on the value of the production which was reported, if the value of the production which should have been reported is greater than the value of the production which was reported. An underreporting constitutes a 'substantial underreporting' if such difference exceeds 10 percent of the royalty on the value of the production which should have been reported.

"(4) The Secretary shall not impose the assessment provided in paragraphs (1) or (2) if the person corrects the underreporting before the date the person receives notice from the Secretary that an underreporting may have occurred, or before 90 days after the date of enactment of this section, whichever is later.

"(5) The Secretary shall waive any portion of an assessment provided in paragraphs (1) or (2) attributable to that portion of the underreporting for which the person demonstrates that—

"(i) the person had written authorization from the Secretary to report royalty on the value of the production on the basis on which it was reported, or

"(ii) the person had substantial authority for reporting royalty on the value of the production on the basis on which it was reported, or

"(iii) the person previously had notified the Secretary, in such manner as the Secretary may by rule prescribe, of relevant reasons or facts affecting the royalty treatment of specific production which led to the underreporting, or

"(iv) the person meets any other exception which the Secretary may, by rule, establish.

"(6) All penalties collected under this subsection shall be deposited to the same accounts in the Treasury or paid to the same recipients in the same manner as the royalty with respect to which such penalty is paid.".

SEC. 7002. PHASE OUT OF MINERAL INSTITUTE PROGRAM.

The Secretary of the Interior, beginning in fiscal year 1995, shall take action to phase out the Mining and Mineral Resources Research Institute Act of 1984, Public Law 98–409, as amended (98 Stat. 1536 through 1541 and 102 Stat. 2339 through 2341, 30 U.S.C. 1221 through 1230). There are hereby authorized to be appropriated under the Act the following amounts: fiscal year 1995—$6.5 million; fiscal year 1996—$5 million; fiscal year 1997—$3 million; and fiscal year 1998—$1.5 million. No further appropriations for this Act are authorized after September 30, 1998.

SEC. 7003. REORGANIZATION STUDY OF BUREAU OF INDIAN AFFAIRS.

(a) GENERAL AUTHORITY.—The Secretary of the Interior, with the active participation of Indian tribes, shall conduct a study of the reorganization of the Bureau of Indian Affairs.

(b) CONTENT.—The study conducted under subsection (a) shall include (but shall not be limited to)—

(1) an examination of the current structure of the Bureau of Indian Affairs and recommendations for structural changes to improve the implementation of Federal trust responsibilities toward Indian tribes;

(2) an examination of the current roles of the Central, Area, and Agency offices of the Bureau of Indian Affairs and recommendations to improve efficiency of the Bureau through reorganization;

(3) an examination of the efficiency of the Bureau of Indian Affairs in comparison with other Bureaus of the Department of the Interior;

(4) an examination of the barriers to the implementation of the 1988 amendments to the Indian Self-Determination and Education Assistance Act throughout the Department of the Interior and a proposed plan for effective implementation; and

(5) recommendations for the transfer of personnel and resources from the Central, Area, and Agency offices of the Bureau of Indian Affairs to Indian tribes.

(c) REPORT.—The Secretary shall complete the study conducted pursuant to this section and shall submit such study, together with recommendations and draft legislation to implement such recommendations, to the Congress within one year after the date of enactment of this Act.

SEC. 7004. TERMINATION OF ANNUAL DIRECT GRANT ASSISTANCE

(a) TERMINATION.—Pursuant to section 704(d) of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America (48 U.S.C. 1681 note), the annual payments under section 702 of the Covenant shall terminate as of September 30, 1993.

(b) REPEAL.—Sections 3 and 4 of the Act of March 24, 1976 (Public Law 94–241; 48 U.S.C. 1681 note), as amended, are repealed, effective October 1, 1993.

TITLE VIII—MISCELLANEOUS PROVISIONS

SEC. 8001. LIMITATION ON CERTAIN ANNUAL PAY ADJUSTMENTS.

Effective as of December 31, 1994—

(1) section 601(a)(2) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31(2)) is amended—

(A) by striking "(2) Effective" and inserting "(2)(A) Subject to subparagraph (B), effective"; and

(B) by adding at the end the following:

"(B) In no event shall the percentage adjustment taking effect under subparagraph (A) in any calendar year (before rounding), in any rate of pay, exceed the percentage adjustment taking effect in such calendar year under section 5303 of title 5, United States Code, in the rates of pay under the General Schedule.";

(2) section 104 of title 3, United States Code, is amended—

(A) in the first sentence by inserting "(a)" before "The";

(B) in the second sentence by striking "Effective" and inserting "Subject to subsection (b), effective"; and

(C) by adding at the end the following:

"(b) In no event shall the percentage adjustment taking effect under the second and third sentences of subsection (a) in any calendar year (before rounding) exceed the percentage adjustment taking effect in such calendar year under section 5303 of title 5 in the rates of pay under the General Schedule.";

(3) section 5318 of title 5, United States Code, is amended—

(A) in the first sentence by striking "Effective" and inserting "(a) Subject to subsection (b), effective"; and

(B) by adding at the end the following:

"(b) In no event shall the percentage adjustment taking effect under subsection (a) in any calendar year (before rounding), in any rate of pay, exceed the percentage adjustment taking effect in such calendar year under section 5303 in the rates of pay under the General Schedule."; and

(4) section 461(a) of title 28, United States Code, is amended—

(A) by striking "(a) Effective" and inserting "(a)(1) Subject to paragraph (2), effective"; and

(B) by adding at the end the following:

"(2) In no event shall the percentage adjustment taking effect under paragraph (1) in any calendar year (before rounding), in any salary rate, exceed the percentage adjustment taking effect in such calendar year under section 5303 of title 5 in the rates of pay under the General Schedule.".

SEC. 8002. REDUCTION OF FEDERAL FULL-TIME EQUIVALENT POSITIONS.

(a) DEFINITION.—For purposes of this section, the term "agency" means an Executive agency as defined under section 105 of title 5, United States Code, but does not include the General Accounting Office.

(b) LIMITATIONS ON FULL-TIME EQUIVALENT POSITIONS.—The President, through the Office of Management and Budget (in consultation with the Office of Personnel Management), shall ensure that the total number of full-time equivalent positions in all agencies shall not exceed—

(1) 2,053,600 during fiscal year 1994;

(2) 1,999,600 during fiscal year 1995;

(3) 1,945,600 during fiscal year 1996;

(4) 1,895,600 during fiscal year 1997; and

(5) 1,851,600 during fiscal year 1998.

(c) MONITORING AND NOTIFICATION.—The Office of Management and Budget, after consultation with the Office of Personnel Management, shall—

(1) continuously monitor all agencies and make a determination on the first date of each quarter of each applicable fiscal year of whether the requirements under subsection (b) are met; and

(2) notify the President and the Congress on the first date of each quarter of each applicable fiscal year of any determination that any requirement of subsection (b) is not met.

(d) COMPLIANCE.—If at any time during a fiscal year, the Office of Management and Budget notifies the President and the Congress that any requirement under subsection (b) is not met, no agency may hire any employee for any position in such agency until the Office of Management and Budget notifies the President and the Congress that the total number of full-time equivalent positions for all agencies equals or is less than the applicable number required under subsection (b).

(e) WAIVER.—

(1) EMERGENCIES.—Any provision of this section may be waived upon a determination by the President that—

(A) the existence of a state of war or other national security concern so requires; or

(B) the existence of an extraordinary emergency threatening life, health, safety, property, or the environment so requires.

(2) AGENCY EFFICIENCY OR CRITICAL MISSION.—

(A) Subsection (d) may be waived, in the case of a particular position or category of positions in an agency, upon a determination of the President that the efficiency of the agency or the performance of a critical agency mission so requires.

(B) Whenever the President grants a waiver pursuant to subparagraph (A), the President shall take all necessary actions to ensure that the overall limitations set forth in subsection (b) are not exceeded.

TITLE IX—DEPARTMENT OF LABOR

SEC. 9001. DETERRENCE OF FRAUD AND ABUSE IN FECA PROGRAM.

(a) Section 8102 of title 5, United States Code, is amended to redesignate subsection (b) as subsection (c), and to add the following new subsection (b):

"(b) An individual convicted of a violation of 18 U.S.C. 1920, as amended, or of any other fraud related to the application for or receipt of benefits under subchapter I or III of chapter 81 of title 5, shall forfeit, as of the date of the conviction, all entitlement to any prospective benefits provided by subchapter I or III for any injury occurring on or before the date of the conviction. Such a forfeiture of benefits shall be in addition to any action the Secretary may take under section 8106 or 8129 of title 5, United States Code.".

(b) Section 8116 of title 5, United States Code, is amended by adding the following new subsection (e):

"(e) Notwithstanding any other provision of this title, no benefits under sections 8105 or 8106 of this subchapter shall be paid or provided to any individual during any period during which such individual is confined in a jail, prison, or other penal institution or correctional facility, pursuant to that individual's conviction of an offense that constituted a felony under applicable law, except where such individual has one or more dependents within the meaning of section 8110 of this subchapter, in which case the Secretary may, during the period of incarceration, pay to such dependents a percentage of the benefits that would have been payable to such individual computed according to the percentages set forth in section 8133(a)(1)–(5) of this subchapter.".

(c) Section 8116 of title 5, United States Code, is further amended by adding the following new subsection (f):

"(f) Notwithstanding the provisions of section 552a of this title, or any other provision of Federal or State law, any agency of the United States Government or of any State (or political subdivision thereof) shall make available to the Secretary, upon written request, the names and Social Security account numbers of individuals who are confined in a jail, prison or other penal institution or correctional facility under the jurisdiction of such agency, pursuant to such individuals' conviction of an offense that constituted a felony under applicable law, which the Secretary may require to carry out the provisions of this subsection.".

(d) Section 1920 of title 18, United States Code, is amended to read as follows: "Whoever knowingly and willfully falsifies, conceals, or covers up a material fact, or makes a false, fictitious, or fraudulent statement or representation, or makes or uses a false statement or report knowing the same to contain any false, fictitious or fraudulent statement or entry in connection with the application for or receipt of compensation or other benefit or payment under subchapter I or III of chapter 81 of title 5, United States Code, shall be punished by a fine of not more than $250,000, or by imprisonment for not more than five years, or both.".

(e) Except as otherwise provided in this section, the amendments made by this section shall be effective on the date of enactment and shall apply to actions taken on or after the date of enactment both with respect to claims filed before the day of enactment and with respect to claims filed after such date.

(f) The amendments made by subsections (a), (b), and (c) of this section shall be effective on the date of enactment and shall apply to any person convicted or imprisoned on or after the date of enactment.

(g) The amendment made by subsection (d) of this section shall be effective on the date of enactment and shall apply to any claim, statement, representation, report, or other written document made or submitted in connection with a claim filed under subchapter I or III of chapter 81 of title 5, United States Code.

SEC. 9002. ENHANCEMENT OF REEMPLOYMENT PROGRAMS FOR FEDERAL EMPLOYEES DISABLED IN THE PERFORMANCE OF DUTY.

(a) Section 8104 of title 5, United States Code, is amended—

(1) by striking the comma after "employment" and by striking "other than employment undertaken pursuant to such rehabilitation" from subsection (b); and

(2) by adding the following new subsection (c):

"(c) The Secretary of Labor, as part of the vocational rehabilitation effort, may assist permanently disabled individuals in seeking and/or obtaining employment. The Secretary may reimburse an employer (including a Federal employer), who was not the employer at the time of injury and who agrees to employ a disabled beneficiary, for portions of the salary paid by such employer to the reemployed, disabled beneficiary. Any such sums shall be paid from the Employees' Compensation Fund.".

(b) The Secretary of Labor is authorized to expand the Federal Employees' Compensation Act Periodic Roll Management Project to all offices of the Office of Workers' Compensation Program of the Department of Labor.

(c) The provisions of, and amendments made by, subsections (a) and (b) of this section shall be effective on the date of enactment.

SEC. 9003. WAGE DETERMINATIONS.

(a) The McNamara-O'Hara Service Contract Act, as amended (41 U.S.C. 351 et seq.) is amended by adding at the end the following new section:

"SEC. 11. To more effectively implement wage determination procedures, the Secretary of Labor is authorized to develop and implement an electronic data interchange system to request and obtain wage determinations required under the Act.".

(b) The Davis-Bacon Act, as amended (41 U.S.C. 276a et seq.) is amended by adding at the end the following new section:

"SEC. 8. To more effectively implement wage determination procedures, the Secretary of Labor is authorized to develop and implement an electronic data interchange system to request and obtain wage determinations required under the Act.".

(c) The amendments made by subsections (a) and (b) of this section shall be effective on the date of enactment.

SEC. 9004. ELIMINATION OF FILING REQUIREMENTS.

(a) Section 101(b) of the Employee Retirement Income Security Act of 1974 (ERISA) (29 U.S.C. 1021(b)) is amended by striking paragraphs (1), (2) and (3) and by redesignating paragraphs (4) and (5) as paragraphs (1) and (2), respectively.

(b) Section 102 of ERISA (29 U.S.C. 1022) is amended by striking paragraph (a)(2) and redesignating paragraph (a)(1) as subsection (a).

(c) Section 104(a)(1) of ERISA (29 U.S.C. 1024(a)(1)) is amended to read as follows:

"SEC. 104. (a)(1) The administrator of any employee benefit plan subject to this part shall file with the Secretary the annual report for a plan year within 210 days after the close of such year (or within such time as may be required by regulations promulgated by the Secretary in order to reduce duplicative filing). The Secretary shall make copies of such annual reports available for inspection in the public document room of the Department of Labor. The administrator shall also furnish to the Secretary, upon request, any documents relating to the employee benefit plan including but not limited to the summary plan description, description of material modifications to the plan, bargaining agreement, trust agreement, contract, or other instrument under which the plan is established or operated.".

(d) Section 104(b) of ERISA (29 U.S.C. 1024(b)) is amended by adding at the end the following new paragraph:

"(5) The Secretary shall, upon written request of any participant or beneficiary of a plan for a copy of any documents described in paragraph (4), make a written request to the plan administrator for copies of such documents. The plan administrator shall comply with such request from the Secretary. Upon obtaining such copies from the plan administrator, the Secretary shall provide them to the requesting participant or beneficiary. In making a request under this paragraph to the plan administrator, the Secretary shall not disclose to the plan administrator the identity of the participant or beneficiary. The administrator may make a reasonable charge to cover the cost of furnishing such complete copies consistent with any regulations issued by the Secretary pursuant to paragraph (4). The Secretary may require the participant or beneficiary to reimburse the Secretary for such charges before the participant receives the requested copies.".

(e) Section 106(a) of ERISA (29 U.S.C. 1026(a)) is amended by striking "descriptions,".

(f) Section 107 of ERISA (29 U.S.C. 1027) is amended by striking "description or".

(g) Section 108 of ERISA (29 U.S.C. 1028) is amended by striking "(B) after publishing or filing the plan description, annual reports," and inserting "(B) after publishing the plan description, or after publishing or filing the annual reports,".

(h) Section 109(b) of ERISA (29 U.S.C. 1029(b)) is amended to read as follows:

"(b) The financial statement and opinion required to be prepared by an independent qualified public accountant pursuant to section 103(a)(3)(A) and the actuarial statement required to be prepared by an enrolled actuary pursuant to section 103(a)(4)(A) shall not be required to be submitted on forms.".

(i) Section 502(c) of ERISA is amended by adding at the end the following new paragraph:

"(4) The Secretary may assess a civil penalty against any plan administrator of up to $100 per day from the date of such plan administrator's failure or refusal to comply with a request for documents which such administrator is required to furnish to the Secretary (unless such failure or refusal results from matters reasonably beyond the control of the administrator) pursuant to section 104(b)(5) by mailing the material requested to the address provided by the Secretary within 30 days after such request.".

(j) EFFECTIVE DATE.—The provisions of this section shall take effect on the date of enactment of this Act.

TITLE X—DEPARTMENT OF STATE AND UNITED STATES INFORMATION AGENCY

SEC. 10001. IMPROVEMENT OF EFFICIENCY OF STATE DEPARTMENT ACTIVITIES.

The Secretary of State shall take action to improve the efficiency of the activities of the Department of State and save a total of $5,700,000 by the end of fiscal year 1999.

SEC. 10002. IMPROVEMENT OF EFFICIENCY OF USIA PUBLIC DIPLOMACY ACTIVITIES.

The Director of the United States Information Agency (USIA) shall take action to improve the efficiency of USIA's public diplomacy activities and save a total of $15,000,000 by the end of fiscal year 1999.

TITLE XI—DEPARTMENT OF TRANSPORTATION

SEC. 11001. REEMPLOYMENT RIGHTS FOR CERTAIN MERCHANT SEAMEN.

(a) IN GENERAL.—Title III of the Merchant Marine Act, 1936 (46 App. U.S.C. 1131) is amended by inserting after section 301 the following new section:

"SEC. 302. (a) An individual who is certified by the Secretary of Transportation under subsection (c) shall be entitled to reemployment rights and other benefits substantially equivalent to the rights and benefits provided for by chapter 43 of title 38, United States Code, for any member of a Reserve component of the Armed Forces of the United States who is ordered to active duty.

"(b) An individual may submit an application for certification under subsection (c) to the Secretary of Transportation not later than 45 days after the date the individual completes a period of employment described in subsection (c)(1)(A) with respect to which the application is submitted.

"(c) Not later than 20 days after the date the Secretary of Transportation receives from an individual an application for certification under this subsection, the Secretary shall—

"(1) determine whether or not the individual—

"(A) was employed in the activation or operation of a vessel—

"(i) in the National Defense Reserve Fleet maintained under section 11 of the Merchant Ship Sales Act of 1946, in a period in which that vessel was in use or being activated for use under subsection (b) of that section;

"(ii) that is requisitioned or purchased under section 902 of this Act; or

"(iii) that is owned, chartered, or controlled by the United States and used by the United States for a war, armed conflict, national emergency, or maritime mobilization need (including for training purposes or testing for readiness and suitability for mission performance); and

"(B) during the period of that employment, possessed a valid license, certificate of registry, or merchant mariner's document issued under chapter 71 or chapter 73 (as applicable) of title 46, United States Code; and

"(2) if the Secretary makes affirmative determinations under paragraph (1) (A) and (B), certify that individual under this subsection.

"(d) For purposes of reemployment rights and benefits provided by this section, a certification under subsection (c) shall be considered to be the equivalent of a certificate referred to in clause (1) of section 4301(a) of title 38, United States Code.".

(b) APPLICATION.—The amendment made by subsection (a) shall apply to employment described in section 302(c)(1)(A) of the Merchant Marine Act, 1936, as amended by subsection (a), occurring after August 2, 1990.

(c) EMPLOYMENT ENDING BEFORE ENACTMENT.—Notwithstanding subsection (b) of section 302 of the Merchant Marine Act, 1936, as amended by this Act, an individual who, in the period beginning August 2, 1990, and ending on the date of the enactment of this Act, completed a period of employment described in subsection (c)(1)(A) of that section may submit an application for certification under subsection (c) of that section with respect to that employment not later than 45 days after the date of the enactment of this Act.

(d) REGULATIONS.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Transportation shall issue regulations implementing this section.

SEC. 11102. REFORM OF ESSENTIAL AIR SERVICE PROGRAM.

Section 419 of the Federal Aviation Act of 1958 (49 App. U.S.C. 1389) is amended—

(1) in subsection (a) by striking paragraph (2) and inserting the following:

"(2) RESTRICTIONS ON QUALIFICATIONS AS AN ELIGIBLE POINT.—To qualify as an eligible point in the 48 contiguous states, Hawaii, and Puerto Rico for purposes of fiscal year 1995 and thereafter, a point described in paragraph (1) must not require a rate of subsidy per passenger in excess of $200 unless such point is more than 210 miles from the nearest large or medium hub airport and may not be located fewer than 70 highway miles from the nearest large or medium hub airport;" and

(2) in subsection (l) by striking paragraph (2) and inserting the following:

"(2) AMOUNTS AVAILABLE.—There shall be available to the Secretary from the Airport and Airway Trust Fund to incur obligations under this section $33,423,077 per fiscal year for each of fiscal years 1994 through 1999. Such amounts shall remain available until expended. Unobligated balances that remain available as of September 30, 1994, are rescinded.".

SEC. 11003. AIRWAY SCIENCE PROGRAM.

(a) REPEAL.—All authority for—

(1) the Secretary of Transportation to enter into grant agreements with universities or colleges having an airway science curriculum recognized by the Federal Aviation Administration, to conduct demonstration projects in the development, advancement, or expansion of airway science programs; and

(2) the Federal Aviation Administration to enter into competitive grant agreements with institutions of higher education having airway science curricula, and all authorizations to appropriate for such purposes, as enacted under the head, "Federal Aviation Administration, Facilities and Equipment", in the Department of Transportation and Related Agencies Appropriations Acts for fiscal years ending before October 1, 1993;

is repealed.

(b) LIMITATION.—Subsection (a) shall not affect the authority of the Secretary to enter into grant agreements with universities, colleges, or institutions of higher education to obligate funds appropriated for fiscal years ending before October 1, 1993, which have not been rescinded.

SEC. 11004. COLLEGIATE TRAINING INITIATIVE.

(a) IN GENERAL.—Section 313(d) of the Federal Aviation Act of 1958 (49 U.S.C. App. 1354(d)) is amended—

(1) by striking the subsection heading and all that follows through "The Administrator" and inserting the following:

"(d) TRAINING SCHOOLS.—

"(1) IN GENERAL.—The Administrator";

(2) by moving the text of paragraph (1), as so designated, 2 ems to the right; and

(3) by adding at the end the following:

"(2) COLLEGIATE TRAINING INITIATIVE.—

"(A) CONTINUATION.—The Administrator of the Federal Aviation Administration may continue the Collegiate Training Initiative program, by entering into new agreements, with post-secondary institutions, as defined by the Administrator, whereby such institutions, without cost to the Federal Aviation Administration, prepare students for the position of air traffic controller with the Department of Transportation, as defined in section 2109 of title 5, United States Code.

"(B) STANDARDS.—The Administrator may establish standards for the entry of institutions into such program and for their continued participation in it.

"(C) APPOINTMENT IN EXCEPTED SERVICE.—The Administrator may appoint persons who have successfully completed a course of training in such program to the position of air traffic controller noncompetitively in the excepted service, as defined in section 2103 of title 5, United States Code. Persons so appointed shall serve at the pleasure of the Administrator, subject to section 7511 of such title (pertaining to adverse actions). However, an appointment under this subparagraph may be converted from one in the excepted service to a career conditional or career appointment in the competitive civil service, as defined in section 2102 of such title when the incumbent achieves full performance level air traffic controller status, as determined by the Administrator. The authority conferred by this subparagraph to make new appointments in the excepted service shall expire at the end of 5 years from the date of the enactment of this subparagraph; except that the Administrator may determine to extend such authority for 1 or more successive 1-year periods thereafter.".

(b) CONFORMING AMENDMENT.—Section 362 of the Department of Transportation and Related Agencies Appropriations Act, 1993 (106 Stat. 1560) is repealed.

(c) LIMITATION.—The repeal and the amendments made by this section shall not prohibit the expenditure of funds appropriated for fiscal years ending before October 1, 1994.

TITLE XII—DEPARTMENT OF VETERANS AFFAIRS

Subtitle A—Administrative Improvements

SEC. 12001. ELIMINATION OF HOSPITAL AND NURSING HOME BED CAPACITY REQUIREMENTS.

(a) Section 8110(a)(1) of title 38, United States Code, is amended—

(1) by striking "at not more than 125,000 and not less than 100,000"; and

(2) by striking the third and fourth sentences.

(b) Section 8111(a) of such title is amended by striking out "result (1)" and all that follows through "maintained or".

SEC. 12002. ELIMINATION OF REQUIREMENT FOR MINIMUM NUMBER OF PERSONNEL IN THE OFFICE OF INSPECTOR GENERAL.

Subsection (b) of section 312 of title 38, United States Code, is amended to read as follows:

"(b) Whenever the Secretary proposes to reduce the authorized number of full-time equivalent employees assigned to the Office of Inspector General, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report providing notice of the proposed reduction and a detailed explanation for the proposed reduction. No action to carry out the proposed reduction may be taken after the submission of such report until the end of a 45-day period of continuous

session of Congress (determined in the same manner as specified in the last sentence of section 510(b) of this title) following the date of the submission of the report.".

SEC. 12003. MODIFICATION OF ADMINISTRATIVE REORGANIZATION AUTHORITY.

(a) MODIFICATION OF REQUIREMENT TO REPORT TO CONGRESS.—Section 510 of title 38, United States Code, is amended by striking out "90-day" both places it appears in subsection (b) and inserting in lieu thereof "45-day".

(b) AUTHORITY TO REORGANIZE OFFICES IN EVENT OF EMERGENCY.—Such section is further amended by striking out subsection (d) and inserting the following:

"(d)(1) The limitation in subsection (b) does not apply with respect to an administrative reorganization at a medical facility if the Secretary determines that the reorganization is necessary to respond to an emergency situation at that facility. The Secretary may determine that there is an emergency situation at a medical facility for purposes of this subsection only in a case in which there would be an immediate danger to patients and employees at that facility without the reorganization. In the case of a facility at which officials of the Department are considering whether to implement an administrative reorganization before the event or occurrence which leads to an initial finding that such an emergency exists, the Secretary may not make such a determination.

"(2) Whenever the Secretary determines under paragraph (1) that it is necessary to carry out an administrative reorganization at a medical facility without regard to the limitation in subsection (b), the Secretary shall submit a report on that determination to the Committees on Veterans' Affairs of the Senate and House of Representatives. The report shall provide the same information as is provided in a detailed plan and justification in the case of an administrative reorganization subject to subsection (b). The Secretary shall include in the report an explanation of the alternatives to the proposed administrative reorganization that were considered and each factor that was considered in the decision to reject each such alternative.".

SEC. 12004. ELIMINATION OF REQUIREMENT FOR CERTAIN SERVICES IN THE VETERANS HEALTH ADMINISTRATION.

(a) Section 7305 of title 38, United States Code, is repealed.

(b) The table of sections at the beginning of chapter 73 of such title is amended by striking the item relating to section 7305.

SEC. 12005. MODIFICATION OF PHYSICIAN REQUIREMENT FOR CERTAIN SENIOR VETERANS HEALTH ADMINISTRATION OFFICIALS.

(a) UNDER SECRETARY.—Section 305 of title 38, United States Code, is amended—

(1) in subsection (a)(2), by striking out "shall be a doctor of medicine and shall be" and inserting in lieu thereof "shall (except as provided in subsection (d)(1)) be a doctor of medicine. The Under Secretary shall be";

(2) in subsection (d)—

(A) by adding at the end of paragraph (1) the following: "If at the time such a commission is established both the position of Deputy Under Secretary for Health and the position of Associate Deputy Under Secretary for Health are held by individuals who are doctors of medicine, the individual appointed by the President as Under Secretary for Health may be someone who is not a doctor of medicine. In any case, the Secretary shall develop, and shall furnish to the commission, specific criteria which the commission shall use in evaluating individuals for recommendations under paragraph (3).";

(B) by redesignating paragraph (4) as paragraph (5);

(C) by inserting after the first sentence of paragraph (3) the following: "In a case in which, pursuant to paragraph (1), the individual to be appointed as Under Secretary does not have to be a doctor of medicine, the commission may make recommendations without regard to the requirement in subsection (a)(2)(A) that the Under Secretary be appointed on the basis of demonstrated ability in the medical profession, but in such a case the commission shall accord a priority to the selection of a doctor of medicine over an individual who is not a doctor of medicine."; and

(D) by designating the last two sentences of paragraph (3) as paragraph (4).

(b) DEPUTY AND ASSOCIATE DEPUTY UNDER SECRETARY.—Section 7306 of such title is amended—

(1) in subsection (a)—

(A) by striking out "of the following:" in the matter preceding paragraph (1) and inserting in lieu thereof "such personnel as may be considered necessary for the purposes of this chapter. In appointing persons to positions in the Office, the Under Secretary shall consider the different types of health care services provided to veterans by the Veterans Health Administration and shall seek to ensure that appointments in the Office are made in such a manner that the Office is staffed so as to provide the Under Secretary with appropriate expertise in those services. The Office shall include the following:";

(B) by inserting "(except as provided in subsection (c))" in paragraphs (1) and (2) after "and who shall";

(C) by striking out each paragraph after paragraph (2);

(2) by striking out subsection (b);

(3) by redesignating subsection (c) as subsection (b) and striking out "In the case of" in the second sentence and all that follows through "such appointments" and inserting in lieu thereof "Such appointments"; and

(4) by inserting after subsection (b), as so redesignated, the following new subsection (c):

"(c)(1) If at the time of the appointment of the Deputy Under Secretary for Health under subsection (a)(1), both the position of Under Secretary for Health and the position of Associate Deputy Under Secretary for Health are held by individuals who are doctors of medicine, the individual appointed as Deputy Under Secretary for Health may be someone who is not a doctor of medicine.

"(2) If at the time of the appointment of the Associate Deputy Under Secretary for Health under subsection (a)(2), both the position of Under Secretary for Health and the position of Deputy Under Secretary for Health are held by individuals who are doctors of medicine, the individual appointed as Associate Deputy Under Secretary for Health may be someone who is not a doctor of medicine.".

SEC. 12006. USE OF FUNDS RECOVERED FROM THIRD PARTIES.

(a) AUTHORIZED USES.—Section 1729(g) of title 38, United States Code, is amended by adding at the end of paragraph (3) the following new subparagraph:

"(C) Payments for (i) the purchase of needed medical equipment, and (ii) such other purposes as may be specifically authorized by law.".

(b) AVAILABILITY OF FUNDS.—Such section is further amended by striking out paragraph (4) and inserting the following:

"(4)(A) Not later than December 1 of each year, there shall be set aside within the Fund a reserve to be used for the purposes described in paragraph (3)(C). The amount placed into the reserve each year shall be determined under subparagraph (B). No funds may be obligated under paragraph (3)(C) in excess of the funds in the reserve. The reserve shall remain available for obligation until expended.

"(B)(i) On December 1, 1993, the amount set aside for the reserve under subparagraph (A) shall be the amount by which—

"(I) the unobligated balance remaining in the Fund at the close of business on September 30, 1993, minus any part of such balance that the Secretary determines is necessary to defray, the expenses, payments, and costs described in paragraph (3), exceeds

"(II) $538,600,000.

"(ii) On December 1, 1994, the amount set aside for the reserve under subparagraph (A) shall be the amount by which—

"(I) the unobligated balance remaining in the Fund at the close of business on September 30, 1994, minus any part of such balance that the Secretary determines is necessary to defray, the expenses, payments, and costs described in paragraph (3), exceeds

"(II) $590,500,000.

"(iii) On December 1, 1995, the amount set aside for the reserve under subparagraph (A) shall be the amount by which—

"(I) the unobligated balance remaining in the Fund at the close of business on September 30, 1995, minus any part of such balance that the Secretary determines is necessary to defray, the expenses, payments, and costs described in paragraph (3), exceeds

"(II) $646,000,000.

"(iv) On December 1, 1996, the amount set aside for the reserve under subparagraph (A) shall be the amount by which—

"(I) the unobligated balance remaining in the Fund at the close of business on September 30, 1996, minus any part of such balance that the Secretary determines is necessary to defray, the expenses, payments, and costs described in paragraph (3), exceeds

"(II) $698,100,000.

"(v) On December 1, 1997, the amount set aside for the reserve under subparagraph (A) shall be the amount by which—

"(I) the unobligated balance remaining in the Fund at the close of business on September 30, 1997, minus any part of such balance that the Secretary determines is necessary to defray, the expenses, payments, and costs described in paragraph (3), exceeds

"(II) $753,500,000.

"(C) If the amount to be set aside for the reserve for any year, as calculated under subparagraph (B), is less than zero, the amount added to the reserve for that year shall be zero.

"(5) Not later than January 1 of each year, there shall be deposited into the Treasury as miscellaneous receipts an amount equal to the amount of the unobligated balance remaining in the Fund at the close of business on September 30 of the preceding year minus any part of such balance that the Secretary determines is necessary in order to enable the Secretary to defray, during the fiscal year in which the deposit is made, the expenses, payments, and costs described in paragraph (3), and the amount in the reserve described in paragraph (4).

"(6) The Secretary shall prescribe regulations for the allocation of amounts in the reserve under paragraph (4) to the medical centers of the Department for the purposes stated in paragraph (3)(C). Those regulations shall be designed to provide incentives to directors of medical centers to increase the recoveries and collections under this section

by requiring that 20 percent of those amounts be made available each year directly to the medical centers at which such recoveries and collections have been at above average levels. The remaining 80 percent of those funds shall be allocated as the Secretary considers appropriate.".

Subtitle B—Closure of Certain Facilities

SEC. 12101. CLOSURE OF SUPPLY DEPOTS.

(a) IN GENERAL.—The Secretary of Veterans Affairs shall close the Department of Veterans Affairs' supply depots specified in subsection (b).

(b) COVERED DEPOTS.—Subsection (a) applies to the supply depots of the Department of Veterans Affairs at the following locations:

(1) Somerville, New Jersey.

(2) Hines, Illinois.

(3) Bell, California.

(c) DEADLINE.—The Secretary shall complete the actions required by subsection (a) not later than September 30, 1995.

SEC. 12102. WAIVER OF OTHER PROVISIONS.

Sections 510(b) and 8121 of title 38, United States Code, do not apply to the actions required under this subtitle.

Subtitle C—Provision of Information From the Medicare and Medicaid Coverage Data Bank to the Department of Veterans Affairs

SEC. 12201. PROVISION OF DATA BANK INFORMATION TO DEPARTMENT OF VETERANS AFFAIRS.

(a) ADDITIONAL PURPOSE OF DATA BANK.—

(1) The heading to section 1144 of the Social Security Act is amended by striking "**medicare and medicaid**" and inserting "**Health care**".

(2) Subsection (a) of that section is amended—

(A) in the matter preceding paragraph (1), by striking "Medicare and Medicaid" and inserting "Health Care";

(B) by striking "and" at the end of paragraph (1);

(C) by substituting ", and" for the period at the end of paragraph (2); and

(D) by adding at the end the following:

"(3) assist in the identification of, and the collection from, third parties responsible for payment for health care items and services furnished to veterans under chapter 17 of title 38, United States Code.".

(b) DISCLOSURE OF DATA BANK INFORMATION TO SECRETARY OF VETERANS AFFAIRS.—Subsection (b)(2)(B) of that section is amended by inserting "to the Secretary of Veterans Affairs and" after "Data Bank".

Subtitle D—Veterans' Appeals Improvements

SEC. 12301. BOARD OF VETERANS' APPEALS.

(a) BOARD MEMBERS AND PERSONNEL.—Section 7101(a) of title 38, United States Code, is amended to read as follows:

"(a)(1) There is in the Department a Board of Veterans' Appeals (hereinafter in this chapter referred to as the 'Board'). The Board is under the administrative control and supervision of a Chairman directly responsible to the Secretary.

"(2) The members of the Board shall be the Chairman, a Vice Chairman, such number of Deputy Vice Chairmen as the Chairman may designate under subsection (b)(4), and such number of other members as may be found necessary to conduct hearings and consider and dispose of matters properly before the Board in a timely manner. The Board shall have such other professional, administrative, clerical, and stenographic personnel as are necessary to conduct hearings and consider and dispose of matters properly before the Board in a timely manner.".

(b) ETHICAL AND LEGAL LIMITATIONS ON CHAIRMAN.—Section 7101(b)(1) of such title is amended by inserting after the first sentence the following: "The Chairman shall be subject to the same ethical and legal limitations and restrictions concerning involvement in partisan political activities as apply to judges of the United States Court of Veterans Appeals.".

(c) APPOINTMENT AND REMOVAL OF BOARD MEMBERS.—Section 7101(b) of such title is further amended—

(1) in paragraph (2)(A) by striking "other members of the Board (including the Vice Chairman)" and inserting "Board members other than the Chairman";

(2) in paragraph (2)(B) by striking "paragraph" and inserting "subparagraph"; and

(3) by striking paragraph (4) and inserting the following:

"(4) The Secretary shall designate one Board member as Vice Chairman based upon recommendations of the Chairman. The Chairman may designate one or more Board members as Deputy Vice Chairmen. The Vice Chairman and any Deputy Vice Chairman shall perform such functions as the Chairman may specify. The Vice Chairman shall serve as Vice Chairman at the pleasure of the Secretary. Any Deputy Vice Chairman shall serve as Deputy Vice Chairman at the pleasure of the Chairman.".

(d) ACTING BOARD MEMBERS.—Section 7101(c) of such title is amended—

(1) by striking paragraph (1) and inserting the following:

"(1) The Chairman may from time to time designate one or more employees of the Department to serve as acting Board members.";

(2) by striking paragraph (2); and

(3) by redesignating paragraph (3) as paragraph (2) and in that paragraph by—

(A) striking "temporary Board members designated under this subsection and the number of"; and

(B) striking "section 7102(a)(2)(A)(ii) of this title" and inserting "paragraph (1)".

(e) CHAIRMAN'S ANNUAL REPORT.—Section 7101(d)(2) of such title is amended—

(1) by striking out "and" at the end of subparagraph (D);

(2) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof "; and"; and

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

"(F) the names of those employees of the Department designated under subsection (c)(1) to serve as acting Board members during that year and the number of cases each such acting Board member participated in during that year.".

(e) CONFORMING AMENDMENTS.—Section 7101 of such title is further amended—

(1) in subsection (d)(3)(B), by striking "section 7103(d)" and inserting "section 7101(a)(2)"; and

(2) in subsection (e), by striking "a temporary or" and inserting "an"

SEC. 12302. DECISIONS BY THE BOARD.

(a) ACTION BY BVA THROUGH SECTIONS.—Sections 7102 and 7103 of title 38, United States Code, are amended to read as follows:

"§ 7102. Decisions by the Board

"A proceeding instituted before the Board shall be assigned to an individual member or a panel of members of the Board (other than the Chairman). A member or panel of members who are assigned a proceeding shall render a decision thereon, including any motion filed in connection therewith. The member or panel of members shall make a report under section 7104(d) of this title on any such determination, which report shall constitute the Board's final disposition of the proceeding. Decisions by a panel shall be made by a majority of the members of the panel.

"§ 7103. Reconsideration; correction of obvious errors

"(a) The decision of a member or panel of the Board under section 7102 of this title is final unless the Chairman orders reconsideration of the case. Such an order may be made on the Chairman's initiative or upon motion of the claimant.

"(b)(1) If the Chairman orders reconsideration in a case decided by a single member, the matter shall be referred to a panel of not less than three Board members, not including the member who rendered the initial decision, which shall render its decision after reviewing the entire record before the Board. Such decisions shall be made by a majority vote of the members of the panel and shall constitute the final decision of the Board.

"(2) If the Chairman orders reconsideration in a case decided by a panel of members, the matter shall be referred to an enlarged panel, not including the members of the panel which rendered the initial decision, which shall render its decision after reviewing the entire record before the Board. Such decisions shall be made by a majority vote of the members of the expanded panel and shall constitute the final decision of the Board.

"(c) The Board on its own motion may correct an obvious error in the record, without regard to whether there has been a motion or order for reconsideration.".

(b) CLERICAL AMENDMENT.—The items relating to sections 7102 and 7103 in the table of sections at the beginning of chapter 71 are amended to read as follows:

"7102. Decisions by the Board.
"7103. Reconsideration; correction of obvious errors.".

SEC. 12303. TECHNICAL CORRECTION.

Section 7104(a) of title 38, United States Code, is amended by striking out "211(a)" and inserting in lieu thereof "511(a)".

SEC. 12304. HEARINGS.

(a) IN GENERAL.—Section 7110 of title 38, United States Code, is amended to read as follows:

"§ 7110. Hearings

"(a) The Board shall decide any appeal only after affording the appellant an opportunity for a hearing.

"(b) A hearing docket shall be maintained and formal recorded hearings shall be held by such member or members of the Board as the Chairman may designate. Such member or members designated by the Chairman to conduct the hearing will participate in making the final determination in the claim.

"(c)(1) An appellant may request a hearing before the Board at either its principal location or at a regional office of the Department. A hearing held at a regional office shall (except as provided in paragraph (2)) be scheduled for hearing in the order in which the requests for hearing in that area are received by the Department at the place specified by the Department for the filing of requests for those hearings.

"(2) In a case in which the Secretary is aware that the appellant is seriously ill or is under severe financial hardship, a hearing may be scheduled at a time earlier than would be provided under paragraph (1).

"(d) At the request of the Chairman, the Secretary may provide suitable facilities and equipment to the Board or other components of the Department to enable an appellant located at a facility within the area served by a regional office to participate, through voice transmission, or picture and voice

transmission, by electronic or other means, in a hearing with a Board member or members sitting at the Board's principal location. When such facilities and equipment are available, the Chairman may afford the appellant an opportunity to participate in a hearing before the Board through the use of such facilities and equipment in lieu of a hearing held by personally appearing before a Board member or members as provided in subsection (c). Any such hearing shall be conducted in the same manner as, and shall be considered the equivalent of, a personal hearing. If the appellant declines to participate in a hearing through the use of such facilities and equipment, the opportunity of the appellant to a hearing as provided in subsection (c) shall not be affected.".

(b) CLERICAL AMENDMENT.—The item relating to section 7110 in the table of sections at the beginning of chapter 71 of such title is amended to read as follows:

"7110. Hearings.".

SEC. 12305. ELIMINATION OF REQUIREMENT FOR ANNUAL INCOME QUESTIONNAIRES.

Section 1506 of title 38, United States Code, is amended—

(1) in paragraph (2), by striking out "shall" and inserting in lieu thereof "may"; and

(2) in paragraph (3), by striking out "file a revised report" and inserting in lieu thereof "notify the Secretary".

TITLE XIII—HUMAN RESOURCE MANAGEMENT

SEC. 13001. FEDERAL WORKFORCE TRAINING.

(a) IN GENERAL.—Chapter 41 of title 5, United States Code, is amended—

(1) in section 4101(4) by striking "fields" and all that follows through the semicolon and inserting "fields which will improve individual and organizational performance and assist in achieving the agency's mission and performance goals;";

(2) in section 4103—

(A) in subsection (a)—

(i) by striking "In" and all that follows through "maintain" and inserting "In order to assist in achieving an agency's mission and performance goals by improving employee and organizational performance, the head of each agency, in conformity with this chapter, shall establish, operate, maintain, and evaluate";

(ii) by striking "and" at the end of paragraph (2);

(iii) by redesignating paragraph (3) as paragraph (4); and

(iv) by inserting after paragraph (2) the following:

"(3) provide that information concerning the selection and assignment of employees for training and the applicable training limitations and restrictions be made available to employees of the agency; and"; and

(B) in subsection (b)—

(i) in paragraph (1) by striking "determines" and all that follows through the period and inserting "determines that such training would be in the interests of the Government."; and

(ii) by striking paragraph (2) and redesignating paragraph (3) as paragraph (2);

(3) in section 4105—

(A) in subsection (a) by striking "(a)"; and

(B) by striking subsections (b) and (c);

(4) by repealing section 4106;

(5) in section 4107—

(A) by amending the catchline to read as follows:

"§ 4107. Restriction on degree training";

(B) by striking subsections (a) and (b) and redesignating subsections (c) and (d) as subsections (a) and (b), respectively;

(C) by amending subsection (a) (as so redesignated)—

(i) by striking "subsection (d)" and inserting "subsection (b)"; and

(ii) by striking "by, in, or through a non-Government facility"; and

(D) by amending paragraph (1) of subsection (b) (as so redesignated) by striking "subsection (c)" and inserting "subsection (a)";

(6) in section 4108(a) by striking "by, in, or through a non-Government facility under this chapter" and inserting "for more than a minimum period prescribed by the head of the agency";

(7) in section 4113(b)—

(A) in the first sentence by striking "annually to the Office," and inserting "to the Office, at least once every 3 years, and"; and

(B) by striking the matter following the first sentence and inserting the following: "The report shall set forth—

"(1) information needed to determine that training is being provided in a manner which is in compliance with applicable laws intended to protect or promote equal employment opportunity; and

"(2) information concerning the expenditures of the agency in connection with training and such other information as the Office considers appropriate.";

(8) by repealing section 4114; and

(9) in section 4118—

(A) in subsection (a)(7) by striking "by, in, and through non-Government facilities";

(B) by striking subsection (b); and

(C) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Title 5, United States Code, is amended—

(1) in section 3381(e) by striking "4105(a)," and inserting "4105,"; and

(2) in the analysis for chapter 41—

(A) by repealing the items relating to sections 4106 and 4114; and

(B) by amending the item relating to section 4107 to read as follows:

"4107. Restriction on degree training.".

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective on the date of enactment of this Act.

SEC. 13002. SES ANNUAL LEAVE ACCUMULATION.

(a) Effective on the last day of the last applicable pay period beginning in calendar year 1993, subsection (f) of section 6304 of title 5, United States Code, is amended to read as follows:

"(f)(1) This subsection applies with respect to annual leave accrued by an individual while serving in a position in—

"(A) the Senior Executive Service;

"(B) the Senior Foreign Service;

"(C) the Defense Intelligence Senior Executive Service;

"(D) the Senior Cryptologic Executive Service; or

"(E) the Federal Bureau of Investigation and Drug Enforcement Administration Senior Executive Service.

"(2) For purposes of applying any limitation on accumulation under this section with respect to any annual leave described in paragraph (1)—

"(A) '30 days' in subsection (a) shall be deemed to read '90 days'; and

"(B) '45 days' in subsection (b) shall be deemed to read '90 days'.".

(b) Notwithstanding the amendment made by subsection (a), in the case of an employee who, on the effective date of subsection (a), is subject to subsection (f) of section 6304 of title 5, United States Code, and who has to such employee's credit annual leave in excess of the maximum accumulation otherwise permitted by subsection (a) or (b) of section 6304 (determined applying the amendment made by subsection (a)), such excess annual leave shall remain to the credit of the employee and be subject to reduction, in the same manner as provided in subsection (c) of section 6304.

TITLE XIV—REINVENTING SUPPORT SERVICES

SEC. 14001. SHORT TITLE.

This title may be cited as the "Government Information Dissemination and Printing Improvement Act of 1993".

SEC. 14002. TRANSFER OF FUNCTIONS.

(a) SUPERINTENDENT OF DOCUMENTS.—The position of Superintendent of Documents and all functions of the position of Superintendent of Documents under title 44, United States Code, or any other provision of law are transferred to the Library of Congress and shall be carried out by the Superintendent of Documents under the direction of the Librarian of Congress. The Superintendent of Documents shall be appointed by, and serve at the pleasure of, the Librarian of Congress. Until otherwise provided by law, on and after the effective date of the transfer under this subsection, the employees under the Superintendent of Documents who are transferred shall be treated, for purposes of the laws governing labor-management relations, in the same manner as such employees were treated before the effective date of such transfer.

(b) REVOCATION OF CHARTERS.—All printing plant charters authorized under section 501 of title 44, United States Code, are revoked.

(c) EFFECTIVE DATE.—The transfer under subsection (a) shall take effect one year after the date of the enactment of this title. The revocation under subsection (b) shall take effect 2 years after the date of the enactment of this title.

SEC. 14003. GOVERNMENT PUBLICATIONS TO BE AVAILABLE THROUGHOUT THE GOVERNMENT.

All Government publications shall be available throughout the Government to any department, agency, or entity of the Government for use or redissemination.

SEC. 14004. INVENTORY AND FURNISHING OF GOVERNMENT PUBLICATIONS.

Each department, agency, and other entity of the Government shall—

(1) establish and maintain a comprehensive inventory of its Government publications;

(2) make such inventory available through the electronic directory under chapter 41 of title 44, United States Code; and

(3) in the form and manner prescribed by the Superintendent of Documents, furnish its Government publications to the Superintendent of Documents.

SEC. 14005. ADDITIONAL RESPONSIBILITIES OF THE PUBLIC PRINTER.

(a) IN GENERAL.—The Public Printer shall, with respect to the executive branch of the Government and the judicial branch of the Government—

(1) use all necessary measures to remedy neglect, delay, duplication, and waste in the public printing and binding of Government publications, including the reduction and elimination of internal printing and high-speed duplicating capacities of departments, agencies, and entities;

(2) prescribe Government publishing standards, which, to the greatest extent practicable, shall be consistent with the United States Government Printing Office Style Manual;

(3) prescribe Government procurement and manufacturing requirements for printing

paper and writing paper, which, to the greatest extent practicable, shall be consistent with Government Paper Specification Standards;

(4) authorize the acquisition and transfer of equipment requisitioned by publishing facilities authorized under section 501 of title 44, United States Code;

(5) authorize the disposal of such equipment pursuant to section 312 of title 44, United States Code; and

(6) establish policy for the acquisition of printing, which, to the greatest extent practicable, shall be consistent with (A) Printing Procurement Regulation (GPO Publication 305.3), (B) Government Printing and Binding Regulations (JCP No. 26), and (C) Printing Procurement Department Instruction (PP304.1B).

(b) POLICY STANDARDS.—The policy referred to in subsection (a)(6) shall be formulated to maximize competitive procurement from the private sector. Government in-house printing and duplicating operations authorized under section 501 of title 44, United States Code, or otherwise authorized by law, may be used if they provide printing at the lowest cost to the Government, taking into consideration the total expense of production, materials, labor, equipment, and general and administrative expense, including all levels of overhead.

SEC. 14006. ADDITIONAL RESPONSIBILITIES OF THE SUPERINTENDENT OF DOCUMENTS.

(a) GOVERNMENT PUBLICATIONS TO BE FURNISHED TO THE SUPERINTENDENT OF DOCUMENTS.—If a department, agency, or other entity of the Government publishes a Government publication, the head of the department, agency, or entity shall furnish the Government publication to the Superintendent of Documents not later than the date of release of the material to the public.

(b) DISSEMINATION OR REPUBLICATION.—In addition to any other dissemination provided for by law, the Superintendent of Documents shall disseminate or republish Government publications, if, as determined by the Superintendent, the dissemination by the department, agency, or entity of the Government is inadequate. The Superintendent shall have authority to carry out the preceding sentence by appropriate means, including the dissemination and republication of Government publications furnished under subsection (a), with the cost of dissemination and republication to be borne by the department, agency, or entity involved.

(c) COST.—The cost charged to the public by the Superintendent of Documents under subsection (b) for any Government publication (whether such Government publication is made available to the public by a department, agency, or entity of the Government, or by the Superintendent of Documents) may include the incremental cost of dissemination, but may not include any profit.

SEC. 14007. DEPOSITORY LIBRARIES.

In addition to any other distribution provided for by law, the Superintendent of Documents shall make Government publications available to designated depository libraries and State libraries. The Superintendent shall have authority to carry out the preceding sentence by appropriate means, including the dissemination and republication of Government publications furnished under section 14006(a), with the cost of dissemination and republication to be borne by the department, agency, or entity involved.

SEC. 14008. DEFINITIONS.

As used in this title—

(1) the term "Government publication" means any informational matter that is published at Government expense, or as required by law; and

(2) the term "publish" means, with respect to informational matter, make available for dissemination.

TITLE XV—STREAMLINING MANAGEMENT CONTROL

SEC. 15001. AUTHORITY TO INCREASE EFFICIENCY IN REPORTING TO CONGRESS.

(a) PURPOSE.—The purpose of this title is to improve the efficiency of Executive branch performance in implementing statutory requirements for reports to Congress and its committees. Examples of improvements in efficiency intended by this title are the elimination or consolidation of duplicative or obsolete reporting requirements and adjustments to deadlines that will provide for more efficient workload distribution or improve the quality of reports.

(b) AUTHORITY OF THE DIRECTOR.—The Director of the Office of Management and Budget may publish annually in the President's Budget his recommendations for consolidation, elimination, or adjustments in frequency and due dates of statutorily required periodic reports to the Congress or its committees. For each recommendation, the Director shall provide an individualized statement of the reasons that support the recommendation. In addition, for each report for which a recommendation is made, the Director shall state with specificity the exact consolidation, elimination, or adjustment in frequency or due date that is recommended. If the Director's recommendations are approved by law, they shall take effect.

(c) The Director's recommendations shall be consistent with the purpose stated in subsection (a).

(d) Prior to the publication of the recommendations authorized in subsection (b), the Director or his designee shall consult with the appropriate congressional committees concerning the recommendations.

TITLE XVI—FINANCIAL MANAGEMENT

SEC. 16001. SHORT TITLE.

This title may be cited as the "Federal Financial Management Act of 1993".

SEC. 16002. ELECTRONIC PAYMENTS.

(a) Section 3332 of title 31, United States Code, is amended to read as follows:

"§ 3332. Required direct deposit

"(a)(1) Notwithstanding any other provision of law, all Federal wage, salary, and retirement payments shall be paid to recipients of such payments by electronic funds transfer, unless another method has been determined by the Secretary of the Treasury to be appropriate.

"(2) Each recipient of Federal wage, salary, or retirement payments shall designate one or more financial institutions or other authorized payment agents and provide the payment certifying or authorizing agency information necessary for the recipient to receive electronic funds transfer payments through each institution so designated.

"(b)(1) The head of each agency shall waive the requirements of subsection (a) of this section for a recipient of Federal wage, salary, or retirement payments authorized or certified by the agency upon written request by such recipient.

"(2) Federal wage, salary, or retirement payments shall be paid to any recipient granted a waiver under paragraph (1) of this subsection by any method determined appropriate by the Secretary of the Treasury.

"(c)(1) The Secretary of the Treasury may waive the requirements of subsection (a) of this section for any group of recipients upon request by the head of an agency under standards prescribed by the Secretary of the Treasury.

"(2) Federal wage, salary, or retirement payments shall be paid to any member of a group granted a waiver under paragraph (1) of this subsection by any method determined appropriate by the Secretary of the Treasury.

"(d) This section shall apply only to recipients of Federal wage or salary payments who begin to receive such payments on or after January 1, 1995, and recipients of Federal retirement payments who begin to receive such payments on or after January 1, 1995.

"(e) The crediting of the amount of a payment to the appropriate account on the books of a financial institution or other authorized payment agent designated by a payment recipient under this section shall constitute a full acquittance to the United States for the amount of the payment.".

(b) The table of sections for chapter 33 of title 31, United States Code, is amended by amending the item for section 3332 to read:

"3332. Required direct deposit.".

SEC. 16003. FRANCHISE FUNDS AND INNOVATION FUNDS.

(a) Title 31, United States Code, is amended by adding, after section 1537, a section 1538, as follows:

"§ 1538. Franchise funds

"(a) There is hereby authorized to be established a franchise fund in any executive agency which does not have such a fund which shall be available, without further appropriation action by the Congress, for expenses and equipment necessary for the maintenance and operations of such administrative services as the head of the agency, with the approval of the Office of Management and Budget, determines may be performed more advantageously on a centralized basis.

"(b)(1) The fund shall consist of the fair and reasonable value of inventories, equipment, and other assets and inventories on order pertaining to the services to be provided by the fund as are transferred by the head of the agency to the fund less related liabilities and unpaid obligations together with any appropriations made for the purpose of providing capital.

"(2) For the first fiscal year a fund is in operation and each fiscal year thereafter, an amount not to exceed 4 percent of the total income of the fund may be retained in the fund, to remain available until expended, to be used only for the acquisition of capital equipment and for the improvement and implementation of agency financial management and related support systems.

"(3) For the first three fiscal years a fund is in operation, up to 50 percent of the unobligated balances of funds provided in annual appropriations available at the end of the fiscal year to the agency for salaries and expenses may be transferred into the fund no later than the end of the succeeding fiscal year.

"(c) The fund shall be reimbursed or credited with payments, including advance payments, from applicable appropriations and funds of the agency, other Federal agencies, and other sources authorized by law for supplies, materials, and services at rates which will recover the expenses of operations including accrued leave, depreciation of fund plant and equipment, and an amount necessary to maintain a reasonable operating reserve, as determined by the head of the agency.

"(d)(1) In the third fiscal year after the fund is established, and each year thereafter,

any Federal entity seeking to obtain any service financed through the fund that is not inherently governmental in nature must not be precluded from obtaining such service from one or more other sources, either governmental or non-governmental, in addition to the source finance through the funds.

"(2) If, after the end of the third fiscal year after a fund is established, any Federal entity seeking to obtain any service financed through the fund that is not inherently governmental in nature is precluded from obtaining such service from one or more other sources, either governmental or non-governmental, in addition to the source financed through the fund, the fund shall be canceled.".

(b) The table of sections for subchapter III of chapter 15 of title 31, United States Code, is amended by adding, after the item for section 1537, the following new item:

"1538. Franchise funds.".

(c) Title 31, United States Code, is amended by adding, after section 1538, a section 1539, as follows:

"§ 1539. Innovation funds

"(a) There is hereby authorized to be established an innovation fund in any executive agency which does not have such a fund, which shall be available without further appropriation action by the Congress.

"(b) The purpose of the fund is to provide a self-sustaining source of financing for agencies to invest in projects designed to produce measurable improvements in agency efficiency and significant taxpayer savings. Amounts available in the fund may be borrowed by the agency for such projects, subject to subsection (e).

"(c) Each agency that establishes an innovation fund will develop an investment project selection process, including specific investment criteria such as return on investment, payback period, extent of matching or in-kind support (including such support from other Federal agencies), technical merit, and budget justification.

"(d) For the first three fiscal years a fund is in operation, up to 50 percent of the unobligated balances of funds provided in annual appropriations available at the end of the fiscal year to the agency (other than appropriations for salaries and expenses) may be transferred to and merged with the innovation fund to be available to make loans to agency components for projects designed to enhance productivity and generate cost savings, provided that such transfers occur no later than the end of the succeeding fiscal year.

"(e)(1) Any amounts borrowed from the fund by an agency component to finance a project selected under the process described in subsection (c) shall be repaid to the fund at the times specified in the repayment schedule agreed upon at the time the loan is made.

"(2) Interest on loans made by the fund shall be paid to the fund at the rate on marketable Treasury securities of similar maturity at the time the loan is made.

"(3) Repayments shall be made from the accounts anticipated to receive the greatest long-term benefit from the project at the time the loan is made.

"(4) Repayments to the fund shall take priority over any other obligation of payments of an account designated to make repayments under paragraph (3) of this subsection.".

(d) The table of sections for subchapter III of chapter 15 of title 31, United States Code, is amended by adding, after the item for section 1538, the following new item:

"1539. Innovation funds.".

SEC. 16004. SIMPLIFICATION OF MANAGEMENT REPORTING PROCESS.

(a) To improve the efficiency of Executive branch performance in implementing statutory requirements for general management and financial management reports to the Congress and its committees, the Director of the Office of Management and Budget may publish annually in the President's Budget his recommendations for consolidation, elimination, or adjustments in frequency and due dates of statutorily required periodic reports of agencies to the Office of Management and Budget or the President and of agencies or the Office of Management and Budget to the Congress under any laws for which the Office of Management and Budget has general management or financial management responsibility. For each recommendation, the Director shall provide an individualized statement of the reasons that support the recommendation. In addition, for each report for which a recommendation is made, the Director shall state with specificity the exact consolidation, elimination, or adjustment in frequency or due date that is recommended. If the Director's recommendations are approved by law, they shall take effect.

(b) The Director's recommendations shall be consistent with the purpose stated in subsection (a).

(c) Prior to the publication of the recommendations authorized in subsection (a), the Director or his designee shall consult with the appropriate congressional committees, including the House Committee on Government Operations and the Senate Committee on Governmental Affairs, concerning the recommendations.

SEC. 16005. ANNUAL FINANCIAL REPORTS.

(a) Section 3515 of title 31, United States Code, is amended to read as follows:

"§ 3515. Financial statements of agencies

"(a) Not later than March 1 of 1997 and each year thereafter, the head of each executive agency identified in section 901(b) of this title shall prepare and submit to the Director of the Office of Management and Budget an audited financial statement for the preceding fiscal year, covering all accounts and associated activities of each office, bureau, and activity of the agency.

"(b) Each audited financial statement of an executive agency under this section shall reflect—

"(1) the overall financial position of the offices, bureaus, and activities covered by the statement, including assets and liabilities thereof; and

"(2) results of operations of those offices, bureaus, and activities.

"(c) The Director of the Office of Management and Budget shall prescribe the form and content of the financial statements of executive agencies under this section, consistent with applicable accounting principles, standards, and requirements.

"(d) The Director of the Office of Management and Budget may waive the application of all or part of subsection (a).

"(e) Not later than March 1 of 1996, the head of each Executive agency identified in section 901(b) of this title and designated by the Director of the Office of Management and Budget shall prepare and submit to the Director of the Office of Management and Budget an audited financial statement for the preceding fiscal year, covering all accounts and associated activities of each office, bureau, and activity of the agency.

"(f) Not later than March 31 of 1994, 1995, and, for Executive agencies not designated by the Director of the Office of Management and Budget under subsection (e), 1996, the head of each Executive agency identified in section 901(b) of this title shall prepare and submit to the Director of the Office of Management and Budget a financial statement for the preceding fiscal year, covering—

"(1) each revolving fund and trust fund of the agency; and

"(2) to the extent practicable, the accounts of each office, bureau, and activity of the agency which performed substantial commercial functions during the preceding fiscal year.

"(g) for purposes of subsection (f), the term 'commercial functions' includes buying and leasing of real estate, providing insurance, making loans and loan guarantees, and other credit programs and any activity involving the provision of a service or thing for which a fee, royalty, rent, or other charge is imposed by an agency for services and things of value it provides.".

(b) Subsection 3521(f) of title 31, United States Code, is amended to read as follows:

"(f)(1) For each audited financial statement required under subsections (a) and (e) of section 3515 of this title, the person who audits the statement for purpose of subsection (e) of this section shall submit a report on the audit to the head of the agency. A report under this subsection shall be prepared in accordance with generally accepted government auditing standards.

"(2) Not later than June 30 following the fiscal year for which a financial statement is submitted under subsection (f) of section 3515 of this title, the person who audits the statement for purpose of subsection (e) of this section shall submit a report on the audit to the head of the agency. A report under this subsection shall be prepared in accordance with generally accepted government auditing standards.".

SEC. 16006. AUTHORIZATION OF APPROPRIATIONS FOR ENHANCING DEBT COLLECTION.

(a) Title 31, United States Code, is amended by adding, after section 3720A, a section 3720B, as follows:

"§ 3720B. Authorization of appropriations for enhancing debt collection

"(a) To the extent and in the amounts provided in advance in appropriations acts—

"(1) an amount not to exceed 1 percent of the delinquent debts collected for a program in one fiscal year is authorized to be credited in the following fiscal year to a special fund for such program;

"(2) an amount not to exceed 10 percent of any sustained annual increase in delinquent debt collections, as defined by the Director of the Office of Management and Budget, is authorized to be credited to a special fund for such program; and

"(3) from amounts credited under paragraphs (1) and (2), such sums as may be necessary are authorized to be appropriated for the improvement of that program's debt collection activities, including, but not limited to, account and loan servicing, delinquent debt collection and asset disposition.

"(b) Debt is defined as delinquent under standards prescribed or to be prescribed by the Secretary of the Treasury.

"(c) For direct loan and loan guarantee programs subject to Title V of the Congressional Budget Act of 1974, amounts credited in accordance with section (a) shall be considered administrative costs and shall not be included in the estimated payments to the Government for the purpose of calculating the cost of such programs.

"(d) This section shall apply only to collection of debts—

"(1) for a program not within the Department of Justice; and

"(2) not involving the assistance of the Department of Justice.".

(b) The table of sections for subchapter II of chapter 37 of title 31, United States Code, is amended by adding, after the item for section 3720A, the following new item:

"3720B. Authorization of appropriations for enhancing debt collection.".

SEC. 16007. CONTRACTS FOR COLLECTION SERVICES.

(a) Subsection 3701(d) of Title 31, United States Code, is amended—

(1) by striking "and 3716–3719" and inserting in lieu thereof ", 3716, and 3717"; and

(2) by striking ", the Social Security Act (42 U.S.C. 301 et seq.),".

(b) Section 3701 of title 31, United States Code, is amended by adding at the end the following:

"(e) Section 3718 of this title does not apply to a claim or debt under, or to an amount payable under, the Social Security Act (42 U.S.C. 301 et seq.) owed by a person receiving benefits under that Act or to a claim or debt under, or to an amount payable under, title 26 of the United States Code.".

SEC. 16008. NOTIFICATION TO AGENCIES OF DEBTORS' MAILING ADDRESSES.

Section 3720A of title 31, United States Code is amended by striking "the individual's home address." at the end of subsection (c) and inserting the following: "the person's mailing address. Provision of this information is authorized by section 6103(m)(2) of the Internal Revenue Code (26 U.S.C. 6103(m)(2)).".

SEC. 16009. CONTRACTS FOR COLLECTION SERVICES.

Subparagraph 3718(B)(1)(A) of title 31, United States Code, is amended by striking the following: "If the Attorney General makes a contract for legal services to be furnished in any judicial district of the United States under the first sentence of this paragraph, the Attorney General shall use his best efforts to obtain, from among attorneys regularly engaged in the private practice of law in such district, at least four such contracts with private individuals or firms in such district.".

SEC. 16010. ADJUSTING CIVIL MONETARY PENALTIES FOR INFLATION.

The Federal Civil Penalties Inflation Adjustment Act of 1990 is amended by—

(1) amending section 4 to read as follows: "The head of each agency shall—

"(1) by regulation, no later than September 30, 1994, and at least once every 4 years thereafter, adjust each civil monetary penalty provided by law within the jurisdiction of the Federal agency, except for any penalty under title 26, United States Code, by the inflation adjustment described under section 5 and publish each such adjustment in the Federal Register; and

"(2) provide a report to the Secretary of the Treasury by November 15 of each year on all penalties adjusted during the preceding fiscal year.";

(2) amending subsection 5(a) by striking "The adjustment described under paragraphs (4) and (5)(A) of section 4" and inserting "The inflation adjustment"; and

(3) adding, after section 6, a section 7, as follows: "Section 7. Any increase to a civil monetary penalty resulting from this Act shall apply only to violations which occur after the date any such increase takes effect.".

TITLE XVII—RESCISSIONS OF BUDGET AUTHORITY

SEC. 17001. SHORT TITLE.

This title may be cited as the "Fiscal Year 1994 Rescission Act".

Subtitle A—Department of Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

DEPARTMENT OF AGRICULTURE

AGRICULTURAL RESEARCH SERVICE

(RESCISSION AND TRANSFER OF FUNDS)

Of the funds made available under this heading in Public Law 103–111 and subsequently transferred to the Human Nutrition Information Service pursuant to Secretary's Memorandum No. 1020–39, dated September 30, 1993, $1,000,000 are rescinded and the remaining funds are transferred to the Agricultural Research Service: *Provided*, That funds appropriated by Public Law 103–111 for the functions of the former Human Nutrition Information Service shall be made available only to the Agricultural Research Service.

COOPERATIVE STATE RESEARCH SERVICE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–111, $14,279,000 are rescinded, including $4,375,000 for contracts and grants for agricultural research under the Act of August 4, 1965, as amended; $7,000,000 for competitive research grants; and $2,904,000 for necessary expenses of the Cooperative State Research Service.

BUILDINGS AND FACILITIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–111, $2,897,000 are rescinded.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

(RESCISSION AND TRANSFER OF FUNDS)

Of the funds made available under this heading in Public Law 103–111 and subsequently transferred to the Agricultural Cooperative Service pursuant to Secretary's Memorandum No. 1020–39, dated September 30, 1993, $100,000 are rescinded and the remaining funds are transferred to the Rural Development Administration.

PAYMENTS TO STATES AND POSSESSIONS

(TRANSFER OF FUNDS)

Of the funds made available under this heading in Public Law 103–111 and subsequently transferred to the Agricultural Cooperative Service pursuant to Secretary's Memorandum No. 1020–39, dated September 30, 1993, $435,000 are transferred to the Rural Development Administration.

FARMERS HOME ADMINISTRATION

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–111 for the cost of direct section 502 loans, $35,000,000 are rescinded.

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–111 for the cost of direct loans, $20,000,000 are rescinded.

RURAL WATER AND WASTE DISPOSAL GRANTS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–111, $25,000,000 are rescinded.

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–111, $12,167,000 are rescinded.

FOOD AND NUTRITION SERVICE

COMMODITY SUPPLEMENTAL FOOD PROGRAM

(RESCISSION)

Of the funds made available under this heading in Public Law 102–341, $12,600,000 are rescinded.

FOOD DONATIONS PROGRAMS FOR SELECTED GROUPS

(RESCISSION)

Of the funds made available under this heading in Public Law 102–341, $6,000,000 are rescinded.

PUBLIC LAW 480 PROGRAM ACCOUNT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–111 for commodities supplied in connection with title III, $20,000,000 are rescinded.

Subtitle B—Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies

DEPARTMENT OF COMMERCE

ECONOMIC DEVELOPMENT ADMINISTRATION

ECONOMIC DEVELOPMENT REVOLVING FUND

(RESCISSION)

Of the unobligated balances in the Economic Development Revolving Fund, $29,000,000 are rescinded.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

CONSTRUCTION

(RESCISSION)

Of the amounts made available under this heading in Public Law 103–121, $3,000,000 are rescinded.

DEPARTMENT OF JUSTICE

ADMINISTRATIVE PROVISION

For fiscal year 1994 only, the Director of the Bureau of Justice Assistance, upon good cause shown, may waive the provisions of section 504(f) of the Omnibus Crime Control and Safe Streets Act of 1968 for projects located in communities covered under a Presidentially declared disaster pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

BUYING POWER MAINTENANCE

(RESCISSION)

Of the balances in the Buying Power Maintenance account, $8,800,000 are rescinded.

NEW DIPLOMATIC POSTS

(RESCISSION)

Of the funds made available for the United States Information Agency under this heading in Public Law 102–395, $1,000,000 are rescinded.

ADMINISTRATIVE PROVISION

Subject to enactment of legislation authorizing the Secretary of State to charge a fee or surcharge for processing machine readable non-immigrant visas and machine readable combined border crossing identification cards and non-immigrant visas, the Secretary of State may collect not to exceed $20,000,000 in additional fees or surcharges during fiscal year 1994 pursuant to such authority: *Provided*, That such additional fees shall be deposited as an offsetting collection to the Department of State, Administration

of Foreign Affairs, "Diplomatic and Consular Programs" appropriation account and such fees shall remain available until expended: *Provided further*, That such collections shall be available only to modernize, automate, and enhance consular services and counterterrorism activities of the Department of State, to include the development and installation of automated visa and namecheck information systems, secure travel documents, worldwide telecommunications systems, and management systems to permit sharing of critical information regarding visa applicants and help secure America's borders.

THE JUDICIARY

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

DEFENDER SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–121, $3,000,000 are rescinded.

RELATED AGENCIES

BOARD FOR INTERNATIONAL BROADCASTING

ISRAEL RELAY STATION

(RESCISSION)

Of the funds made available under this heading, $1,700,000 are rescinded.

UNITED STATES INFORMATION AGENCY

SALARIES AND EXPENSES

(INCLUDING RESCISSION)

Of the funds made available under this heading in Public Law 103–121, $1,177,000 are rescinded.

Notwithstanding the provisions of this or any other Act, not to exceed $2,000,000 of the funds made available under this heading in Public Law 103–121 may be used to carry out projects involving security construction and related improvements for Agency facilities not physically located together with Department of State facilities abroad: *Provided*, That such funds may remain available until expended.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–121, $850,000 are rescinded.

RADIO CONSTRUCTION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–121, $2,000,000 are rescinded.

Subtitle C—Energy and Water Development

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

GENERAL INVESTIGATIONS

(RESCISSION)

Of the amounts made available under this heading in Public Law 102–377 and prior years' Energy and Water Development Appropriations Acts, $24,970,000 are rescinded.

CONSTRUCTION, GENERAL

(RESCISSION)

Of the amounts made available under this heading in Public Law 102–377 and prior years' Energy and Water Development Appropriations Acts, $97,319,000 are rescinded.

DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

CONSTRUCTION PROGRAM

(RESCISSION)

Of the amounts made available under this heading in Public Law 102–377 and prior years' Energy and Water Development Appropriations Acts, $16,000,000 are rescinded.

DEPARTMENT OF ENERGY

ENERGY SUPPLY, RESEARCH AND DEVELOPMENT ACTIVITIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–126, $97,300,000 are rescinded: *Provided*, That the reduction shall be taken as a general reduction, applied to each program equally, so as not to eliminate or disproportionately reduce any program, project, or activity in the Energy Supply, Research and Development Activities account as included in the reports accompanying Public Law 103–126.

URANIUM SUPPLY AND ENRICHMENT ACTIVITIES

(RESCISSION)

Of the amounts made available under this heading in Public Law 102–377 and prior years' Energy and Water Development Appropriations Acts, $42,000,000 are rescinded.

Subtitle D—Foreign Operations, Export Financing, and Related Agencies

MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

(RESCISSION)

Of the unexpended or unobligated balances made available for payment to the International Bank for Reconstruction and Development for the United States share of the paid-in share portion of the increases in capital stock for the General Capital Increase, $27,910,500 is rescinded.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

Notwithstanding Public Law 103–87, the United States Governor of the International Bank for Reconstruction and Development may subscribe without fiscal year limitation to the callable capital portion of the United States share of the increases in capital stock in an amount not to exceed $902,439,500.

CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT BANK

(RESCISSION)

Of the unexpended or unobligated balances made available for payment to the Inter-American Development Bank by the Secretary of the Treasury, for the paid-in share portion of the United States share of the increase in capital stock $16,063,134 is rescinded.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

Notwithstanding Public Law 103–87, the United States Governor of the Inter-American Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of the increases in capital stock in an amount not to exceed $1,563,875,725.

CONTRIBUTION TO THE ASIAN DEVELOPMENT BANK

(RESCISSION)

Of the unexpended or unobligated balances made available for payment to the Asian Development Bank by the Secretary of the Treasury, for the paid-in share portion of the United States share of the increase in capital stock $13,026,366 is rescinded.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

Notwithstanding Public Law 103–87, the United States Governor of the Asian Development Bank may not subscribe in fiscal year 1994 to the callable capital portion of the United States share of any increases in capital stock.

BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

DEVELOPMENT ASSISTANCE

(RESCISSION)

Of the unexpended or unobligated balances (including earmarked funds) made available for fiscal years 1987 through 1993 to carry out the provisions of sections 103 through 106 of the Foreign Assistance Act of 1961, as amended, $160,000,000 is rescinded: *Provided*, That funds rescinded under this paragraph are to be derived from the following countries in the following amounts: Guatemala, $8,000,000; Honduras, $5,000,000; India, $10,000,000; Indonesia, $15,000,000; Morocco, $10,000,000; Pakistan, $15,000,000; Peru, $5,000,000; Philippines, $10,000,000; Thailand, $10,000,000; and Yemen, $5,000,000: *Provided further*, That $10,000,000 of the funds rescinded under this paragraph are to be derived from non-country specific, centrally funded activities: *Provided further*, That $57,000,000 of the funds rescinded under this paragraph are to be derived from prior year deobligated funds.

ECONOMIC SUPPORT FUND

(RESCISSION)

Of the unexpended or unobligated balances of funds (including earmarked funds) made available for fiscal years 1987 through 1993 to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, as amended, $90,000,000 is rescinded: *Provided*, That funds rescinded under this paragraph are to be derived from the following countries in the following amounts: Kenya, $2,000,000; Liberia, $797,000; Oman, $18,000,000; Peru, $11,000,000; Philippines, $10,200,000; and Somalia, $3,003,000: *Provided further*, That $45,000,000 of the funds rescinded under this paragraph are to be derived from the Private Sector Power Project (No. 391–0494) for Pakistan.

MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

FOREIGN MILITARY FINANCING PROGRAM

(RESCISSION)

Of the grant funds made available (including earmarked funds) under this heading in Public Law 102–391 and prior appropriations Acts, $66,000,000 is rescinded: *Provided*, That funds rescinded under this paragraph are to be derived from the following countries in the following amounts: Benin, $3,000; Cameroon, $161,000; Central African Republic, $59,000; Congo, $7,000; Cote D' Ivoire, $128,000; Equatorial Guinea, $86,000; Gabon, $3,000; Ghana, $600,000; Guatemala, $1,563,000; Guinea, $499,000; Kenya, $9,000,000; Liberia, $15,000; Madagascar, $505,000; Mali, $3,000; Malawi, $326,000; Mauritania, $300,000; Morocco, $8,000,000; Organization of American States, $6,000; Oman, $3,100,000; Pakistan, $8,108,000; Peru, $6,533,000; Philippines, $5,000,000; Rwanda, $250,000; Sao Tome & Principe, $228,000; Somalia, $4,349,000; Sudan, $8,609,000; Thailand, $1,384,000; Togo, $19,000; Tunisia, $4,100,000; Uganda, $100,000; Yemen, $2,241,000; Zambia, $100,000; Zaire, $455,000; and Zimbabwe, $160,000.

Subtitle E—Department of the Interior and Related Agencies

DEPARTMENT OF THE INTERIOR

U.S. FISH AND WILDLIFE SERVICE

CONSTRUCTION AND ANADROMOUS FISH

(RESCISSION)

Of the funds appropriated under this head in Public Law 100-446 and Public Law 102-154, $3,874,000 are rescinded.

DEPARTMENT OF THE TREASURY

BIOMASS ENERGY DEVELOPMENT

(RESCISSION)

Of the funds available under this head, $16,275,000 are rescinded.

DEPARTMENT OF ENERGY

ADMINISTRATIVE PROVISIONS, DEPARTMENT OF ENERGY

Section 303 of Public Law 97-257, as amended, is repealed.

The seventh proviso under the head "Clean Coal Technology" in Public Law 101-512, and the seventh proviso under the head "Clean Coal Technology" in Public Law 102-154, both concerning Federal employment, are repealed.

Subtitle F—Departments of Labor, Health and Human Services, Education, and Related Agencies

DEPARTMENT OF LABOR

(RESCISSION)

Of the amounts appropriated in Public Law 103-112 for salaries and expenses and administrative costs of the Department of Labor, $4,000,000 are rescinded.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(RESCISSION)

Of the amounts appropriated in Public Law 103-112 for salaries and expenses and administrative costs of the Department of Health and Human Services (except the Social Security Administration), $37,500,000 are rescinded.

SOCIAL SECURITY ADMINISTRATION

SUPPLEMENTAL SECURITY INCOME PROGRAM

(RESCISSION)

Of the amounts appropriated in the first paragraph under this heading in Public Law 103-112, $10,909,000 are rescinded.

LIMITATION ON ADMINISTRATIVE EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103-112 to invest in a state-of-the-art computing network, $80,000,000 are rescinded.

DEPARTMENT OF EDUCATION

DEPARTMENTAL MANAGEMENT

PROGRAM ADMINISTRATION

(RESCISSION)

Of the amounts appropriated under this heading in Public Law 103-112 for salaries and expenses and administrative costs of the Department of Education, $8,500,000 are rescinded.

Subtitle G—Legislative Branch

HOUSE OF REPRESENTATIVES

SALARIES AND EXPENSES

(RESCISSION)

Of the amounts made available under this heading in Public Law 101-520, $633,000 are rescinded in the amounts specified for the following headings and accounts:

"ALLOWANCES AND EXPENSES", $633,000, as follows:

"Official Expenses of Members", $128,000; "supplies, materials, administrative costs and Federal tort claims", $125,000; "net expenses of purchase, lease and maintenance of office equipment", $364,000; and "Government contributions to employees' life insurance fund, retirement funds, Social Security fund, Medicare fund, health benefits fund, and worker's and unemployment compensation", $16,000.

Of the amounts made available under this heading in Public Law 102-90, $2,352,000 are rescinded in the amounts specified for the following headings and accounts:

"HOUSE LEADERSHIP OFFICES", $253,000;

"COMMITTEE ON THE BUDGET (STUDIES)", $4,000;

"STANDING COMMITTEES, SPECIAL AND SELECT", $378,000;

"ALLOWANCES AND EXPENSES", $943,000, as follows:

"Official Expenses of Members", $876,000; and "stenographic reporting of committee hearings", $67,000;

"COMMITTEE ON APPROPRIATIONS (STUDIES AND INVESTIGATIONS)", $595,000;

"SALARIES, OFFICERS AND EMPLOYEES", $179,000, as follows:

"Office of the Postmaster", $19,000; "for salaries and expenses of the Office of the Historian", $26,000; "the House Democratic Steering and Policy Committee and the Democratic Caucus", $73,000; and "the House Republican Conference", $61,000.

ARCHITECT OF THE CAPITOL

CAPITOL BUILDINGS AND GROUNDS

CAPITOL BUILDINGS

(RESCISSION)

Of the amounts made available under this heading in Public Law 102-392 and Public Law 103-69, $1,000,000 and $2,000,000, respectively, both made available until expended, are rescinded: *Provided*, That the Architect of the Capitol shall be considered the agency for purposes of the election in section 801(b)(2)(B) of the National Energy Conservation Policy Act and the head of the agency for purposes of subsection (b)(2)(C) of such section.

LIBRARY OF CONGRESS

(RESCISSION)

Of the amounts made available under this heading in Public Law 103-69 and Public Law 98-396, $900,000 are rescinded.

GENERAL ACCOUNTING OFFICE

SALARIES AND EXPENSES

(RESCISSION)

Of the amounts made available under this heading in Public Law 103-69, $1,300,000 are rescinded.

SUPPLEMENTAL APPROPRIATION

That the following sum is appropriated, out of any money in the Treasury not otherwise appropriated, for the Legislative Branch for the fiscal year ending September 30, 1994, and for other purposes, namely:

HOUSE OF REPRESENTATIVES

PAYMENTS TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

For payment to Karen A. Henry, widow of Paul B. Henry, late a Representative from the State of Michigan, $133,600.

Subtitle H—Department of Defense-Military

MILITARY CONSTRUCTION

(RESCISSIONS)

Of the funds appropriated under Public Law 103-110, the following funds are hereby rescinded from the following accounts in the specified amounts:

Military Construction, Army, $22,319,000;

Military Construction, Navy, $13,969,000;

Military Construction, Air Force, $24,787,000;

Military Construction, Defense-Wide, $13,663,000;

Military Construction, Army National Guard, $7,568,000;

Military Construction, Air National Guard, $6,187,000;

Military Construction, Army Reserve, $2,551,000;

Military Construction, Naval Reserve, $626,000;

Military Construction, Air Force Reserve, $1,862,000;

North Atlantic Treaty Organization Infrastructure, $70,000,000; and

Base Realignment and Closure Account, Part III, $437,692,000:

Provided, That, within funds available for "Base Realignment and Closure Account, Part III" for fiscal year 1994, not less than $200,000,000 shall be available solely for environmental restoration.

Subtitle I—Department of Transportation and Related Agencies

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

PAYMENTS TO AIR CARRIERS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

The funds provided for "Small community air service" under section 419 of the Federal Aviation Act of 1958, as amended, in excess of the funds made available for obligation in Public Law 103-122 are rescinded.

COAST GUARD

OPERATING EXPENSES

(RESCISSION)

Of the funds provided under this heading in Public Law 102-368, $5,000,000 are rescinded.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

(RESCISSION)

Of the funds provided under this heading in Public Law 102-368, $2,000,000 are rescinded.

FEDERAL AVIATION ADMINISTRATION

OPERATIONS

(RESCISSION)

Of the funds made available under this heading in Public Law 103-122, $750,000 are rescinded.

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

Of the available balances (including earmarked funds) under this heading, $29,451,111 are rescinded.

GRANTS-IN-AID FOR AIRPORTS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

Of the funds provided under the Airport and Airway Improvement Act of 1982, as amended, for grants-in-aid for airport planning and development and noise compatibility planning and programs, $488,200,000 of the amount in excess of the funds made available for obligation in Public Law 103-122 are rescinded.

FEDERAL HIGHWAY ADMINISTRATION

(RESCISSION)

Of the funds made available for specific highway projects that are not yet under construction, $85,774,222 are rescinded: *Provided*, That no funds shall be rescinded from any emergency relief project funded under section 125 of title 23, United States Code: *Provided further*, That for the purposes of this

paragraph, a project shall be deemed to be not under construction unless a construction contract for physical construction has been awarded by the State, municipality, or other contracting authority.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

OPERATIONS AND RESEARCH

(RESCISSION)

Of the amounts provided under this heading in Public Law 102-388, $3,476,000 are rescinded.

Of the amounts provided under this heading in Public Law 101-516, $1,075,000 are rescinded.

Of the amounts provided under this heading in Public Law 101-164, $2,505,000 are rescinded.

FEDERAL TRANSIT ADMINISTRATION

DISCRETIONARY GRANTS

(HIGHWAY TRUST FUND)

(RESCISSION)

Any unobligated balances of funds made available for fiscal year 1991 and prior fiscal years under section 3 of the Federal Transit Act, as amended, and allocated to specific projects for the replacement, rehabilitation, and purchase of buses and related equipment, for construction of bus-related facilities, and for new fixed guideway systems are rescinded: *Provided*, That no funds provided for the Miami Metromover project shall be rescinded: *Provided further*, That of the funds provided under this heading in Public Law 103-122, $2,500,000 are rescinded.

Subtitle J—Treasury, Postal Service, and General Government

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

(RESCISSION)

Of the funds made available under this heading in Public Law 103-123, $126,022,000, are rescinded and are not available in fiscal year 1994: *Provided*, That no individual prospectus-level new construction project may be reduced by more than 5 percent.

ADMINISTRATIVE PROVISION

SEC. 17101. Section 630 of the Treasury, Postal Service, and General Government Appropriations Act, 1993 (Public Law 102-393), and the amendment made by that section, are repealed.

Subtitle K—Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies

DEPARTMENT OF VETERANS AFFAIRS

DEPARTMENTAL ADMINISTRATION

CONSTRUCTION, MAJOR PROJECTS

(RESCISSION)

Of the funds made available under this heading in Public Law 103-124, $26,000,000 are rescinded.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

HOMEOWNERSHIP AND OPPORTUNITY FOR PEOPLE EVERYWHERE GRANTS (HOPE GRANTS)

(RESCISSION)

Of the funds made available under this heading in Public Law 102-389 and Public Law 102-139, $66,000,000 are rescinded: *Provided*, That of the foregoing amount, $34,000,000 shall be deducted from the amounts earmarked for the HOPE for Public and Indian Housing Homeownership Program and $32,000,000 shall be deducted from the amounts earmarked for the HOPE for Homeownership of Multifamily Units Program.

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

(RESCISSION)

Of the funds made available under this heading in Public Law 102-389 and prior years, and earmarked for amendments to section 8 contracts other than contracts for projects developed under section 202 of the Housing Act of 1959, $25,000,000 are rescinded.

ASSISTANCE FOR THE RENEWAL OF EXPIRING SECTION 8 SUBSIDY CONTRACTS

(RESCISSION)

Of the funds made available under this heading in Public Law 102-389 and prior years, $20,000,000 are rescinded.

ADMINISTRATIVE PROVISION

Notwithstanding any other provision of law, the City of Slidell, Louisiana, is authorized to submit not later than 10 days following the enactment of this Act, and the Secretary of Housing and Urban Development shall consider, the final statement of community development objectives and projected use of funds required by section 104(a)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5304(a)(1)) in connection with a grant to the City of Slidell under title I of such Act for fiscal year 1994.

INDEPENDENT AGENCIES

ENVIRONMENTAL PROTECTION AGENCY

WATER INFRASTRUCTURE/STATE REVOLVING FUNDS

(INCLUDING RESCISSION OF FUNDS)

Of the funds made available under this heading in Public Law 103-124, $22,000,000 are rescinded: *Provided*, That the $500,000,000 earmarked under this heading in Public Law 103-124 to not become available until May 31, 1994, shall instead not become available until September 30, 1994.

FEDERAL EMERGENCY MANAGEMENT AGENCY

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

(RESCISSION)

Of the funds made available under this heading in Public Law 103-124, $2,000,000 are rescinded.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RESEARCH AND DEVELOPMENT

(RESCISSION)

Of the funds made available under this heading in Public Law 103-124, $25,000,000 are rescinded.

CONSTRUCTION OF FACILITIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103-124, $25,000,000 are rescinded.

NATIONAL SCIENCE FOUNDATION

ACADEMIC RESEARCH INFRASTRUCTURE

(RESCISSION)

Of the funds made available under this heading in Public Law 103-124, $10,000,000 are rescinded.

NATIONAL SERVICE INITIATIVE

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

(RESCISSION)

Of the funds made available under this heading in Public Law 103-124, $5,000,000 are rescinded.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

The proviso under this heading in Public Law 103-124 is repealed.

TITLE XVIII—ADDITIONAL DEFICIT REDUCTION PROVISIONS

SEC. 18001. RESCISSION OF FUNDS AND CANCELLATION OF SPACE STATION.

(a) CANCELLATION.—The Space Station program is hereby canceled.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Administrator of the National Aeronautics and Space Administration—

(1) $500,000,000 for costs associated with carrying out subsection (a) of this section; and

(2) $300,000,000 for each of the fiscal years 1994 through 1998 for carrying out the responsibilities of the National Aeronautics and Space Administration.

(c) RESCISSION OF FUNDS.—Of the funds made available under the heading "National Aeronautics and Space Administration—Research and Development" in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994 (Pub. L. 103-124), $1,946,000,000 is rescinded, to be derived from the redesigned space station.

SEC. 18002. RESCISSION OF FUNDS AND REDUCTION OF AUTHORIZATION FOR BALLISTIC MISSILE DEFENSE PROGRAM.

(a) FISCAL YEAR 1994 RESCISSION.—Of the funds made available under the heading "Research, Development, Test and Evaluation, Defense-Wide" in the Department of Defense Appropriations Act, 1994 (Public Law 103-139), $350,000,000 is rescinded, to be derived from the Ballistic Missile Defense Program.

(b) FISCAL YEAR 1995 AUTHORIZATION REDUCTION.—The total amount authorized to be appropriated to the Department of Defense for fiscal year 1995 for the Ballistic Missile Defense Program (including research, development, test, and evaluation; procurement; and other programs, projects, and activities) may not exceed $2,500,000,000.

(c) FISCAL YEAR 1996 AUTHORIZATION REDUCTION.—The total amount authorized to be appropriated to the Department of Defense for fiscal year 1996 for the Ballistic Missile Defense Program (including research, development, test, and evaluation; procurement; and other programs, projects, and activities) may not exceed $2,450,000,000.

(d) FISCAL YEAR 1997 AUTHORIZATION REDUCTION.—The total amount authorized to be appropriated to the Department of Defense for fiscal year 1997 for the Ballistic Missile Defense Program (including research, development, test, and evaluation; procurement; and other programs, projects, and activities) may not exceed $2,400,000,000.

(e) FISCAL YEAR 1998 AUTHORIZATION REDUCTION.—The total amount authorized to be appropriated to the Department of Defense for fiscal year 1998 for the Ballistic Missile Defense Program (including research, development, test, and evaluation; procurement; and other programs, projects, and activities) may not exceed $2,350,000,000.

SEC. 18003. RESCISSION OF FUNDS AND CANCELLATION OF ADVANCED LIQUID METAL REACTOR PROGRAM.

(a) IN GENERAL.—The Secretary of Energy shall take such actions as are necessary to terminate, as soon as possible, the civilian portion of the advanced liquid metal reactor/integral fast reactor program of the Department of Energy, including the program's promotion of the use of such reactors for the disposal of high-level radioactive waste and Department of Energy support for regulatory applications to the Nuclear Regulatory Commission for design certification for advanced liquid metal reactors or related licensed facilities.

(b) RESCISSION OF FUNDS.—

(1) FISCAL YEAR 1994.—Subject to subsection (c), of the funds made available under the heading "Department of Energy—Energy Supply, Research and Development Activities" in the Energy and Water Development Appropriations Act, 1994 (Pub. L. 103-126), $141,900,000 is rescinded, to be derived from the advanced liquid metal reactor/integral fast reactor program.

(2) PRIOR FISCAL YEARS.—Of the funds made available under the heading "Department of Energy—Energy Supply, Research and Development Activities" in appropriations Acts for fiscal year 1993 and prior fiscal years, the unobligated balance available on the date of the enactment of this Act for the advanced liquid metal reactor/integral fast reactor program is rescinded.

(c) TERMINATION COSTS.—Subsection (b)(1) shall not apply to the amount of the funds, not exceeding $96,600,000, required for termination of the advanced liquid metal reactor/integral fast reactor program.

SEC. 18004. REDUCTION OF FORCES IN EUROPE.

(a) EFFECTIVE DATE FOR REQUIREMENT FOR REDUCTION TO 100,000 MILITARY PERSONNEL IN EUROPE CHANGED FROM FISCAL YEAR 1996 TO FISCAL YEAR 1995.—Section 1303(b) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484; 22 U.S.C. 1928 note) is amended by striking out "October 1, 1995" and inserting in lieu thereof "October 1, 1994".

(b) FURTHER END STRENGTH REDUCTIONS REQUIRED.—Notwithstanding section 1002(c)(1) of the National Defense Authorization Act, 1985 (22 U.S.C. 1928 note), for each of fiscal years 1995, 1996, 1997, and 1998, the Secretary of Defense shall reduce the end strength level of members of the Armed Forces of the United States assigned to permanent duty ashore in European member nations of the North Atlantic Treaty Organization in accordance with subsection (c).

(c) REDUCTION FORMULA.—For each percentage point that the allied contribution level is below the goal specified in subsection (d) as of the end of a fiscal year, as determined by the Secretary of Defense, the Secretary of Defense shall reduce the end strength level of members of the Armed Forces of the United States assigned to permanent duty ashore in European member nations of NATO by 1,000 for the next fiscal year. The reduction shall be made from the end strength level in effect, pursuant to section 1002(c)(1) of the National Defense Authorization Act, 1985 (22 U.S.C. 1928 note), and subsection (b) of this section (if applicable), for the fiscal year in which the allied contribution level is below the goal specified in subsection (d).

(d) ANNUAL GOALS FOR FORCE REDUCTION.—The President is urged to seek, in continued efforts to enter into revised host-nation agreements as described in section 1301(e) of National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484; 106 Stat. 2545), to have European member nations of NATO assume an increased share of the nonpersonnel costs of United States military installations in those nations in accordance with the following timetable:

(1) By September 30, 1994, 18.75 percent of such costs should be assumed by those nations.

(2) By September 30, 1995, 37.5 percent of such costs should be assumed by those nations.

(3) By September 30, 1996, 56.25 percent of such costs should be assumed by those nations.

(4) By September 30, 1997, 75 percent of such costs should be assumed by those nations.

(e) END STRENGTH AUTHORITY.—Notwithstanding reductions required pursuant to subsection (b), the Secretary of Defense may maintain an end strength of at least 25,000 members of the Armed Forces of the United States assigned to permanent duty ashore in European member nations of NATO.

(f) ALLOCATION OF FORCE REDUCTIONS.—To the extent that there is a reduction in end strength level for any of the Armed Forces in European member nations of NATO in a fiscal year pursuant to subsection (b)—

(1) half of the reduction shall be used to make a corresponding reduction in the authorized end strength level for active duty personnel for such Armed Force for that fiscal year; and

(2) half of the reduction shall be used to make a corresponding increase in permanent assignments or deployments of forces in the United States or other nations (other than European member nations of NATO) for each such Armed Force for that fiscal year, as determined by the Secretary of Defense.

(g) DEFINITIONS.—For purposes of this section:

(1) ALLIED CONTRIBUTION LEVEL.—The term "allied contribution level", with respect to any fiscal year, means the aggregate amount of nonpersonnel costs for United States military installations in European member nations of NATO that are assumed during that fiscal year by such nations.

(2) NONPERSONNEL COSTS.—The term "nonpersonnel costs", with respect to United States military installations in European member nations of NATO, means costs for those installations other than costs paid from military personnel accounts.

The CHAIRMAN. Pursuant to the rule, the gentleman from Massachusetts [Mr. FRANK] will be recognized for 30 minutes, and a Member opposed will be recognized for 30 minutes. Does any Member seek recognition for the purpose of opposition?

Mr. SABO. Mr. Chairman, I oppose the Frank amendment and seek control of the time in opposition.

The CHAIRMAN. The gentleman from Minnesota [Mr. SABO] will be recognized for 30 minutes.

Mr. FRANK of Massachusetts. Mr. Chairman, I ask unanimous consent that I may yield 10 of my 30 minutes for further yielding to the gentleman from Connecticut [Mr. SHAYS].

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

□ 2120

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. SABO].

Mr. SABO. Mr. Chairman, I yield myself such time as I may consume.

If I might have the attention of Members who may have some interest in this amendment, I claimed the time in opposition to the Frank amendment. I intend to vote no.

However, I think I voted for probably all the component parts of his amendment earlier in the year. I am not sure what is all there.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SABO. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I would just point out to the gentleman, whole is the sum of the parts.

Mr. SABO. Mr. Chairman, some of the parts make me vote no. I am not really in a position to argue the substance of the Frank amendment. For Members who are, I urge them to ask me to give them time.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I do not understand how Members who are not opposed to some of the parts can be opposed to the sum of the parts. But maybe I will learn.

This is a very straightforward amendment. It cuts, according to the Congressional Budget Office, if passed, an additional 14-plus billion within the 5-year period and 2 billion beyond that, not within the 5-year period.

These cuts are hard cuts. It includes a rescission of a couple of billion in the first year. It does not change the caps. CBO does not score caps. CBO scores hard dollar reductions that are legislative. This amendment does it.

Mr. Chairman, there are four component parts to this amendment. All received at least 200 votes in the House.

One, we cancelled the Manned Space Station, not because it is terrible but because if we are going to cut in a second round an item which had an only 1-vote margin, it appears to us a good place to start. We take 2 billion of that cut and give it back to NASA. We save 9 billion, and NASA has 2 billion for other projects.

Two, this would impose a realistic burdensharing requirement on the longest free ride in the history of the world, our wealthy Western Europe allies who are the beneficiaries of substantial multi-billion-dollar spending year after year by the United States.

This requires them to pay up. If they do not pay up, not the personnel cost but the nonpersonnel cost, we begin to reduce. It would subject them to the same rules that the Japanese now have.

It would cut nothing from the military, if our Western European allies produced. It would cut some in the troop strength over there, if they do not.

Three, it cancels the Advanced Liquid Metal Reactor, which the House previously voted to kill.

And fourth, it reduces the Strategic Defense Initiative somewhat, a couple of billion dollars over 4 years, over 5 years.

These are four very specific cuts. They give us $14 billion, and I hope that the House will vote for them.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. BACCHUS].

Mr. BACCHUS of Florida. Mr. Chairman, I find it sadly and strangely ironic that this amendment should be offered on the floor of this House today of all days. Today is the 30th anniversary of the assassination of John Fitzgerald Kennedy.

President Kennedy stood for many good things. Among other things, he was a fiscal conservative. He was not a free-spending, big-spending, tax-and-spend liberal, nosirree.

I am a fiscal conservative, too, and I think I have proven that today again by voting for the Sabo amendment and the Penny-Kasich amendment for real deficit reduction of the right kind.

JFK would have done the same thing. President Kennedy also believed in peace. He was a man of peace. He wanted world peace. But be believed in peace through strength.

I do, too, and I voted with our President and with my party this year and in the previous Congress for legitimate cuts in the national defense budget.

But I would submit that we cannot afford to cut defense any more today. That is absolutely the worst signal we could send to the North Koreans, among others, to cut national defense any more.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentlemen yield?

Mr. BACCHUS of Florida. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, are the North Koreans terribly frightened of the troops we have in Western Europe? Because that is the only cut we make in troops, are in Western Europe.

Mr. BACCHUS of Florida. I would submit that the North Koreans are looking now for any sign of weakness, any sign of weakness on the part of the United States.

If JFK were here tonight, he would not vote to cut defense even one dime more, not now, not at this time.

Finally, I would say that President Kennedy believed in the future, as I do, and as I like to believe we all do. We have tried to prove that by being fiscally conservative and by working for peace through strength. The space station represents the future. That is why it has survived 6 efforts to kill it in the past 3 years.

We have had this debate 2 times already this year alone. We are trying now to find peace with the Russians by working with them in space. But the gentleman from Massachusetts [Mr. FRANK] and the gentleman from Connecticut [Mr. SHAYS] do not even want to give that a chance.

If JFK were here tonight, he would vote "no" on this amendment. He would vote "no" against this type of spending cut that would eviscerate our defense, this type of effort that would eviscerate the space program and defeat our effort to build a future in space in partnership with the Russians in a way that would save our jobs and our technology and our future as a country.

He would vote "no". And if he were here, also, I think he might also, as he sometimes did, recall the words of a poet, perhaps Wordsworth. And he might ask:

"Whither has fled that visionary gleam?
"Where is it now, the glory and the dream?"

□ 2130

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would first note that I think there is very little likelihood that the North Koreans would invade France.

Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I have decided to cosponsor the amendment with the gentleman from Massachusetts [Mr. FRANK] and the gentleman from Connecticut [Mr. SHAYS]. I have decided to sponsor the amendment for one, I think, very good reason. We simply cannot afford the items that are listed in the Frank amendment. We ought to get rid of them.

Mr. Chairman, as we all know, we promised when we passed President Clinton's budget to cut an additional $56 billion in discretionary spending over the next 5 years. However, many of those specific cuts in the next 4 years have not yet been identified. What this proposal does, Mr. Chairman, is to identify at least $14 billion in very specific cuts that we are willing to make to try to reach that goal.

Mr. Chairman, in contrast to the previous Penny-Kasich amendment, which was rightly defeated, this amendment recognizes that we should not begin to make new promises about reducing spending caps until we first fulfill the promises we have already made. This amendment will get us partially toward those promises.

It also recognizes that in the case of the space station, the Congress has been lied to for many years about the cost of this program. The cost of this program has steadily escalated. They play the old loss leader game. They get their nose in under the tent, and then they let us know what the real costs are, after they have us locked in, and they have so many businesses and so many universities tied into a piece of the pork that they figure the Congress will not have guts enough to shut it down. Mr. Chairman, I think we ought to show them that they are wrong.

If we take all the dollars that we have spent to win the cold war since the time Harry Truman first decided it was necessary to contain the Soviet Union until it changed, and, if we divide that money by the number of taxpaying American families in the country today, the cost of winning that war was $82,000 per family. We are entitled to lighten up on that burden. Our European allies have an obligation to pick up a bigger share of the tab. This is the time when they ought to be asked to do it.

Mr. Chairman, there are two other items in the amendment that I think are important to support. On SDI, people will say, "Well, we have to keep it because we may have a missile threat in years to come." I would suggest to the Members that the real threat to every American family sitting at its kitchen table tonight, because jobs are steadily going down, down, down in this country, in large corporation after large corporation, that real economic threat is a far greater threat to this country than the theoretical threat that the SDI could protect us against.

Recognize reality. Vote for this amendment. It is the right thing to do to save money.

Mr. SHAYS. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I join with the gentleman from Massachusetts [Mr. FRANK] in this amendment for one basic fact. We need to get our financial house in order.

Our amendment eliminates or modifies four programs. It cancels the space station, providing a half a billion dollars to close out that program, and $1.5 billion for new programs at NASA. It provides a net savings of $7.66 billion over the next 5 years.

With regard to burden-sharing, Mr. Chairman, the Japanese pay us $2.5 billion, $2.5 billion for 40,000 troops. The Europeans pay $299 million for over 100,000 troops. Our amendment requires they pay us 75 percent of our nonpersonnel costs. If they pay we receive $10 billion in the next 5 years. If they don't pay we save $4.89 billion by bringing home 75,000 troops and decommissioning 37,500 of them.

Reducing the Ballistic Missile Defense Program by 16 percent saves us $1.85 billion and cancelling the advanced liquid metal reactor saves us $315 million. Our amendment makes sense and we encourage all our colleagues to vote for its passage.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. BRYANT].

Mr. BRYANT. Mr. Chairman, I rise in support of the Frank-Shays amendment, and would like to thank the gentlemen for bringing it forward. Though I will not continue to support it if it comes back from the Senate as written, space station funding eliminated, because I support the space station, I urge Members to vote for it due to the other provisions it contains in hopes that the savings from those other provisions may be achieved.

Mr. Chairman, almost 50 years since the end of World War II, the American people are still spending about $183 billion a year paying for the defense of

Europe and Japan. I submit that, on a night on which much has been made of the ravages of the budget deficit, much has been made of our economic situation and our inability to manage our budget, this is the night to vote to do something with regard to this enormous burden that we continue to carry long after World War II has ended.

Let us cut back on the subsidy we are giving to Europe. These countries can support themselves. That money ought to be used in the United States to protect this country from crime, to give us a good education system, and to give our people a health care system as fine as the one the people of Europe have today.

I urge Members to vote for the Frank-Shays amendment. I urge Members to vote tonight to tell the Europeans that 50 years after World War II it is time they pay for their own defense. We need those dollars here in America.

Mr. SABO. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. COX] in opposition to the amendment, and ask unanimous consent that he be allowed to control the time.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. DICKS].

Mr. DICKS. Mr. Chairman, I would just rise in strong opposition to the so-called Frank amendment. I believe we have made a decision in this Congress, in this House, to continue the funding for the space station. I think it is an excellent program, and one that ought to be continued.

Mr. Chairman, the other thing I would like to mention briefly is that the whole assumption on this burden-sharing amendment is that the Europeans will agree to pay more of the burden of having our troops there. We must remember that we had our troops there on their land. They have contributed forces of their own. They have paid part of the price. I have no problem asking them to do more. The problem I have is if they do not achieve that then, it will be another cut in the defense budget.

Mr. Chairman, I think one of the reasons that the Penny-Kasich amendment was defeated tonight was a concern in this House that we have already gone too far in cutting defense. We have the specter of the hollow force coming back. General Sullivan, the Chief of Staff of the Army, has written a very long letter to the members of the Army caucus here in this House about his concerns about the return of a hollow force; that we do not have the money for modernization, we do not have the money for readiness.

Every time we make another one of these cuts, though well intentioned, I think we run the risk of undermining our military capability. By the way, Mr. Chairman, we have already cut the defense budget by nearly 50 percent since fiscal year 1985. It is not like we have been lavishly spending money on defense. Mr. Chairman, we have made them eat inflation. They get no cost-of-living index increase.

Mr. Chairman, for those two reasons I would urge the Members again to defeat this amendment and to stay with the gentleman from Minnesota [Mr. SABO], the distinguished chairman, who I think has come in with a package at about the right size.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Chairman, I thank the gentleman for yielding to me. I really think this package makes a lot of sense, even though very little makes any sense at this hour of the night. But every one of these amendments has been debated by the House. People totally understand them, and they almost passed.

□ 2140

Now you will hear the same old arguments on burden sharing. We would not want to ask our allies to do more. But we have absolutely no hesitation about slam-dunking bases and closing them all over the United States. We have gone through two rounds of that and it has been painful. No one ever says oh, well, we would not want the States to have to do more. I think most States would like to get nearly as good a deal as the Europeans are getting.

I also want to point out what many people have said before, the Japanese are doing much more vis-a-vis burden sharing than the Europeans. And why in the world are we maintaining these huge bases in West Germany to protect West Germany from East Germany when it is really all one country, and the East Germans are in West German shopping malls? I mean, please. The Berlin Wall has become a speed bump, and we are still pretending like the cold war is on. So why are we spending money here when we have so many other demands for this money?

The same thing with SDI. This is not a massive cut. This is the one that almost won; it is $350 million. It just brings it down a little bit more.

We know that that has been a cash cow that people played with for a long time, and we cannot afford cash cows anymore. This one just barely missed going over the top, and I think we can certainly say now that we have new financial data.

It should be the same with space station. We would all love to do it, and it would be great. But every day there is a new number, there is a new something, there is a new mixup. At some point I think we have to say this may not be the time. We better get things together here on Earth. We better figure out where we can get the money for community policing in our neighborhoods. We had better figure it out where we do those kinds of things where people live rather than some of the others.

So I hope people vote "aye" on this. I think this is one of the best amendments we have put together, and I thank the gentleman from Massachusetts for yielding.

Mr. COX. Mr Chairman, I yield 2 minutes to the distinguished gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding the time.

We noted with interest a moment ago that despite the fact that a number of the Delegates were on the floor, none of them voted on the last vote. Now this House has been put through several months of casting revotes in the full House because of a court suit that dealt with the Delegate voting.

What we are wondering is whether or not this vote now is going to be a wide enough split that the Delegates will be able to vote in this particular instance, because it does appear that what happened on this is because the vote was going to be so close on the last vote that the Democratic leadership felt that they were risking the fact that there might be a revote on that issue and so, therefore, instructed the Delegates not to vote because, as I say, some of them were on the floor but did not vote on the last vote. In fact, all five did not vote.

So our question really is at this point we wonder whether or not we are going to have the Delegates vote.

Mr. COLEMAN. Regular order, Mr. Chairman.

The CHAIRMAN. The gentleman is following regular order. The gentleman from Pennsylvania has the time.

Mr. WALKER. If the gentleman from Texas would behave himself, I might finish here, and we would not have to worry about it.

Mr. COLEMAN. Finish what? Finish what?

The CHAIRMAN. The gentleman from Pennsylvania [Mr. WALKER] has the time.

Mr. WALKER. Mr. Chairman, it seems to us that there is then selective use of those Delegate votes. If in fact the Democratic leadership can decide at times to pull those votes when it serves their purpose to do so, then the right that we have talked about so often on the House floor seems to me to be a right of some limited usage if in fact they can be instructed not to vote when the votes are going to be close.

So the real question before the House now is we wonder how the votes are going to take place when this amendment comes up. Are the Delegates going to vote this time or are they not going to vote this time. Are the rights

of the House going to be protected or are the rights not going to be protected?

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am happy to yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, we just happened to check the RECORD, and the truth of the matter is the Delegates did vote on the Sabo amendment earlier on.

Mr. WALKER. So the five delegates voted on the Sabo amendment, and none of them voted on the next amendment that looked like it was going to be a close vote. And there is a question of whether they are going to vote this time.

Mr. COX. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. ARMEY], chairman of the Republican conference.

Mr. ARMEY. Mr. Chairman, I thank the gentleman for yielding the time.

Mr. Chairman, this vote at this time in the proceedings is somewhat anticlimatic. Tonight's big issue has been resolved with the defeat of the Penny-Kasich amendment.

I find it fascinating that in terms of the fiscal affairs of this Nation the fight has not changed throughout the entire duration of this year. We began the year trying to stop the largest tax increase in the history of the country as the President submitted his 5-year budget plan where he entertained us with the magic of a plan that had 500 billion dollars' worth of spending increase, 476 billion dollars' worth of tax increase, and from that magical manifestation of $500 billion in deficit reduction. Oh, if the poor beleaguered American businessmen could just retire their debts with so much ease.

All of that is done, of course, through the obscuring influence of such things as current services baseline budgeting, which makes sense to nobody except people in Washington. And I, of course, from that experience of watching the Democrats on a totally partisan basis, over the bipartisan resistance of all of the Republicans and 42 of their own Democrats pass as a partisan effort on the part of the Democrats, pass this big tax increase, with all of the leverage that could be brought to bear by the Democrat leadership in the House and the Senate, and with all of the horse trading skills of the President, which was manifest early in this process as they brought on those last few votes in those last last few precious minutes. We managed again to fail in our effort to cut that massive tax increase while it was passed through the cajolery of the Democrat leadership and the President, and all the time the American people were saying cut spending first.

As we know, the Penny-Kasich effort tonight was the fulfillment of a promise to the gentleman from Minnesota, [Mr. PENNY], by the President, that if in fact he would vote with them at that time we would have an opportunity to entertain spending cuts as we did tonight, spending cuts wrapped in the most convoluted rule I have ever seen.

I will not yield to the gentleman, so do not bother asking.

Mr. COLEMAN. Parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman from Texas [Mr. ARMEY] has the time.

Mr. COLEMAN. Parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. For what purpose does the gentleman from Texas rise?

Mr. COLEMAN. I want to ask a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Texas [Mr. ARMEY] yield to the gentleman from Texas [Mr. COLEMAN] for a parliamentary inquiry?

Mr. ARMEY. I will not yield to the gentleman from Texas until I have finished my statement.

The CHAIRMAN. The gentleman from Texas has the time and the gentleman does not yield.

Mr. COLEMAN. Parliamentary inquiry.

The CHAIRMAN. The gentleman from Texas does not yield for a parliamentary inquiry.

Mr. COLEMAN. He does not have to. I am asking a question.

The CHAIRMAN. The gentleman from Texas does not yield for a parliamentary inquiry. The gentleman from Texas has the time.

Mr. ARMEY. I would ask the Chair, if he does not mind, that time used to explain the rules will not come out of my time?

The CHAIRMAN. That will not count against the time of the gentleman from Texas.

Mr. COLEMAN. Mr. Chairman, do you mean to tell me when I ask a parliamentary inquiry, it does not ask that of the Chair?

The CHAIRMAN. Under the rules, the gentleman does not have to yield, as long as he has the floor, for a parliamentary inquiry. The gentleman from Texas has the time, and this time will not be counted against the gentleman from Texas.

The Chair recognizes the gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. I thank the Chair.

The point that I am trying to make here is again tonight we are here trying to do what the American people have asked: Cut spending. We have been thwarted in that effort again by the Democrat majority's control of the rules of this House to create this curious voting configuration that required all kinds of effort to explain even to the Members, let alone the American people, to create this smokescreen of parliamentary procedure and to give those that are faint of heart an opportunity to run, and duck, and parry, and find their way out of the process without being in fact pinned down for having been unwilling to actually vote with the American people to cut spending.

□ 2150

The Democrats again obscured and then, of course, in their smokescreen effort have countered with their traditional effort, cut defense spending, always cut defense spending.

Let me just say, nothing has changed. We Republicans fought against tax increases and spending increases.

Mr. Chairman, the point is, irrespective of all of the smoke and mirrors and all the parliamentary procedures and all the fancy rules, the one thing that has remained constant is the Republican Party has fought against the President and his party, against tax increases pushed through earlier in the year, and we fought for spending cuts and failed tonight because of the ingenious use of the parliamentary procedures by the majority and the leverage applied by the President's horse-trading tactics. We failed to get for the American people the spending cuts they wanted tonight, but we will be back.

Mr. SABO. Mr. Chairman, I yield 1 minute to the gentleman from Alabama [Mr. BEVILL].

Mr. BEVILL. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in opposition to the Frank-Shays amendment. This amendment would terminate the space station and the ballistic missile defense program, which I consider very important to the future technical capabilities of our Nation.

I urge you to support the House Committee on the Budget.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, is the gentleman allowed to talk about the amendment? I have been listening to the Republicans, and I cannot think it was in order to talk about the subject under discussion.

Mr. SABO. Mr. Chairman, I yield 1 minute to the gentleman from Alabama [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, the amendment proposes to terminate the space station program, a program the Congress has consistently supported.

There have been five House votes on the station program since I came to Congress 3 years ago. Each time this House has voted to continue the space station.

The space station is a vital and necessary project that we need to complete and launch.

The station is the most important international cooperative science project that has ever been undertaken. We have the opportunity to participate with the Canadians, the Japanese, the European Community, and the Russians in this venture.

The administration and NASA have redesigned the station resulting in $6 billion in savings and have gained a further $4 billion in savings through cooperation with the Russians. Give the station a chance.

The space station program is crucial to the continuation of the manned exploration of space and to this country's technological and scientific future.

Now is not the time to abandon the project.

BALLISTIC MISSILE DEFENSE

The amendment reduces ballistic missile defense by $350 million a year for 5 years. This is on top of the $1 billion already taken from the budget proposed by the President for this year.

The BMD program cannot afford further cuts to a budget that is already too low.

Opponents of missile defense argue that there is no longer a threat of attack on this country or on our troops in the field. They argue that the end of the cold war has eliminated this threat.

Nothing could be further from the truth.

I serve on the House Intelligence Committee and I can assure these opponents that the threat of an attack on this country is in fact greater today than it was a couple of years ago.

Over 15 countries right now have ballistic missiles and the ability to threaten the United States and our troops deployed overseas. More countries could have this capability before we have an adequate defense.

Many Members I have discussed missile defense with seem to think that we could defend this country from an attack by ballistic missiles. Nothing could be further from the truth.

Not only do we not have that capability, but if we keep reducing the level of spending for ballistic missile defense we will never be able to defend ourselves. This would be a fatal mistake.

We simply cannot afford to reduce ballistic missile defense any further.

Vote against the Frank/Shays amendment.

Mr. SHAYS. Mr. Chairman, I yield myself 20 seconds to respond to the gentleman from Alabama [Mr. BEVILL] and just say to the gentleman from Alabama [Mr. BEVILL] that the Frank-Shays amendment does not eliminate the ballistic missile defense. It reduces it by 16 percent over the next 5 years. It is a very responsible amendment as is our amendment on burden-sharing.

Mr. Chairman, I yield 2 minutes to my colleague, the gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Mr. Chairman, the American people are sick and tired of Congress continuing to break its promises when it comes to reducing the deficit.

Mr. Chairman, the longer we wait to make tough choices, the longer it will take to reduce this $250 billion deficit.

Mr. Chairman, I cannot tell you how disappointed I was to see that the President could only initially find $2.7 billion in spending cuts. This after he challenged us in this Chamber to try and do something to work on the deficit.

I believed the President last winter when he told us that he wanted to work with us to reduce spending and, in fact, only $2.7 billion.

Mr. Chairman, I strongly support this substitute. These four programs that are included in the Frank-Shays amendment save the taxpayers $14.7 billion.

The space station came within one vote of being killed earlier this year. Increasing burden-sharing seems like a reasonable idea. I can remember my good friend and colleague, the gentleman from Michigan [Mr. BONIOR], offering that same amendment which passed overwhelmingly in this House a year or two ago. Should not the folks that we are looking out for have to pay 75 percent of the cost? Does that not seem like a decent thing?

These are tough choices, and they are not easy ones, and that is what we were elected to do.

I only wish that earlier Congresses could have done a little bit more so that we would not be in this fiscal mess that we are in tonight. Let us save future Congresses, and certainly future generations, from the mess by voting yes on this amendment.

The American people are tired of Congress breaking promises when it comes to reducing the deficit. Unfortunately, the budget bill that passed Congress focused much more on increasing taxes, rather than cutting spending. It did not include the broad sacrifices that must be made within the Federal Government to overcome the magnitude of America's budget blues.

We are now forced to deal with this inability to act. Even with the 5-year budget passed earlier this year, the annual deficits will still be at more than $200 billion annually. This shows that the only way to make a dent in the deficit is to cut spending. The longer we wait, the more difficult it becomes to pull America out of the red. That is why I am voting "yes" to approve this spending cut package tonight.

I am disappointed that the President could initially identify $2.7 billion in more spending cuts over the next 5 years and vigorously opposed more cuts. I voted for the Penny-Kasich Common Cents plan to cut Federal spending by $90 billion in the next 5 years, and I urge all my colleagues to support the $14 billion in cuts offered by Representatives FRANK and SHAYS.

The Frank-Shays amendment consists of four savings proposals which each garnered more than 200 votes when considered individually by the House earlier this year. I voted for each of those four parts to kill the space station, cut ballistic missile defense systems, the advanced liquid metal reactor program, and requiring Europeans to pay a higher share of their own defense. As a package, these cuts are even more attractive. In tough budgetary times, these savings make sense, too.

As a person who has long wielded the budget ax, we need to pass all of these budget cutting efforts and more to ensure a positive future for our kids. This is an unprecedented opportunity, an opportunity made possible by the President, to cut spending without raising taxes. We need to find the guts to pass the tough choices which need to be made.

Mr. COX. Mr. Chairman, I yield 8 minutes to the distinguished gentleman from Arizona [Mr. KYL], a member of the Committee on Armed Services.

Mr. KYL. Mr. Chairman, this is not the way to be legislating.

Let us talk for just a little bit about one of the aspects of this amendment, and that is ballistic missile defense. One of the Speakers on the other side said "a little bit more out of this program will not hurt." I submit to you that there is not anyone who has spoken on behalf of this cut that understands the effect of the cut on the ballistic missile defense program.

We have already cut more than Secretary Aspin and President Clinton recommended be cut from the ballistic missile defense system this year. We have already completed the action on the defense authorization bill and the defense appropriation bill, and I agree with the remarks that the gentleman from Washington [Mr. DICKS] made at the beginning of this debate when he said that we have cut quite enough from this part of the program.

I would like to ask the proponents of this amendment, for example, where they would take the $350 million in rescissions in this last year from the ballistic missile defense system. What specific program would be cut?

I think my colleagues need to know something about the ballistic missile defense system, because it is no longer SDI or Star Wars. The money has been taken out of that program and it has been totally recharacterized to deal now almost exclusively with the development of a theater-based system, basically the next generation of the Patriot, which intercepted the Scuds launched by Iraq.

There is no more space-based component to the ballistic missile defense system. That is gone. I know a lot of folks on this side of the aisle did not like that. It is essentially gone from the program. There is essentially no more long-term long-range development or research under the program. It is gone. There is basically no more money left for a national missile defense system. There was a lot of dispute about whether we should be

spending money for the defense of the continental United States. That money is basically gone. As a result, all that is left in the ballistic missile defense system is money for the development of a theater defense system, a short-range system basically like the Patriot, to defeat a system like the Scud.

Now, I do not know where the money is going to come out of this year's budget with the $350 million rescission called for in this amendment or with the ratcheting down each year thereafter down to the point of $2.35 billion in 4 more years.

As one of the speakers pointed out, we have already cut out over a billion dollars from the request of the administration. Now, if the authorization and appropriation committees and the House and the Senate have already gone further than the President and Secretary Aspin think is prudent, how can we tonight with no information, with no understanding of exactly where these cuts would be made, vote to cut out this additional funding from the ballistic missile defense budget?

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. KYL. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. As the gentleman knows, in the committee, in the Research and Development Subcommittee of the Committee on Armed Services, this is the number. If we vote for this amendment tonight, it will be the number that the Research and Development Subcommittee came up with for ballistic missile defense after listening to testimony all year.

Mr. KYL. Reclaiming my time, because the gentlewoman is not accurate in that regard.

The R&D Subcommittee did not cut this sum of money over the next 4 years from the ballistic missile defense system. It is absolutely incorrect to make that statement, as the gentlewoman knows.

Furthermore, the subcommittee did not suggest a $350 million rescission from this year's budget.

And, finally, the full committee and the House and the Senate all rejected the recommendation of the subcommittee and, therefore, I would suggest to the gentlewoman that it would be wrong to argue that the body tonight should go against the recommendations of the full House Committee on Armed Services and the Committee on Appropriations. And I would like to conclude this point, and if the gentlewoman would like to respond, that would be fine.

□ 2200

What I am saying is this: It is true that the R&D Subcommittee recommended the lower funding for the ballistic missile defense system, for 1 year, but it is not true that it recommended the cuts set forth in this proposed amendment. Nor is it true that it recommended $350 million rescission. There is nowhere for that money to come out this year.

So the body needs to decide this tonight. The House Committee on Appropriations Subcommittee on Defense, and the full committee have acted as have the Armed Services Committees in both bodies. We have confirmed a conference committee report. The defense authorization and appropriation bills have been sent to the President. Now, is this body tonight, based on this amendment at this time without any further information, going to adopt an amendment that undoes all that action? I suggest that that would be imprudent, to say the least, and that we could not explain where the money would be coming from, what the effect on the ballistic missile defense system would be, whether it would affect the Arrow system, for example, or what any of the other effects would be. It would be an act of irresponsibility for us to adopt this amendment tonight.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 1 minute to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. I thank the gentleman for yielding. I am perfectly happy to be here with further information, and just sorry that the gentleman from Arizona did not want to let me put it out there. First, technically the gentleman is correct in that we did not pass this for 4 years because we only mark up a bill for 1 year. However, you could just get in there because my Subcommittee on Research and Development, for every $1 you cut there is only 50 cents in this year and the rest of it is over the rest of the years. So that is technically correct.

However, if you look at the number that the committee marked up to, this is where we would be over a 4-year period. Voila.

Now, what did we do? We did not touch theater missile defense. We thought that was terribly important, that was the President's highest priority, and that is what we left in there. What did we go after? We went after things that were in the space-based defense that had not been showing up with good results, but with very marginal results, they were on the line. But we did not micromanage.

He is also trying to be tricky by saying precisely what program is in here. Our committee decided what we would do is put a pool in for the space-based defense.

Mr. SHAYS. Mr. Chairman, I yield an additional minute to the gentlewoman from Colorado.

Mrs. SCHROEDER. I thank the gentleman for yielding.

The idea was that the Service would then sort out these programs and determine which ones came up with the best results and which made the most sense to invest in.

Now, the Subcommittee on Research and Development passed this; it went down by, I think it was, only a 1- or 2-vote margin in the committee. On the House floor I offered it again, and I almost won there, with almost 200 votes.

Mr. KYL. Mr. Chairman, will the gentlewoman yield to me?

Mrs. SCHROEDER. Well, I am going to be more of a gentlewoman to the gentleman than the gentleman was to the gentlewoman, and I will be happy to yield.

Mr. KYL. I want to thank the gentlewoman. I had yielded to the gentlewoman. I simply want to ask if the gentlewoman wants to revise what she said about my being tricky when I asked the question of where precisely these would be coming from.

Mrs. SCHROEDER. Reclaiming my time, I tell the gentleman that I think he knows, because he is a very esteemed member of the committee, the determination was not to micromanage and pinpoint one program. We had several programs that we had very severe questions about in the space-based area, and what we were saying was we wanted the Department of Defense to select out of that pool where we thought that much money could be found.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. ROEMER].

Mr. ROEMER. I thank the gentleman from Massachusetts for yielding this time to me.

Mr. Chairman, I rise in support of the Frank Shays amendment today, a serious and important addition to the budget debate we are now conducting.

Each of the four elements in this measure has passed or nearly passed the House this year, and I am proud to be the author of the space station elimination provision and a supporter of all the others.

Tonight I want to address the space station program in particular. I strongly believe that what we are trying to do is in the best interest of the country, the taxpayers and certainly of NASA and the American space program.

NASA clearly needs a new direction. Just today we learn in the media that NASA has been conducting a nationwide search for a new name for the space station to replace *Freedom* and *Alpha*.

I do not know how much this effort is costing NASA, and I am not sure we want to know. NASA spent $65,000 to decide what color the station should be, and what with inflation and all, who knows what a name costs these days?

NASA has settled on five finalist names: Unity, Alliance, Aurora, Alpha and Sigma. Instead of picking a finalist, I submit that they should keep all five names. The space station has already been redesigned five times, and

with all the problems it faces in the future, it will probably go through all five names and more.

I have a few suggestions of my own. How about space station Hoover, vacuuming up taxpayer's dollars? How about Space Station Abracadabra, making NASA's resources disappear?

Mr. Chairman, what I would like to call it is space station History. This House almost had it right earlier this year, when we failed to adopt my amendment to end this program by a single vote.

We have a real opportunity to fix that mistake here today, Mr. Chairman, and I urge all of our colleagues to support, and create real change here today.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. BACCHUS].

Mr. BACCHUS of Florida. Mr. Chairman, I understand the gentleman from Indiana [Mr. ROEMER] had limited time and he has been courteous to me and had yielded to me in the past.

But I ask the gentleman at this time if he is willing to cut off the vice president of the United States at the knees with this vote here tonight before he goes over to Russia later this year to put together the final proposal between the Russians and the Americans for what could be a partnership of earth-shattering proportions, that could bring our two countries together after nearly half a century of potential combat, is he willing to do that?

Mr. ROEMER. Mr. Chairman, will the gentleman yield?

Mr. BACCHUS of Florida. I yield to the gentleman from Indiana.

Mr. ROEMER. I thank the gentleman for yielding.

Mr. Chairman, I do not think it is a question about the vice president's knees, it is about our children's futures.

Mr. BACCHUS of Florida. Reclaiming my time, our children are not going to have any future unless we are willing to invest in technology that will create economic growth so that we can afford social programs.

Mr. ROEMER. The question here is, since Ronald Reagan developed this program, we have spent $11 billion on a space station and we do not have a dime's worth of hardware.

Mr. BACCHUS of Florida. Reclaiming my time: For every dollar we have invested in the space program, including the space station, we have generated $9 in additional gross national product, and that is a far better rate of return than we get on almost any other investment.

Mr. FRANK of Massachusetts. I yield such time as she may consume to the gentlewoman from Georgia [Ms. MCKINNEY].

Ms. MCKINNEY. I thank the gentleman for yielding to me.

Mr. Chairman, I rise in strong support of this commonsense amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield such time as she may consume to the gentlewoman from California [Ms. SCHENK].

Ms. SCHENK. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in strong support of the Frank-Shays amendment.

I am a cosponsor of the amendment offered by the gentleman from Massachusetts, as well as a cosponsor of the Penny-Kasich package. The House has rejected a chance to cut spending by $90 billion; at the very least, let's not pass up this chance to cut $51 billion.

Opponents of this amendment will claim that it jeopardizes our national security, and our advances in science and space exploration.

Mr. Chairman, to my colleagues let me say that the biggest threat to our national security is a $4 trillion debt which saps our ability to invest in this country's future. This debate is not just about deficit reduction—it is about regaining control of our economic destiny.

By voting down the Penny-Kasich proposal, we passed up a chance for real deficit reduction.

Surely, if you believe that we are in a crisis, if you believe that this deficit is the most pressing threat to our economic security, then surely you can vote for the cut of $51 billion. I urge a "yes" vote on the amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 1 minute to the gentlewoman from California [Ms. WOOLSEY].

Ms. WOOLSEY. I thank the gentleman for yielding this time to me.

Mr. Chairman, it is our job here in Congress to give the taxpayers their money's worth. We can do that by enacting programs which provide real and tangible benefits for American families. That is why I support the Frank-Shays amendment.

The American taxpayers are wondering why we continue to spend money on programs which this amendment proposes to cut—and, Mr. Chairman, 110 new Members were elected to Congress in 1992 to cut these wasteful programs.

Earlier in the year, this body came very close to eliminating the space station; passing a burdensharing amendment; terminating ALMR; and cutting star wars—because in these tough fiscal times, and with the end of the cold war we can no longer afford extravagant space programs and wasteful military spending.

Mr. Chairman, the Pentagon's 5-year plan calls for American taxpayers to spend $400,000 per minute on defense. This waste causes taxpayers to wonder what on earth we are doing for them here in Congress.

This body desperately needs to muster the political will to cut defense programs we no longer need. I urge my colleagues to vote in favor of the Frank-Shays amendment.

□ 2210

Mr. SHAYS. Mr. Chairman, I yield myself 40 seconds.

Mr. Chairman, as we debate this bill, how can we say that $14.7 billion does not amount to anything. And we are not just talking about $14.7 billion, we are talking about $14.7 billion in the next 5 years and tens of billions of dollars in the years to follow.

I have no doubt in my mind that the space station, like the superconducting super collider, will be eliminated. Do it now, not later.

I have no doubt in my mind that Americans will no longer continue to tolerate the Europeans having a free ride.

Let us get burden sharing going right now and save the taxpayers billions of dollars.

Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. BARCA].

Mr. BARCA of Wisconsin. Mr. Chairman, I am very pleased to join my colleagues, the gentleman from Massachusetts [Mr. FRANK] and the gentleman from Connecticut [Mr. SHAYS] in strong support of this amendment.

As has been stated, each one of these separate programs, of which there are only 4, had only 200 votes by Members of this House. One of them passed this House. The second one failed by one vote. The third one, the gentlewoman from Colorado spoke very articulately of the fact that we are actually saving more money than we are spending.

And the fourth one on the burden sharing, I want to speak a little more at length on. That was my biggest disappointment in our effort to cut spending in this session of Congress.

In fact, when I went back to my district and told people that we failed by about a 5- or 6-vote margin on the burden sharing amendment, they were dumbfounded. They could not understand how this country who shouldered the burden for our Nation's defense and the world's defense for over 40 years should be expected to continue these practices.

Furthermore, Mr. Chairman, just like the last amendment, this is a bipartisan amendment. The gentleman from Connecticut [Mr. SHAYS] and I have worked together on the last amendment, and every argument that applied in the last amendment is no less true in terms of this amendment.

There are no gimmicks to this amendment. There are four items that we are cutting. They are real cuts. They are $14 billion. They are cutting spending, I do not know if it is first or last, but it is cutting real spending.

It is important that we make these cuts.

Just like the last amendment when the articulate speakers spoke, we are $4 trillion in debt. We are spending a buck fifty for every buck we are taking in. We cannot continue these practices. It has to stop.

Mr. Chairman, I hope we would join the National Taxpayers' Union, as well

as over a dozen other groups, and vote "yes" on this important amendment.

Mr. SABO. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. HALL].

Mr. HALL of Texas. Mr. Chairman, I rise in strong opposition to the Frank-Shays amendment and urge its rejection by the House.

Frankly, I did not think that the House would have to go through another debate on the space station this year. It appears that a few Members are unwilling to accept the judgment of the House when it twice voted to continue the program earlier this year.

I share with many Members the desire to cut spending and put our fiscal house in order. I have worked hard to cut wasteful spending wherever I have found it. But I will not support cutting out those investments—like the space station—that offer the promise of a better future for all of our citizens, young and old. We should cut back when necessary, but not cut out. And we have cut back substantially this year. We cut the President's request for NASA by $226 million in subcommittee and committee markup. And then on the floor, Mr. CALVERT and I offered an amendment that was passed by the House which cut NASA spending by an additional $250 million.

The redesign of the space station completed earlier this year will save taxpayers $4 billion over the next 5 years. NASA is tightening its belt, and I intend to make sure that NASA continues to use the taxpayers' dollars wisely.

Since the space station has already been debated extensively by the House twice this year, I'm not going to take up Members' time listing all the reasons I support this important program. But I would like to note that we intend to work with the Russians in building our space station. We have a chance to help them move away from a military economy while helping us make our station program better.

Mr. Chairman, the Frank-Shays amendment would do real harm to our Nation's space program. I urge my colleagues to vote against it.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 1½ minutes to the gentleman from New York [Mr. OWENS].

Mr. OWENS. Mr. Chairman, this is one of the most informative debates we have had this year. To the American people who are listening, I know you are probably astounded to hear that almost 50 years after the end of World War II we are still spending billions of dollars to defend Germany and Japan. We are debating burden sharing with Germany and Japan.

The Japanese and the German workers have a higher standard of living then the American workers. I congratulate the workers and the people of Japan and Germany and I congratulate their leaders.

I also congratulate the people of America for throwing out the leaders who did not have the vision to see that we should end this stupidity.

The new leaders have not yet gotten the message, and the Members of this Congress have not yet gotten the message.

This amendment is to educate where the real cuts are, where the real waste is.

We did not vote to cut Federal workers. The people did not vote to cut Federal workers. They voted to cut waste. There are hundreds of billions of dollars' worth of waste, and this amendment attacks that waste, even before it gets to the wasteful CIA and the Intelligence budget.

Mr. Chairman, vote for the Frank-Shays amendment and you will have real waste cutting.

Mr. SHAYS. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Indiana [Mr. SHARP].

Mr. SHARP. Mr. Chairman, I rise in support of the Frank-Shays amendment and hope we will finally be successful in recognizing that the world has changed and our needs have changed. Our fiscal needs have changed. That is why we are here tonight in this country dealing with these critical financial questions, but our security needs have changed and our scientific needs have changed, and this amendment reflects the fact that we have not yet caught up with that.

One issue in particular, the Liquid Metal Reactor, will be eliminated here. The House voted overwhelmingly earlier to eliminate it, but the Senate not only restored the funds, it increased the expenditures for next year.

And yet we do not really want to go to plutonium away from uranium, because it is much more dangerous. It is less economical. The private sector will not invest in it, and yet we in the public sector drag on, carrying the taxpayer forward and having to fund these kinds of programs when our needs are greater elsewhere.

Mr. Chairman, let us catch up with the changing world. Let us support the Frank-Shays amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 1½ minutes to the gentleman from New Jersey [Mr. KLEIN].

Mr. KLEIN. Mr. Chairman, I rise in strong support of the Frank-Shays amendment. This amendment ends $14 billion in unnecessary spending by cutting four sacred cows that we simply cannot afford, a manned space station that is no longer useful, European burden sharing that should have been ended a long, long time ago, so that our partners could pay their fair share.

When added to the cuts in the Sabo amendment, we will be reducing spending by $53 billion.

Mr. Chairman, I am strongly committed to reducing spending. That is why I support this amendment. These are real spending cuts, achieved not by robbing from Medicare programs that could help us achieve health care reform, not by robbing from nutrition centers.

And by the way, I have visited dozens of those nutrition centers and the people who use them desperately need them and they depend on them.

These spending cuts are achieved by cutting four programs that no longer have a future.

Let those who really care about cutting spending vote for this amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 1½ minutes to the gentleman from Massachusetts [Mr. OLVER].

Mr. OLVER. Mr. Chairman, I thank my colleague, the gentleman from Massachusetts, for yielding this time to me.

Mr. Chairman, a responsible deficit reduction has to continue to be a top priority of this Congress because the loud and clear message from businesses and families who are having to live within their means is to stop borrowing from our children's future.

The Frank-Shays amendment cuts four programs: the manned space station, the star wars strategic defense initiative, the helium reserve, and European burden sharing. These programs should be cut or scaled. They do not meet the test of priority. We simply cannot afford them.

As we set spending priorities, programs to create jobs and prepare workers for those jobs must come before expensive, outdated big ticket items.

H.R. 3400, as already amended tonight, is a good start, but we can do more. I urge my colleagues to support this amendment, save an additional $14 billion now and $100 billion, probably, as has been suggested by the gentleman from Connecticut, over the next few years and strike a victory for fiscal responsibility.

Mr. COX. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, earlier tonight we heard some outstanding speeches in behalf of the Penny-Kasich bill to cut deficit spending. The Penny-Kasich bill would have cut 1 percent of total Federal spending, and it was denounced passionately by the liberal Members on the Democratic side because the cuts were too deep, even though they amounted to only 1 percent of the total Federal budget.

The Democratic sponsor of this amendment, my colleague, the gentleman from Massachusetts [Mr. FRANK] voted against Penny-Kasich and offers instead this amendment, which purports to save .002 percent of total Federal spending.

The trouble with this amendment is that we will not save this money at all. Unlike Penny-Kasich which contained enforcement, this bill contains no budget enforcement at all.

The Penny-Kasich amendment lowered the spending caps. It reduced budget authority and outlays, so that the money saved from the Penny-Kasich cuts would actually go to reduce taxes or reduce the deficit.

□ 2220

In this case, however, the money that is cut from defense can be used by every other Democrat committee chairman to increase deficit spending on other pet programs. It is like found money. Penny-Kasich would have cut 1 percent. It was a start, but only a start, and it was defeated by many of the Members who are now urging this fig leaf. Unfortunately, Mr. Chairman, this amendment does not guarantee any real spending reduction. The money will simply be used elsewhere. Just as surely as it cuts ballistic missile defense, it will eventually increase some other new deficit spending program.

I say to my colleague, "Don't fall for it."

Mr. SABO. Mr. Chairman, I am going to vote the same way as the last gentleman who spoke, but I have a tough time following his logic.

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

Mr. SHAYS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I was such a strong supporter of Penny-Kasich, I believed in it with all my heart and soul, I believed in it because I think our Nation is facing a day of reckoning. Whether bankruptcy occurs in 1995 or 1998, or the year 2000, it is happening. It is happening because we are seeing a national debt that is continuing to grow, and grow, and grow. It will grow by 40 percent in the next 5-years—$1.6 trillion,—the largest increase in any five year period.

We are advocating that four programs be reduced or eliminated saving us $14.7 billion in 5 years.

In the case of the manned space station, Mr. Chairman, we failed by one vote. Tell me, if we failed by one vote this year, is it not likely that we are going to succeed next year. And, if we are to succeed next year, why wait? Why continue to spend money? The space station has been revised so many times it does not even know what its mission is. We are looking now to the Russians to rescue us, and we are not even sure where they are going.

We have seen the strategic defense initiative [SDI] become the Global Protection Against Limited Strikes [GPALS] become the Ballistic Missile Defense [BMD]. It too, like the space station, is a program searching for a mission. And we are looking at burdensharing, and we are saying, "My gosh, the Europeans pay only $299 million for over a hundred thousand troops, and the Japanese pay $2.5 billion. They pay 75 percent of our military's nonsalary costs."

"Why shouldn't the Europeans pay the same? If they did we would have a $10 billion savings in the next 5 years. If they don't, we would reduce our force in Europe by 75,000 troops redeploying 37,500 and reducing our base force by 37,500." Some 25,000 troops would still be left in Europe.

I thank my colleague, the gentleman from Massachusetts [Mr. FRANK], for joining with me in this amendment. And I encourage my colleagues on both sides of the aisle to cancel the manned space station, increase European burdensharing, reduce spending on the Ballistic Missile Defense Program, and cancel the Advanced Liquid Metal Reactor. Do these four things and we will save the American taxpayers $14.7 billion in the next 5 years and tens of billions of dollars more in the years to follow.

The CHAIRMAN. The Chair advises that the gentleman from California [Mr. COX] still has 45 seconds remaining, and the gentleman from Massachusetts [Mr. FRANK] has 3½ minutes remaining, and the gentleman from Massachusetts has the right to close.

Mr. COX. Mr. Chairman, I yield back the balance of my time.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Massachusetts is recognized for 3½ minutes.

Mr. FRANK of Massachusetts. Mr. Chairman, I subscribe very much to what my cosponsor, the gentleman from Connecticut [Mr. SHAYS], has said. This is to some extent a test of the extent to which rhetoric and intentions coincide throughout this Chamber. We have people who would like to argue that spending cuts are only spending cuts if they aim at domestic programs, if they reduce employees, if they diminish services for the poor. Somehow the semantics are at risk of being captured by people who want to argue that if we cut $9 billion out of a venture to put men in space, not for the national defense and not on an overwhelming scientific justification, and we are not attacking NASA; we give NASA billions more in this amendment for the nonmanned space programs than they would have had. We believe that the motivation for putting men in space historically and today is political and psychological. It is to help the Russians. It used to be to scare the Russians. Tomorrow it will be something else with the Russians. But it will not be science. That is not a cut apparently.

Saying that the Europeans can no longer get subsidies, that is not a real cut. Cutting foreign aid to poor people is a real cut, but cutting foreign aid to rich people is not a real cut, because the richest people in the world right now in Western Europe, among the richest, are the beneficiaries of substantial American funds, and what we are saying is they should pay it.

As my colleagues know, this is a great way to make the Europeans feel more secure. They tell us they need the troops because they are nervous. And we will tell them to pay for the troops. Do my colleagues know what? They may not need the troops anymore. At the very least it will make them feel better.

The notion that it is only a cut if it is somehow going to diminish services to people in need has to be exploded, and the gentleman from California said, "Well, this doesn't lower the caps. It only cuts out spending programs so it's not real savings."

Do my colleagues know why? Because, having voted to reduce spending in real terms by $16 billion, we have not locked the money up forever. That is like saying, "If you take half of your salary, and put it in the bank, that's not saving because you know what? You might later decide to spend it." Well, that is in the Constitution of the United States. A later Congress can decide to change the decision of a prior Congress. But I know of no other way to save money than to stop spending it, and CBO does not score caps. They do not score gloves, they do not score socks. They score spending, and in fact spending cuts are more important than cutting the caps. When we reduce the deficit further this year, we do it by going below the caps.

We have an amendment which does have some pain, so when people said, "Well, you're actually trying to go over what we did before," but that was the commitment. The commitment was that, having made one round of cuts, we would come back and make another, and this is not enormous, but it is over time $16 billion hardened, and the gentleman from Connecticut said it is tens and hundreds of billions if we project it out.

Let us not put men in space. Let us just concentrate on NASA as a scientific operation. Let us tell the wealthy people of Western Europe that we are no longer going to give them a free ride on defense. Let us kill the advanced liquid metal reactor, which the gentleman from Indiana has pointed out the flaws of, and let us, as the gentlewoman from Colorado pointed out, reduce SDI, and I thought her discussion of that was quite persuasive.

Please vote for this amendment. It is the only 14 billion actually my colleagues are going to get tonight, and it is real savings.

Mr. BARCA of Wisconsin. Mr. Chairman, President Clinton's deficit reduction plan was an important first step, but most of us realize that we need to go further to cut the federal deficit.

The main complaints during the budget debate was that it lacked bipartisan support and did not cut enough out of the federal budget. With the Penny-Kasich and Frank-Shays

amendments, we have found common ground and I am pleased to have been an integral part of advancing bipartisan solutions to our budget woes.

Making cuts of $90 billion or $21 billion are difficult tasks and requires us to make tough decisions. There is no magic about these figures, but there is magic in the fact that bipartisan groups came together to advance significant and specific proposals to reduce spending and further address our deficit.

The benefits of these efforts are that we actually further reduce the deficit in this Congress and we have created the impetus for further proposals to cut wasteful spending. Our national debt is now more than $4 trillion and climbing. The bottom line is that we cannot continue to spend a $1.50 for every dollar we take in.

We have the responsibility tonight to continue to build on the effort made in the budget act passed in August.

I will be going home tomorrow to celebrate my daughter Abrianna's birthday on Wednesday. I feel an obligation to her, my son Peter Joseph, and all of the children of the First Congressional District to stop our outrageous fiscal policies of the past couple decades.

It is becoming increasingly obvious that the red ink that our fiscal policy has been producing jeopardizes the long term viability of some of our most important and worthy federal programs.

After our initial vote on burdensharing during the appropriations process, I went home during the district work period. The people of my district were dumbfounded at our vote. They could not understand, why, after forty years as the leading defender of democracy around the world, we could not ask our European allies to pay just a small part for the defense of Europe. I must admit that I was at a loss to explain to them how this could happen.

Tonight we have a chance with Frank-Shays amendment to correct this by voting for burdensharing as well as significant cuts in other programs like the space station. In earlier votes, the House has indicated strong support for all four measures in the Frank-Shays amendment. They deserve our support tonight.

Our work in Congress means that we must craft compromises and that means that as individuals we may not support every segment of a proposal. This is the case for me regarding the Penny-Kasich plan. There are a number of problems with this proposal that need further work. Just two examples of the problems it creates include health care reform and unfunded mandates.

As a member of the Unfunded Mandates Caucus, I am concerned about the unfunded Federal mandates that arise from the amendment. The home health care and lab tests provisions must be modified.

I want to work with the President and members of both parties to accomplish the goal of universal health care. The President has indicated that savings from Medicare need to be used for health care reform.

Indeed, I would support, as would many of the members from the task force, having the money saved through Medicare savings in the Penny-Kasich amendment to be applied toward health care reform in order to be able to pass a universal health care plan.

However, the most significant benefit of this amendment is that it reduces the caps to actually further reduce the deficit and that is critical and necessary.

This amendment, and the Frank-Shays amendment, accomplishes what the American people are demanding—reducing Federal Spending.

Our efforts have the backing of the Concord Coalition, the National Taxpayers Union, Citizens Against Government Waste and countless other organizations concerned about this country's Federal deficit.

I am supporting these proposals as the most significant measures before us today that directly reduce our Federal deficit.

Mr. MINETA. Mr. Chairman, I rise today in opposition to the Frank/Shays amendment to H.R. 3400.

Mr. Chairman, certainly we all agree that the budget deficit needs our attention—that is why I voted in favor of the $37.1 billion savings found in the Sabo amendment to H.R. 3400.

I cannot, however, support the Frank/Shays amendment. Mr. Chairman, it is a serious mistake to attempt to cut a marginal percentage of the deficit at the cost of canceling the future of our Nation's space program through the elimination of the space station. A first-rate American space program is not a luxury—it is a competitive necessity.

The path we as a nation desperately need to travel is clearly marked by the United States maintaining a leadership presence overseas, a nationwide sense of hope for the future, and the capacity of our industries to complete the prosper in the world's markets.

Last July, the House again voted to fund the space station. Since then, NASA has proposed a new and even better version, known as the alpha station, to take us down this path.

The alpha version of the space station is designed around extensive cooperation with the Russian space program as well as our more traditional partners: the Europeans, Canadians, and Japanese. Using Russian technology and experience to support our own will save us money, allow us to perform more and better science, and greatly reduce our risks.

The proposed alpha station is also an important step in the President's policy of reaching out to Russia. This version, should it meet with congressional approval, would mean a new era of cooperation between our two nations.

And Mr. Chairman, the station is really about hope over fear. It is about our Nation making goals and reaching them. It is about our children being excited to be American—and about maintaining our role as the worldwide pioneers of the Technology Revolution.

Yes, Mr. Chairman, we could support the Frank/Shays amendment, turn our gaze inward, save some money, and put space exploration on a back shelf. But that is not what we should do.

Instead, let us stake out our role as leaders, and learn not just from having a permanent space lab in terrestrial orbit, but also from the process of getting one there. And with that knowledge, our high-technology firms will lead the way in our Nation's economic recovery and teach us again to compete effectively in the world's markets. I have often pointed out that it was no accident that the most dramatic growth in our high-technology industries paralleled the years of NASA's greatest activity and accomplishment.

Mr. Chairman, several months ago, we voted to support a pared down, yet more efficient version of the space station. Today we have on the table an effort to kill an even better model, one that, if anything is more deserving of our support. We should not allow that to happen.

I urge my colleagues to oppose the Frank/Shays amendment.

Mr. DELAY. Mr. Chairman, I rise in strong opposition to this amendment. First, because it cuts funding for the space station, a project I believe in strongly and for which I have fought long and hard.

Funding for this program has been fully debated by the House under both the authorization and appropriations bill and the House has voted twice against amendments to eliminate funding for the space station.

This year the space station has been through a major redesign and we have entered into a joint venture with the Russians which serves also as a critical initiative to bring post cold war Russia into the mainstream of global society. Through the redesign and Russian cooperation, we have cut $4 billion in costs from the space station, station will be operable 2 years earlier than originally planned in 1997 and completed in 2001, it will have 25 percent more volume, 57 percent more power, a larger area for microgravity experiments and room for six astronauts—two more than before.

As we are here discussing the "Reinventing Government" package and the question of the efficiency of the Federal Government, I am the first one to argue that the private sector can do almost anything more efficiently than the Government and that it is the failure of Government that it takes control of those things which the private sector can do better.

When it comes to the space station, however, this is not the case. For those Members who believe that we should kill space station in favor of deficit reduction, I urge you to think again.

Compared to all the unnecessary activities undertaken by our Government, America's space program is one which is unquestionably legitimate. Space station will provide indisputable benefits now and in the future that will far outweigh the investment we've put in. And realizing these benefits through space research is exactly the type of activity that Americans expect their Government to undertake. When we look for places to cut Federal spending, we should go first to the excess of activities in which Government is involved but does not need to be. America's space program is one activity that absolutely requires Government involvement.

As if that weren't enough, this amendment also threatens our national security. The Appropriations Committee recently cut $1 billion from the requested $3.8 billion for the Ballistic Missile Defense Program. This program is already lean. This amendment would make further cuts rendering the program useless. In fact, Secretary Aspin has stated that the program requires $3.6 billion to be effective. This

amendment essentially cuts this important defense system off at the knees and thus becomes a national security problem.

With regard to burdensharing, Congress has already agreed to reduce the number of troops in Europe to 100,000 by 1996. This amendment would accelerate this schedule by 1 year. I strongly believe that there should be some pacing with regard to downsizing. We have less than one-third the number of troops that we had just 2 years ago and this amendment—with its complicated percentage for troops formula would dangerously reduce those levels even further.

What about NATO? How in the world are we supposed to negotiate an alliance with some 16 foreign nations when we are withdrawing troops at an unprecedented rate? I believe this amendment would severely damage our negotiating position with NATO and thus reduce our Nation's security.

My colleagues, make no mistake, not one dime of savings from this amendment will go toward deficit reduction because it does not lower the discretionary caps. Characterizing this amendment as a deficit reduction proposal is a sham. The supporters of this amendment are already planning how to spend the money saved on nonproductive social programs.

A vote against this misguided amendment is a vote for a strong presence in space and a strong defense.

Mr. SANDERS. Mr. Chairman, I stand in strong support of the Frank-Shays deficit reduction amendment to the President's rescission package. This amendment includes all the provisions in the Sabo bill plus additional spending cuts that have garnered the support of over 200 Members of the House during the last several months.

Passage of this amendment will reduce spending by $51.5 billion over 5 years by cutting the Federal workforce while increasing its efficiency and effectiveness and reducing or canceling three of the lowest priority programs to which we are now committed.

The Frank-Shays amendment offers a rare opportunity to take another hard look at some of the most questionable spending programs in the budget.

This amendment would reduce U.S. military spending in Western Europe by $10 billion over 5 years and require our European allies to finally pay for a fair share of their defense. If the Europeans still need our soldiers on their soil, they ought to pay the room and board. A similar proposal attracted 210 votes on September 9.

This amendment would reduce spending for the Ballistic Missile Defense program—also known as the Strategic Defense Initiative—by $1.85 billion over the next 5 years. This idea got 202 votes in the House on September 8. This amendment would cancel the Space Station and re-allocate 25 percent of the funds to more sensible NASA projects, for a 5-year savings of $10.5 billion and further savings thereafter. NASA's pre-occupation with a manned space station has wasted money and crowded out less expensive, more useful projects. The Frank-Shays proposal would divert $2 billion of the savings to other NASA initiatives. The space station survived by a single vote in the House on June 23.

Mr. Chairman, last summer, this House enacted the largest deficit reduction package in history, cutting $496 billion from the Federal budget over 5 years. We need to continue that work. As our constituents face financial hardships, we must be certain that we are doing everything in our power to cut unnecessary government spending while meeting the needs of our citizens. I believe we should do this in an intentional, deliberate manner—cutting weapons systems and preserving children's programs, giving up on space stations and protecting social security.

I raise my voice in support of rational national priorities and in support of the Frank-Shays amendment. Mr. Chairman, let's take this opportunity to fix three huge deficit-building mistakes.

Mr. ANDREWS of Texas. Mr. Chairman, more than a quarter century ago, our Nation made a commitment to space. It was a commitment to not only explore the frontiers beyond our planet, but also the frontiers of science, engineering, and medicine. In all, this investment—averaging less than 1 percent of our entire Federal budget per year—has paid rich dividends to our knowledge and our lives. Today, the potential to reap even greater benefits is stronger than ever before.

For all that the space program has given us, we struggle over funding each year. Year in and year out, proposals to kill the space station are brought before Congress; and year in and year out these proposals are defeated because of commitment to a manned presence in space. Since 1985, there have been nine major votes on the space station. In 1993 alone, we have twice voted for the continuation of the space station program. Yet opponents continue to ignore the will of the House and attack this much maligned project.

I find it ironic that today, on the 30th anniversary of the tragic death of President Kennedy, we would turn our backs on his historic vision of conquering space. As the United States embarks on a new path of international collabbration on the space station with the Russians, we should further the efforts that President Kennedy first outlined at Rice University in 1963.

Over 30 years ago, President Kennedy proclaimed this Nation's goal of placing a man on the moon. Kennedy had said, "The exploration of space will go ahead, whether we join in it or not, and it is one of the great adventures of all time. No nation which expects to be the leader of other nations can expect to stay behind in this race for space. * * * We mean to be a part of it—We mean to lead it."

President Kennedy's words still ring true. The space program is no longer just a dream of an extraordinary President, but the life work for the talent here in this country.

The next chapter of our country's space program may very well be the most daring and exciting. In the weightlessness environment of space, our astronauts may find the answers to man's worst diseases. Our best scientists believe that we can build a better computer chip in space than can be built on Earth. NASA's work to improve heart transplantation, discovering new ways to halt the rising epidemic of skin cancer, and to improve prosthetic products for our disabled population is just the beginning. The fact is, we know only a small fraction of what this universe holds.

Inventions and discoveries that we cannot even imagine, we will consider as commonplace tomorrow. Let us not be the Congress that stops the progress of our country's space program. Let us not be the Congress that says to the world that America is no longer interested in leading the world in the grand adventure of space exploration.

The issue is a clear one: We either move ahead with the program and build a space station or move aside for forfeit our leadership.

Our trading partners understand the space station's potential and are waiting to follow our leadership. Without a strong commitment to the space station program, the Japanese, the Canadians, and the Europeans will turn elsewhere in this fierce competition for the future. With their ready assets and resources and with a changed world, I welcome the involvement of the Russians in building a space station. This new cooperation only underscores how different the playing field has become since President Kennedy spoke at Rice stadium.

Our generation has a responsibility and a great challenge. We can keep America No. 1 in space technology—we can continue to lead other nations—or we can step aside and follow.

Mr. Chairman, I urge my colleagues to reject the Frank amendment.

Mr. FAZIO. Mr. Chairman, I regret that I must rise in opposition to the gentleman's amendment.

The amendment seems to attempt to rescind the funding in the fiscal year 1994 appropriation for the Advanced Liquid Metal Reactor/Integral Fast Reactor Program. The appropriation for this program is $45.3 million. The amendment would reduce the fiscal year 1994 funding by $141.9 million. The effect of this would be to reduce other programs in this appropriation by an additional $96.6 million. This would be applied by the administration to this account which includes solar and renewables, basic energy sciences and environmental research and cleanup.

The authors apparently intend to only reduce the Advanced Liquid Metal Reactor Program, but even if this difference is resolved in the conference on the bill, the funds would have to be held back from these programs for many months until the conference is completed.

I must regrettably urge the defeat of this amendment.

Ms. HARMAN. Mr. Chairman, I rise in opposition to the Frank-Shays amendment. While I support its goals, I object to the route it takes to achieve them.

I supported the Penny-Kasich amendment because it takes a scalpel to the budget and distributes the pain in a fair manner. Unfortunately, the Frank-Shays amendment takes a meat axe to many of our Nation's most important scientific and military R&D programs, and that is not fair.

The Frank-Shays amendment would cancel the space station, which I supported this year after much research and thought. I have been quite clear in my criticisms of NASA, but the Clinton administration deserves a chance to reinvent the agency and the country will benefit from the science and jobs the station generates. The proposed United States-Russian partnership to build the station is a bold proposal that could have great payoffs for both

countries, and I urge my colleagues not to kill the program at this crucial moment.

I also oppose the Frank-Shays amendment's cuts to ballistic missile defense. BMD was one of the hardest-fought issues in the Armed Services Committee this year. Many Members are not happy with the fiscal year 1994 spending level that Congress approved last week: Some would like to see it lower, others higher. The Defense Department is still sorting out its BMD priorities, but it has already made major changes and reoriented the program to meet real post-cold war threats. Efforts to cut BMD funding further were defeated on this floor this fall, and we should do the same with this amendment.

Let me note, however, that I support some of the Frank-Shays provisions. I have supported every effort this year to terminate the advanced liquid metal reactor, which would also be ended under the administration bill and the Sabo substitute. And I supported amendments to the Defense authorization bill that would have increased allied burdensharing, although at a more moderate pace than this provision. I commend Congressmen FRANK and SHAYS for offering this amendment and helping underline the message that the future is now for deficit reduction.

Mr. WHEAT. Mr. Chairman, I rise to add my strong support to the Frank-Shays amendment and to urge my colleagues to vote for this responsible effort to significantly cut Federal spending.

I commend Mr. FRANK and Mr. SHAYS for their leadership, and I'm proud to be involved in efforts to move this legislation forward.

Mr. Chairman, our constituents are demanding that we end wasteful and unnecessary spending.

They are demanding that we reinvent our spending priorities as we reinvent government.

The Frank-Shays amendment answers that call.

Each of the provisions contained in this amendment have been considered by the House in the recent past.

Each has been reviewed by relevant committees and subcommittees. Each has been debated. Each has been voted on. Everything here has appropriately gone through the normal legislative process.

Some of the provisions have been approved by this body, none has received less than 200 votes.

Mr. Chairman, there is nothing new here. Except that today, we are asking the House to consider these reforms together—at one time and in one package—with the goal of substantially reducing our national deficit.

The Frank-Shays amendment takes a responsible approach toward real deficit reduction—without undermining the promise of national health care reform, without imposing billions of dollars in unfunded mandates to States, without cutting back on vital health care research, without denying critically needed assistance to the young and the elderly.

The Frank-Shays amendment acknowledges that in this post-cold war era, we must take serious steps toward burden-sharing.

This amendment sends a clear and overdue message to our wealthy Western European allies: The American people are fed up with picking up your tab.

Our wealthy allies simply must begin to pay their fair share of U.S. defense costs abroad.

This amendment goes beyond the rhetoric and ends the free ride for our friends who can well afford to pay their own way.

The amendment also recognizes that we must stop spending billions of dollars for big-ticket items like the space station which we either do not need or cannot afford.

Mr. Chairman, together with the cuts already proposed, the Frank-Shays amendment will reduce spending by over $51 billion in the next 4 years.

It does so without any budgetary grandstanding, and without stealing from the account that we have set aside for national health care reform.

The Frank-Shays amendment is a responsible continuation of our earlier efforts to achieve true deficit reduction, and I urge my colleagues to support this important amendment.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Massachusetts [Mr. FRANK].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. COX. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 184, noes 248, not voting 6, as follows:

[Roll No. 610]

AYES—184

Abercrombie
Ackerman
Allard
Andrews (ME)
Baesler
Barca
Barcia
Barrett (WI)
Becerra
Beilenson
Bereuter
Bilbray
Bishop
Blute
Borski
Brewster
Brown (OH)
Bryant
Byrne
Camp
Cantwell
Cardin
Clayton
Clement
Clyburn
Coble
Collins (IL)
Collins (MI)
Condit
Conyers
Coppersmith
Costello
Coyne
Danner
de Lugo (VI)
Deal
DeFazio
Dellums
Deutsch
Dooley
Duncan
Durbin
English (AZ)
English (OK)
Evans
Faleomavaega (AS)
Flake
Foglietta
Ford (MI)
Frank (MA)
Franks (NJ)
Furse
Gekas
Gilchrest
Goodlatte
Goodling
Gordon
Grandy
Gunderson
Gutierrez
Hamburg
Hefner
Hinchey
Hoagland
Hoekstra
Holden
Hughes
Inslee
Istook
Jacobs
Johnson (GA)
Johnson (SD)
Johnston
Kanjorski
Kaptur
Kennedy
Kildee
Kingston
Kleczka
Klein
Klink
Klug
Kreidler
LaFalce
Lambert
Lantos
LaRocco
Leach
Lehman
Levin
Lewis (GA)
Lipinski
Long
Lowey
Machtley
Maloney
Mann
Margolies-Mezvinsky
Markey
McCloskey
McDermott
McKinney
McNulty
Meehan
Menendez
Mfume
Miller (CA)
Minge
Mink
Moakley
Murphy
Nadler
Neal (NC)
Norton (DC)
Nussle
Oberstar
Obey
Olver
Orton
Owens
Pallone
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (MN)
Petri
Pomeroy
Porter
Portman
Poshard
Price (NC)
Ramstad
Rangel
Reed
Reynolds
Roemer
Rostenkowski
Roth
Roukema
Rowland
Rush
Sanders
Sangmeister
Sawyer
Schenk
Schroeder
Schumer
Sensenbrenner
Serrano
Sharp
Shays
Shepherd
Skaggs
Slaughter
Snowe
Stark
Stenholm
Strickland
Studds
Stupak
Swett
Synar
Thomas (WY)
Thompson
Towns
Traficant
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Walsh
Washington
Watt
Waxman
Wheat
Williams
Woolsey
Wyden
Wynn
Yates
Zimmer

NOES—248

Andrews (NJ)
Andrews (TX)
Applegate
Archer
Armey
Bacchus (FL)
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barlow
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Berman
Bevill
Bilirakis
Blackwell
Bliley
Boehlert
Boehner
Bonilla
Bonior
Boucher
Brooks
Browder
Brown (CA)
Brown (FL)
Bunning
Burton
Buyer
Callahan
Calvert
Canady
Carr
Castle
Chapman
Clay
Coleman
Collins (GA)
Combest
Cooper
Cox
Cramer
Crane
Crapo
Cunningham
Darden
de la Garza
DeLauro
DeLay
Derrick
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doolittle
Dornan
Dreier
Dunn
Edwards (CA)
Edwards (TX)
Emerson
Engel
Eshoo
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Fingerhut
Fish
Fowler
Franks (CT)
Frost
Gallegly
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goss
Grams
Green
Greenwood
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings
Hayes
Hefley
Herger
Hilliard
Hobson
Hochbrueckner
Hoke
Horn
Houghton
Hoyer
Huffington
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Jefferson
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Kasich
Kennelly
Kim
King
Knollenberg
Kolbe
Kopetski
Kyl
Lancaster
Laughlin
Lazio
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Livingston
Lloyd
Manton
Manzullo
Martinez
Matsui
Mazzoli
McCandless
McCollum
McCrery
McCurdy
McDade
McHale
McHugh
McInnis
McKeon
McMillan
Meek
Meyers
Mica
Miller (FL)
Mineta
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Natcher
Neal (MA)
Ortiz
Oxley
Packard
Parker
Pastor
Paxon
Peterson (FL)
Pickett
Pickle
Pombo
Pryce (OH)
Quillen
Quinn
Rahall
Ravenel
Regula
Richardson
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roybal-Allard
Royce
Sabo
Santorum
Sarpalius
Saxton
Schaefer
Schiff
Scott
Shaw
Shuster
Sisisky
Skeen
Skelton
Slattery
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (TX)
Solomon
Spence
Spratt
Stearns
Stokes

Stump	Thornton	Waters
Sundquist	Thurman	Weldon
Swift	Torkildsen	Whitten
Talent	Torres	Wilson
Tanner	Torricelli	Wise
Tauzin	Tucker	Wolf
Taylor (MS)	Underwood (GU)	Young (AK)
Taylor (NC)	Volkmer	Young (FL)
Tejeda	Vucanovich	Zeliff
Thomas (CA)	Walker	

NOT VOTING—6

Clinger	Michel	Smith (OR)
Ford (TN)	Romero-Barcelo (PR)	
Hall (OH)		

□ 2246

Mr. FIELDS of Louisiana, Ms. WATERS, and Mr. HOBSON changed their vote from "aye" to "no."

Mr. ALLARD changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. HOYER) having assumed the chair, Mr. HUGHES, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3400) to provide a more effective, efficient, and responsive government, pursuant to House Resolution 320, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on the amendment?

Mr. WALKER. Mr. Speaker, I demand a vote on the so-called Sabo amendment.

(For the text of the so-called Sabo amendment (amendment in the nature of a substitute offered by Mr. SABO) see prior proceedings of the Committee of the Whole of today.)

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

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

RECORDED VOTE

Mr. WALKER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 277, noes 153, not voting 3, as follows:

[Roll No. 611]

AYES—277

Ackerman	Bereuter	Browder
Andrews (ME)	Berman	Brown (CA)
Andrews (TX)	Bevill	Brown (FL)
Applegate	Bilbray	Brown (OH)
Bacchus (FL)	Bilirakis	Bryant
Baesler	Bishop	Byrne
Barca	Blackwell	Cantwell
Barcia	Boehlert	Cardin
Barlow	Bonior	Carr
Barrett (NE)	Borski	Chapman
Barrett (WI)	Boucher	Clay
Becerra	Brewster	Clayton
Beilenson	Brooks	Clement
Clyburn	Johnston	Price (NC)
Coble	Kanjorski	Rahall
Coleman	Kaptur	Rangel
Collins (GA)	Kennedy	Reed
Collins (IL)	Kennelly	Reynolds
Collins (MI)	Kildee	Richardson
Conyers	Kingston	Ridge
Cooper	Kleczka	Roemer
Coppersmith	Klein	Rogers
Costello	Klink	Ros-Lehtinen
Coyne	Kopetski	Rose
Cramer	Kreidler	Rostenkowski
Danner	LaFalce	Roth
Darden	Lambert	Roukema
de la Garza	Lancaster	Rowland
Deal	Lantos	Roybal-Allard
DeFazio	LaRocco	Rush
DeLauro	Laughlin	Sabo
Dellums	Lazio	Sanders
Derrick	Lehman	Sangmeister
Deutsch	Levin	Sarpalius
Diaz-Balart	Levy	Sawyer
Dicks	Lewis (GA)	Schenk
Dingell	Lipinski	Schroeder
Dixon	Lloyd	Schumer
Dooley	Long	Scott
Duncan	Lowey	Serrano
Durbin	Machtley	Sharp
Edwards (CA)	Maloney	Shays
Edwards (TX)	Mann	Shepherd
Engel	Manton	Sisisky
English (AZ)	Margolies-Mezvinsky	Skaggs
English (OK)	Markey	Skelton
Eshoo	Martinez	Slattery
Evans	Matsui	Slaughter
Farr	Mazzoli	Smith (IA)
Fazio	McCloskey	Smith (MI)
Fields (LA)	McCurdy	Snowe
Filner	McDade	Spratt
Fingerhut	McDermott	Stark
Flake	McHale	Stenholm
Foglietta	McKinney	Stokes
Ford (MI)	McNulty	Strickland
Ford (TN)	Meehan	Studds
Frank (MA)	Meek	Stupak
Frost	Menendez	Sundquist
Furse	Meyers	Swett
Gejdenson	Mfume	Swift
Gephardt	Miller (CA)	Synar
Geren	Mineta	Tanner
Gibbons	Minge	Tauzin
Gilman	Moakley	Taylor (MS)
Glickman	Mollohan	Tejeda
Gonzalez	Montgomery	Thompson
Goodlatte	Moran	Thornton
Gordon	Morella	Thurman
Green	Murphy	Torres
Gutierrez	Murtha	Torricelli
Hall (TX)	Nadler	Towns
Hamburg	Natcher	Tucker
Hamilton	Neal (MA)	Unsoeld
Harman	Neal (NC)	Valentine
Hastings	Oberstar	Velazquez
Hayes	Obey	Vento
Hefner	Olver	Visclosky
Hilliard	Ortiz	Volkmer
Hinchey	Orton	Washington
Hoagland	Pallone	Watt
Hochbrueckner	Parker	Waxman
Holden	Pastor	Weldon
Hoyer	Payne (NJ)	Wheat
Huffington	Payne (VA)	Whitten
Hughes	Pelosi	Williams
Hutto	Peterson (FL)	Wilson
Inslee	Pickett	Wise
Jefferson	Pickle	Woolsey
Johnson (CT)	Pomeroy	Wyden
Johnson (GA)	Porter	Wynn
Johnson (SD)	Poshard	Yates
Johnson, E. B.		

NOES—153

Abercrombie	Bliley	Condit
Allard	Blute	Cox
Andrews (NJ)	Boehner	Crane
Archer	Bonilla	Crapo
Armey	Bunning	Cunningham
Bachus (AL)	Burton	DeLay
Baker (CA)	Buyer	Dickey
Baker (LA)	Callahan	Doolittle
Ballenger	Calvert	Dornan
Bartlett	Camp	Dreier
Barton	Canady	Dunn
Bateman	Castle	Emerson
Bentley	Combest	Everett
Ewing	Kim	Quillen
Fawell	King	Quinn
Fields (TX)	Klug	Ramstad
Fish	Knollenberg	Ravenel
Fowler	Kolbe	Regula
Franks (CT)	Kyl	Roberts
Franks (NJ)	Leach	Rohrabacher
Gallegly	Lewis (CA)	Royce
Gallo	Lewis (FL)	Santorum
Gekas	Lightfoot	Saxton
Gilchrest	Linder	Schaefer
Gillmor	Livingston	Schiff
Gingrich	Manzullo	Sensenbrenner
Goodling	McCandless	Shaw
Goss	McCollum	Shuster
Grams	McCrery	Skeen
Grandy	McHugh	Smith (NJ)
Greenwood	McInnis	Smith (TX)
Gunderson	McKeon	Solomon
Hancock	McMillan	Spence
Hansen	Mica	Stearns
Hastert	Michel	Stump
Hefley	Miller (FL)	Talent
Herger	Mink	Taylor (NC)
Hobson	Molinari	Thomas (CA)
Hoekstra	Moorhead	Thomas (WY)
Hoke	Myers	Torkildsen
Horn	Nussle	Traficant
Houghton	Owens	Upton
Hunter	Oxley	Vucanovich
Hutchinson	Packard	Walker
Hyde	Paxon	Walsh
Inglis	Penny	Waters
Inhofe	Peterson (MN)	Wolf
Istook	Petri	Young (AK)
Jacobs	Pombo	Young (FL)
Johnson, Sam	Portman	Zeliff
Kasich	Pryce (OH)	Zimmer

NOT VOTING—3

Clinger	Hall (OH)	Smith (OR)

□ 2303

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. HOYER). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

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

RECORDED VOTE

Mr. WALKER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 429, noes 1, not voting 4, as follows:

[Roll No. 612]

AYES—429

Abercrombie	Barton	Brooks
Ackerman	Bateman	Browder
Allard	Becerra	Brown (CA)
Andrews (ME)	Beilenson	Brown (FL)
Andrews (NJ)	Bentley	Brown (OH)
Andrews (TX)	Bereuter	Bryant
Applegate	Berman	Bunning
Archer	Bevill	Burton
Armey	Bilbray	Buyer
Bacchus (FL)	Bilirakis	Byrne
Bachus (AL)	Bishop	Callahan
Baesler	Blackwell	Calvert
Baker (CA)	Bliley	Camp
Baker (LA)	Blute	Canady
Ballenger	Boehlert	Cantwell
Barca	Boehner	Cardin
Barcia	Bonilla	Carr
Barlow	Bonior	Castle
Barrett (NE)	Borski	Chapman
Barrett (WI)	Boucher	Clay
Bartlett	Brewster	Clayton

Clement
Clyburn
Coble
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Coppersmith
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cunningham
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Emerson
Engel
English (AZ)
English (OK)
Eshoo
Evans
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Fingerhut
Fish
Flake
Foglietta
Foley
Ford (MI)
Ford (TN)
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gallegly
Gallo
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Grams
Grandy
Green
Greenwood
Gunderson
Gutierrez
Hall (TX)
Hamburg
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings
Hayes
Hefley
Hefner
Herger
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnson, Sam
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Manzullo
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McMillan
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murphy
Murtha
Myers
Nadler
Natcher
Neal (MA)
Neal (NC)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Royce
Rush
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Schiff
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shepherd
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stark
Stearns
Stenholm
Stokes
Strickland
Studds
Stump
Stupak
Sundquist
Swett
Swift
Synar
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Tucker
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Washington
Waters
Watt
Waxman
Weldon
Wheat
Whitten
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—1

Traficant

NOT VOTING—4

Clinger
Hall (OH)
Smith (OR)
Williams

□ 2320

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SABO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous material for the CONGRESSIONAL RECORD on the bill, H.R. 3400, which was just passed, and that I may have permission to insert tabular material in the RECORD relating to the bill.

The SPEAKER pro tempore (Mr. HOYER). Is there objection to the request of the gentleman from Minnesota?

There was no objection.

REMOVAL OF NAME OF MEMBER AS SPONSOR OF H.R. 3457

Mr. HANCOCK. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 3457.

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

There was no objection.

PERSONAL EXPLANATION

Mr. GILMAN. Mr. Speaker, I regret that my being involved in a conference on narcotics with the Attorney General prevented me from voting on rollcall No. 601, approving the Journal. Had I been present to vote, I would have voted "aye."

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 322. An act to modify the requirements applicable to locatable minerals on public domain lands, consistent with the principles of self-initiation of mining claims, and for other purposes;

H.R. 1727. An act to establish a program of grants to States for arson research, prevention, and control, and for other purposes;

H.R. 2150. An act to authorize appropriations for fiscal year 1994 for the United States Coast Guard, and for other purposes;

H.R. 2876. An act to promote and support management reorganization of the National Aeronautics and Space Administration; and

H.R. 3000. An act for reform in emerging new democracies and support and help for improved partnership with Russia, Ukraine, and other new independent states of the former Soviet Union.

The message also announced, That the Senate agrees to the amendments of the House to the bill (S. 422) entitled "An act to amend the Securities Exchange Act of 1934 to ensure the efficient and fair operation of the government securities market, in order to protect investors and facilitate government borrowing at the lowest possible cost to taxpayers, and to prevent false and misleading statements in connection with offerings of government securities", with an amendment.

The message also announced, That the Senate insists upon its amendment to the bill (H.R. 322) "An act to modify the requirements applicable to locatable minerals on public domain lands, consistent with the principles of self-initiation of mining claims, and for other purposes" and requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JOHNSTON, Mr. BUMPERS, Mr. AKAKA, Mr. BRADLEY, Mr. WALLOP, Mr. MURKOWSKI, and Mr. CRAIG, to be the conferees on the part of the Senate.

The message also announced that the Secretary of the Senate be directed to request the House to return to the Senate the bill (S. 1732) entitled "An Act to extend arbitration under provisions of chapter 44 of title 28, United States Code, and for other purposes."

The message also announced that Mr. STEVENS and Mr. KEMPTHORNE, be appointed conferees, on the part of the Senate, on the bill (H.R. 1025) "An act to provide for a waiting period before the purchase of a handgun, and for the establishment of a national instant criminal background check system to be contacted by firearms dealers before the transfer of any firearms.", in lieu of Mr. HATCH and Mr. CRAIG.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles,

in which the concurrence of the House is requested:

S. 664. An act making a technical amendment of the Clayton Act;

S. 1769. An act to make a technical amendment, and for other purposes;

S. 1774. An act to amend the Public Health Service Act to revise and extend the bone marrow donor program, and for other purposes;

S. 1777. An act to extend the suspended implementation of certain requirements of the food stamp program on Indian reservations, to suspend certain eligibility requirements for the participation of retail food stores in the food stamp program, and for other purposes; and

S. Con. Res. 56. Concurrent resolution to authorize corrections in the enrollment of S. 1766.

MAKING IN ORDER ON TODAY CONSIDERATION OF CONFERENCE REPORT ON S. 714, RESOLUTION TRUST CORPORATION COMPLETION ACT

Mr. NEAL of North Carolina. Mr. Speaker, I ask unanimous consent that it be in order on today to consider the conference report on the Senate bill (S. 714) to provide for the remaining funds needed to assure that the United States fulfills its obligation for the protection of depositors at savings and loan institutions, to improve the management of the Resolution Trust Corporation [RTC] in order to assure the taxpayers the fairest and most efficient disposition of savings and loan assets, to provide for a comprehensive transition plan to assure an orderly transfer of RTC resources to the Federal Deposit Insurance Corporation, to abolish the RTC, and for other purposes; and that all points of order against the conference report and against its consideration be waived, and that the conference report be considered as read when called up.

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

Mr. WALKER. I thank the Chair, and I withdraw my reservation of objection.

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

There was no objection.

MAKING IN ORDER ON TODAY CONSIDERATION OF CONFERENCE REPORT ON H.R. 3167, UNEMPLOYMENT COMPENSATION AMENDMENTS OF 1993

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that it be in order to consider the conference report on the bill (H.R. 3167) to extend the emergency unemployment compensation program, to establish a system of worker profiling, and for other purposes and I ask that it be considered as read when called up for consideration.

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

Mr. WALKER. Mr. Speaker, reserving the right to object, is this the unemployment compensation bill?

Mr. ROSTENKOWSKI. If the gentleman would yield, yes, it is, Mr. Speaker.

Mr. WALKER. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

CONFERENCE REPORT ON H.R. 1025, BRADY HANDGUN VIOLENCE PREVENTION ACT

Mr. BROOKS submitted the following conference report and statement on the bill (H.R. 1025) to provide for a waiting period before the purchase of a handgun, and for the establishment of a national instant criminal background check system to be contacted by firearms dealers before the transfer of any firearm:

CONFERENCE REPORT (H. Rept. 103-412)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1025), to provide for a waiting period before the purchase of a handgun, and for the establishment of a national instant criminal background check system to be contacted by firearms dealers before the transfer of any firearm, 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:

TITLE I—BRADY HANDGUN CONTROL

SEC. 101. SHORT TITLE.

This title may be cited as the "Brady Handgun Violence Prevention Act".

SEC. 102. FEDERAL FIREARMS LICENSEE REQUIRED TO CONDUCT CRIMINAL BACKGROUND CHECK BEFORE TRANSFER OF FIREARM TO NON-LICENSEE.

(a) INTERIM PROVISION.—

(1) IN GENERAL.—Section 922 of title 18, United States Code, is amended by adding at the end the following:

"(s)(1) Beginning on the date that is 90 days after the date of enactment of this subsection and ending on the day before the date that is 60 months after such date of enactment, it shall be unlawful for any licensed importer, licensed manufacturer, or licensed dealer to sell, deliver, or transfer a handgun to an individual who is not licensed under section 923, unless—

"(A) after the most recent proposal of such transfer by the transferee—

"(i) the transferor has—

"(I) received from the transferee a statement of the transferee containing the information described in paragraph (3);

"(II) verified the identity of the transferee by examining the identification document presented;

"(III) within 1 day after the transferee furnishes the statement, provided notice of the contents of the statement to the chief law enforcement officer of the place of residence of the transferee; and

"(IV) within 1 day after the transferee furnishes the statement, transmitted a copy of the statement to the chief law enforcement officer of the place of residence of the transferee; and

"(ii)(I) 5 business days (meaning days on which State offices are open) have elapsed from the date the transferor furnished notice of the contents of the statement to the chief law enforcement officer, during which period the transferor has not received information from the chief law enforcement officer that receipt or possession of the handgun by the transferee would be in violation of Federal, State, or local law; or

"(II) the transferor has received notice from the chief law enforcement officer that the officer has no information indicating that receipt or possession of the handgun by the transferee would violate Federal, State, or local law;

"(B) the transferee has presented to the transferor a written statement, issued by the chief law enforcement officer of the place of residence of the transferee during the 10-day period ending on the date of the most recent proposal of such transfer by the transferee, stating that the transferee requires access to a handgun because of a threat to the life of the transferee or of any member of the household of the transferee;

"(C)(i) the transferee has presented to the transferor a permit that—

"(I) allows the transferee to possess or acquire a handgun; and

"(II) was issued not more than 5 years earlier by the State in which the transfer is to take place; and

"(ii) the law of the State provides that such a permit is to be issued only after an authorized government official has verified that the information available to such official does not indicate that possession of a handgun by the transferee would be in violation of the law;

"(D) the law of the State requires that, before any licensed importer, licensed manufacturer, or licensed dealer completes the transfer of a handgun to an individual who is not licensed under section 923, an authorized government official verify that the information available to such official does not indicate that possession of a handgun by the transferee would be in violation of law;

"(E) the Secretary has approved the transfer under section 5812 of the Internal Revenue Code of 1986; or

"(F) on application of the transferor, the Secretary has certified that compliance with subparagraph (A)(i)(III) is impracticable because—

"(i) the ratio of the number of law enforcement officers of the State in which the transfer is to occur to the number of square miles of land area of the State does not exceed 0.0025;

"(ii) the business premises of the transferor at which the transfer is to occur are extremely remote in relation to the chief law enforcement officer; and

"(iii) there is an absence of telecommunications facilities in the geographical area in which the business premises are located.

"(2) A chief law enforcement officer to whom a transferor has provided notice pursuant to paragraph (1)(A)(i)(III) shall make a reasonable effort to ascertain within 5 business days whether receipt or possession would be in violation of the law, including research in whatever State and local recordkeeping systems are available and in a national system designated by the Attorney General.

"(3) The statement referred to in paragraph (1)(A)(i)(I) shall contain only—

"(A) the name, address, and date of birth appearing on a valid identification document (as defined in section 1028(d)(1)) of the transferee containing a photograph of the transferee and a description of the identification used;

"(B) a statement that transferee—

"(i) is not under indictment for, and has not been convicted in any court of, a crime punishable by imprisonment for a term exceeding 1 year;

"(ii) is not a fugitive from justice;

"(iii) is not an unlawful user of or addicted to any controlled substance (as defined in section 102 of the Controlled Substances Act);

"(iv) has not been adjudicated as a mental defective or been committed to a mental institution;

"(v) is not an alien who is illegally or unlawfully in the United States;

"(vi) has not been discharged from the Armed Forces under dishonorable conditions; and

"(vii) is not a person who, having been a citizen of the United States, has renounced such citizenship;

"(C) the date the statement is made; and

"(D) notice that the transferee intends to obtain a handgun from the transferor.

"(4) Any transferor of a handgun who, after such transfer, receives a report from a chief law enforcement officer containing information that receipt or possession of the handgun by the transferee violates Federal, State, or local law shall, within 1 business day after receipt of such request, communicate any information related to the transfer that the transferor has about the transfer and the transferee to—

"(A) the chief law enforcement officer of the place of business of the transferor; and

"(B) the chief law enforcement officer of the place of residence of the transferee.

"(5) Any transferor who receives information, not otherwise available to the public, in a report under this subsection shall not disclose such information except to the transferee, to law enforcement authorities, or pursuant to the direction of a court of law.

"(6)(A) Any transferor who sells, delivers, or otherwise transfers a handgun to a transferee shall retain the copy of the statement of the transferee with respect to the handgun transaction, and shall retain evidence that the transferor has complied with subclauses (III) and (IV) of paragraph (1)(A)(i) with respect to the statement.

"(B) Unless the chief law enforcement officer to whom a statement is transmitted under paragraph (1)(A)(i)(IV) determines that a transaction would violate Federal, State, or local law—

"(i) the officer shall, within 20 business days after the date the transferee made the statement on the basis of which the notice was provided, destroy the statement, any record containing information derived from the statement, and any record created as a result of the notice required by paragraph (1)(A)(i)(III);

"(ii) the information contained in the statement shall not be conveyed to any person except a person who has a need to know in order to carry out this subsection; and

"(iii) the information contained in the statement shall not be used for any purpose other than to carry out this subsection.

"(C) If a chief law enforcement officer determines that an individual is ineligible to receive a handgun and the individual requests the officer to provide the reason for such determination, the officer shall provide such reasons to the individual in writing within 20 business days after receipt of the request.

"(7) A chief law enforcement officer or other person responsible for providing criminal history background information pursuant to this subsection shall not be liable in an action at law for damages—

"(A) for failure to prevent the sale or transfer of a handgun to a person whose receipt or possession of the handgun is unlawful under this section; or

"(B) for preventing such a sale or transfer to a person who may lawfully receive or possess a handgun.

"(8) For purposes of this subsection, the term 'chief law enforcement officer' means the chief of police, the sheriff, or an equivalent officer or the designee of any such individual.

"(9) The Secretary shall take necessary actions to ensure that the provisions of this subsection are published and disseminated to licensed dealers, law enforcement officials, and the public.".

(2) HANDGUN DEFINED.—Section 921(a) of title 18, United States Code, is amended by adding at the end the following:

"(29) The term 'handgun' means—

"(A) a firearm which has a short stock and is designed to be held and fired by the use of a single hand; and

"(B) any combination of parts from which a firearm described in subparagraph (A) can be assembled.".

(b) PERMANENT PROVISION.—Section 922 of title 18, United States Code, as amended by subsection (a)(1), is amended by adding at the end the following:

"(t)(1) Beginning on the date that is 30 days after the Attorney General notifies licensees under section 103(d) of the Brady Handgun Violence Prevention Act that the national instant criminal background check system is established, a licensed importer, licensed manufacturer, or licensed dealer shall not transfer a firearm to any other person who is not licensed under this chapter, unless—

"(A) before the completion of the transfer, the licensee contacts the national instant criminal background check system established under section 103 of that Act;

"(B)(i) the system provides the licensee with a unique identification number; or

"(ii) 3 business days (meaning a day on which State offices are open) have elapsed since the licensee contacted the system, and the system has not notified the licensee that the receipt of a firearm by such other person would violate subsection (g) or (n) of this section; and

"(C) the transferor has verified the identity of the transferee by examining a valid identification document (as defined in section 1028(d)(1) of this title) of the transferee containing a photograph of the transferee.

"(2) If receipt of a firearm would not violate section 922 (g) or (n) or State law, the system shall—

"(A) assign a unique identification number to the transfer;

"(B) provide the licensee with the number; and

"(C) destroy all records of the system with respect to the call (other than the identifying number and the date the number was assigned) and all records of the system relating to the person or the transfer.

"(3) Paragraph (1) shall not apply to a firearm transfer between a licensee and another person if—

"(A)(i) such other person has presented to the licensee a permit that—

"(I) allows such other person to possess or acquire a firearm; and

"(II) was issued not more than 5 years earlier by the State in which the transfer is to take place; and

"(ii) the law of the State provides that such a permit is to be issued only after an authorized government official has verified that the information available to such official does not indicate that possession of a firearm by such other person would be in violation of law;

"(B) the Secretary has approved the transfer under section 5812 of the Internal Revenue Code of 1986; or

"(C) on application of the transferor, the Secretary has certified that compliance with paragraph (1)(A) is impracticable because—

"(i) the ratio of the number of law enforcement officers of the State in which the transfer is to occur to the number of square miles of land area of the State does not exceed 0.0025;

"(ii) the business premises of the licensee at which the transfer is to occur are extremely remote in relation to the chief law enforcement officer (as defined in subsection (s)(8)); and

"(iii) there is an absence of telecommunications facilities in the geographical area in which the business premises are located.

"(4) If the national instant criminal background check system notifies the licensee that the information available to the system does not demonstrate that the receipt of a firearm by such other person would violate subsection (g) or (n) or State law, and the licensee transfers a firearm to such other person, the licensee shall include in the record of the transfer the unique identification number provided by the system with respect to the transfer.

"(5) If the licensee knowingly transfers a firearm to such other person and knowingly fails to comply with paragraph (1) of this subsection with respect to the transfer and, at the time such other person most recently proposed the transfer, the national instant criminal background check system was operating and information was available to the system demonstrating that receipt of a firearm by such other person would violate subsection (g) or (n) of this section or State law, the Secretary may, after notice and opportunity for a hearing, suspend for not more than 6 months or revoke any license issued to the licensee under section 923, and may impose on the licensee a civil fine of not more than $5,000.

"(6) Neither a local government nor an employee of the Federal Government or of any State or local government, responsible for providing information to the national instant criminal background check system shall be liable in an action at law for damages—

"(A) for failure to prevent the sale or transfer of a firearm to a person whose receipt or possession of the firearm is unlawful under this section; or

"(B) for preventing such a sale or transfer to a person who may lawfully receive or possess a firearm.".

(c) PENALTY.—Section 924(a) of title 18, United States Code, is amended—

(1) in paragraph (1), by striking "paragraph (2) or (3) of"; and

(2) by adding at the end the following:

"(5) Whoever knowingly violates subsection (s) or (t) of section 922 shall be fined not more than $1,000, imprisoned for not more than 1 year, or both.".

SEC. 103. NATIONAL INSTANT CRIMINAL BACKGROUND CHECK SYSTEM.

(a) DETERMINATION OF TIMETABLES.—Not later than 6 months after the date of enactment of this Act, the Attorney General shall—

(1) determine the type of computer hardware and software that will be used to operate the national instant criminal background check system and the means by which State criminal records systems and the telephone or electronic device of licensees will communicate with the national system;

(2) investigate the criminal records system of each State and determine for each State a timetable by which the State should be able to provide criminal records on an on-line capacity basis to the national system; and

(3) notify each State of the determinations made pursuant to paragraphs (1) and (2).

(b) ESTABLISHMENT OF SYSTEM.—Not later than 60 months after the date of the enactment of this Act, the Attorney General shall establish a national instant criminal background check system that any licensee may contact, by telephone or by other electronic means in addition

to the telephone, for information, to be supplied immediately, on whether receipt of a firearm by a prospective transferee would violate section 922 of title 18, United States Code, or State law.

(c) EXPEDITED ACTION BY THE ATTORNEY GENERAL.—The Attorney General shall expedite—

(1) the upgrading and indexing of State criminal history records in the Federal criminal records system maintained by the Federal Bureau of Investigation;

(2) the development of hardware and software systems to link State criminal history check systems into the national instant criminal background check system established by the Attorney General pursuant to this section; and

(3) the current revitalization initiatives by the Federal Bureau of Investigation for technologically advanced fingerprint and criminal records identification.

(d) NOTIFICATION OF LICENSEES.—On establishment of the system under this section, the Attorney General shall notify each licensee and the chief law enforcement officer of each State of the existence and purpose of the system and the means to be used to contact the system.

(e) ADMINISTRATIVE PROVISIONS.—

(1) AUTHORITY TO OBTAIN OFFICIAL INFORMATION.—Notwithstanding any other law, the Attorney General may secure directly from any department or agency of the United States such information on persons for whom receipt of a firearm would violate subsection (g) or (n) of section 922 of title 18, United States Code or State law, as is necessary to enable the system to operate in accordance with this section. On request of the Attorney General, the head of such department or agency shall furnish such information to the system.

(2) OTHER AUTHORITY.—The Attorney General shall develop such computer software, design and obtain such telecommunications and computer hardware, and employ such personnel, as are necessary to establish and operate the system in accordance with this section.

(f) WRITTEN REASONS PROVIDED ON REQUEST.—If the national instant criminal background check system determines that an individual is ineligible to receive a firearm and the individual requests the system to provide the reasons for the determination, the system shall provide such reasons to the individual, in writing, within 5 business days after the date of the request.

(g) CORRECTION OF ERRONEOUS SYSTEM INFORMATION.—If the system established under this section informs an individual contacting the system that receipt of a firearm by a prospective transferee would violate subsection (g) or (n) of section 922 of title 18, United States Code or State law, the prospective transferee may request the Attorney General to provide the prospective transferee with the reasons therefor. Upon receipt of such a request, the Attorney General shall immediately comply with the request. The prospective transferee may submit to the Attorney General information to correct, clarify, or supplement records of the system with respect to the prospective transferee. After receipt of such information, the Attorney General shall immediately consider the information, investigate the matter further, and correct all erroneous Federal records relating to the prospective transferee and give notice of the error to any Federal department or agency or any State that was the source of such erroneous records.

(h) REGULATIONS.—After 90 days' notice to the public and an opportunity for hearing by interested parties, the Attorney General shall prescribe regulations to ensure the privacy and security of the information of the system established under this section.

(i) PROHIBITION RELATING TO ESTABLISHMENT OF REGISTRATION SYSTEMS WITH RESPECT TO FIREARMS.—No department, agency, officer, or employee of the United States may—

(1) require that any record or portion thereof generated by the system established under this section be recorded at or transferred to a facility owned, managed, or controlled by the United States or any State or political subdivision thereof; or

(2) use the system established under this section to establish any system for the registration of firearms, firearm owners, or firearm transactions or dispositions, except with respect to persons, prohibited by section 922 (g) or (n) of title 18, United States Code or State law, from receiving a firearm.

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

(1) LICENSEE.—The term "licensee" means a licensed importer (as defined in section 921(a)(9) of title 18, United States Code), a licensed manufacturer (as defined in section 921(a)(10) of that title), or a licensed dealer (as defined in section 921(a)(11) of that title).

(2) OTHER TERMS.—The terms "firearm", "handgun", "licensed importer", "licensed manufacturer", and "licensed dealer" have the meanings stated in section 921(a) of title 18, United States Code, as amended by subsection (a)(2).

(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated, which may be appropriated from the Violent Crime Reduction Trust Fund established by section 1115 of title 31, United States Code, such sums as are necessary to enable the Attorney General to carry out this section.

SEC. 104. REMEDY FOR ERRONEOUS DENIAL OF FIREARM.

(a) IN GENERAL.—Chapter 44 of title 18, United States Code, is amended by inserting after section 925 the following new section:

"§925A. Remedy for erroneous denial of firearm

"Any person denied a firearm pursuant to subsection (s) or (t) of section 922—

"(1) due to the provision of erroneous information relating to the person by any State or political subdivision thereof, or by the national instant criminal background check system established under section 103 of the Brady Handgun Violence Prevention Act; or

"(2) who was not prohibited from receipt of a firearm pursuant to subsection (g) or (n) of section 922,

may bring an action against the State or political subdivision responsible for providing the erroneous information, or responsible for denying the transfer, or against the United States, as the case may be, for an order directing that the erroneous information be corrected or that the transfer be approved, as the case may be. In any action under this section, the court, in its discretion, may allow the prevailing party a reasonable attorney's fee as part of the costs.".

(b) TECHNICAL AMENDMENT.—The chapter analysis for chapter 44 of title 18, United States Code, is amended by inserting after the item relating to section 925 the following new item:

"925A. Remedy for erroneous denial of firearm.".

SEC. 105. RULE OF CONSTRUCTION.

This Act and the amendments made by this Act shall not be construed to alter or impair any right or remedy under section 552a of title 5, United States Code.

SEC. 106. FUNDING FOR IMPROVEMENT OF CRIMINAL RECORDS.

(a) USE OF FORMULA GRANTS.—Section 509(b) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3759(b)) is amended—

(1) in paragraph (2) by striking "and" after the semicolon;

(2) in paragraph (3) by striking the period and inserting "; and"; and

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

"(4) the improvement of State record systems and the sharing with the Attorney General of all of the records described in paragraphs (1), (2), and (3) of this subsection and the records required by the Attorney General under section 103 of the Brady Handgun Violence Prevention Act, for the purpose of implementing that Act.".

(b) ADDITIONAL FUNDING.—

(1) GRANTS FOR THE IMPROVEMENT OF CRIMINAL RECORDS.—The Attorney General, through the Bureau of Justice Statistics, shall, subject to appropriations and with preference to States that as of the date of enactment of this Act have the lowest percent currency of case dispositions in computerized criminal history files, make a grant to each State to be used—

(A) for the creation of a computerized criminal history record system or improvement of an existing system;

(B) to improve accessibility to the national instant criminal background system; and

(C) upon establishment of the national system, to assist the State in the transmittal of criminal records to the national system.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for grants under paragraph (1), which may be appropriated from the Violent Crime Reduction Trust Fund established by section 1115 of title 31, United States Code, a total of $200,000,000 for fiscal year 1994 and all fiscal years thereafter.

TITLE II—MULTIPLE FIREARM PURCHASES TO STATE AND LOCAL POLICE

SEC. 201. REPORTING REQUIREMENT.

Section 923(g)(3) of title 18, United States Code, is amended—

(1) in the second sentence by inserting after "thereon," the following: ", and to the department of State police or State law enforcement agency of the State or local law enforcement agency of the local jurisdiction in which the sale or other disposition took place,";

(2) by inserting "(A)" after "(3)"; and

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

"(B) Except in the case of forms and contents thereof regarding a purchaser who is prohibited by subsection (g) or (n) of section 922 of this title from receipt of a firearm, the department of State police or State law enforcement agency or local law enforcement agency of the local jurisdiction shall not disclose any such form or the contents thereof to any person or entity, and shall destroy each such form and any record of the contents thereof no more than 20 days from the date such form is received. No later than the date that is 6 months after the effective date of this subparagraph, and at the end of each 6-month period thereafter, the department of State police or State law enforcement agency or local law enforcement agency of the local jurisdiction shall certify to the Attorney General of the United States that no disclosure contrary to this subparagraph has been made and that all forms and any record of the contents thereof have been destroyed as provided in this subparagraph.".

TITLE III—FEDERAL FIREARMS LICENSE REFORM

SEC. 301. SHORT TITLE.

This title may be cited as the "Federal Firearms License Reform Act of 1993".

SEC. 302. PREVENTION OF THEFT OF FIREARMS.

(a) COMMON CARRIERS.—Section 922(e) of title 18, United States Code, is amended by adding at the end the following: "No common or contract carrier shall require or cause any label, tag, or other written notice to be placed on the outside of any package, luggage, or other container that such package, luggage, or other container contains a firearm.".

(b) RECEIPT REQUIREMENT.—Section 922(f) of title 18, United States Code, is amended—

(1) by inserting "(1)" after "(f)"; and

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

"(2) It shall be unlawful for any common or contract carrier to deliver in interstate or foreign commerce any firearm without obtaining written acknowledgement of receipt from the recipient of the package or other container in which there is a firearm.".

(c) UNLAWFUL ACTS.—Section 922 of title 18, United States Code, as amended by section 102, is amended by adding at the end the following new subsection:

"(u) It shall be unlawful for a person to steal or unlawfully take or carry away from the person or the premises of a person who is licensed to engage in the business of importing, manufacturing, or dealing in firearms, any firearm in the licensee's business inventory that has been shipped or transported in interstate or foreign commerce.".

(d) PENALTIES.—Section 924 of title 18, United States Code, is amended by adding at the end the following new subsection:

"(i)(1) A person who knowingly violates section 922(u) shall be fined not more than $10,000, imprisoned not more than 10 years, or both.

"(2) Nothing contained in this subsection shall be construed as indicating an intent on the part of Congress to occupy the field in which provisions of this subsection operate to the exclusion of State laws on the same subject matter, nor shall any provision of this subsection be construed as invalidating any provision of State law unless such provision is inconsistent with any of the purposes of this subsection.".

SEC. 303. LICENSE APPLICATION FEES FOR DEALERS IN FIREARMS.

Section 923(a)(3) of title 18, United States Code, is amended—

(1) in subparagraph (A), by adding "or" at the end;

(2) in subparagraph (B) by striking "a pawnbroker dealing in firearms other than" and inserting "not a dealer in";

(3) in subparagraph (B) by striking "$25 per year; or" and inserting "$200 for 3 years, except that the fee for renewal of a valid license shall be $90 for 3 years."; and

(4) by striking subparagraph (C).

And the Senate agree to the same.

JACK BROOKS,
BILL HUGHES,
CHARLES SCHUMER,
F. JAMES SENSENBRENNER, Jr.,
GEORGE W. GEKAS,
Managers on the Part of the House.

JOSEPH R. BIDEN, Jr.,
TED KENNEDY,
HOWARD M. METZENBAUM,
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 amendment of the Senate to the bill (H.R. 1025), to provide for a waiting period before the purchase of a handgun, and for the establishment of a national instant criminal background check system to be contacted by firearms dealers before the transfer of any firearm, 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 all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment that is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clerical changes.

Section 103(b) of the Senate amendment provided for certain standards to be utilized by the Attorney General in determining whether a national background check system was established within 24 months. The House had no such provision, and the managers agreed that the Senate recede.

Section 302(c) of the Senate amendment provided authorization for a licensee to transfer or deliver firearms from another licensee at any location without regard to the State which is specified on the license. The House had no such provision, and the managers agreed that the Senate recede.

Section 302(e)(b) of the Senate amendment provided mandatory imprisonment for thirty years, no part of which may be suspended, for any person who stole a gun during a robbery or riot. The House had no such provision, and the managers agreed that the Senate recede.

Section 304 of the Senate amendment changed the definition of antique firearms to include any firearm manufactured in or before 1918. The House had no such provision, and the managers agreed that the Senate recede.

Section 305 of the Senate amendment specified, among other things, that any rule or regulation of the Bureau of Alcohol, Tobacco, and Firearms would not be effective until 30 days after a copy was provided to all licensees. The House had no such provision, and the managers agreed that the Senate recede.

Section 401 of the Senate amendment provided for notification to the Department of Justice by the States of any person adjudicated as a mental defective or committed to a mental institution. The House had no such provision, and the managers agreed that the Senate recede.

Section 2(a) of the House bill contained a five year sunset of the waiting period. The Senate amendment provided for a four-year sunset with a possible extension of one-year by the Attorney General. The managers agreed that the Senate recede to section 2(a) of the House bill, with conforming amendments.

The managers further agreed to add in sections 106(b)(2) and 301(1) of the Senate amendment the words "which may be appropriated" before the word "from".

JACK BROOKS,
BILL HUGHES,
CHARLES SCHUMER,
F. JAMES SENSENBRENNER, Jr.,
GEORGE W. GEKAS,
Managers on the Part of the House.

JOSEPH R. BIDEN, Jr.,
TED KENNEDY,
HOWARD M. METZENBAUM,
Managers on the Part of the Senate.

MAKING IN ORDER CONSIDERATION OF CONFERENCE REPORT ON H.R. 1025, BRADY HANDGUN VIOLENCE PREVENTION ACT

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that it be in order to consider the conference report on the bill (H.R. 1025) to provide for a waiting period before the purchase of a handgun, and for the establishment of a national instant criminal background check system to be contacted by firearms dealers before the transfer of any firearm, that all points of order against its consideration be waived; and that the conference report be considered as read when called up for consideration.

Mr. SOLOMON. Mr. Speaker, reserving the right to object, I will not object, but I just want it understood that there will be a recorded vote on the conference report itself.

Mr. BROOKS. Mr. Speaker, if the gentleman will yield, the conference report may be subject to a vote.

Mr. SOLOMON. Mr. Speaker, we have just saved the House 3 hours with these three unanimous-consent requests.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

CONFERENCE REPORT ON S. 714, RESOLUTION TRUST CORPORATION COMPLETION ACT

Mr. NEAL of North Carolina. Mr. Speaker, I call up the conference report on the Senate bill (S. 714) to provide for the remaining funds needed to assure that the United States fulfills its obligation for the protection of depositors at savings and loan institutions, to improve the management of the Resolution Trust Corporation [RTU] in order to assure the taxpayers the fairest and most efficient disposition of savings and loan assets, to provide for a comprehensive transition plan to assure an orderly transfer of RTC resources to the Federal Deposit Insurance Corporation, to abolish the RTC, and for other purposes.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. The conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of Friday, November 19, 1993 at page 30422.)

The SPEAKER pro tempore. The gentleman from North Carolina [Mr. NEAL] will be recognized for 30 minutes, and the gentleman from Florida [Mr. MCCOLLUM] will be recognized for 30 minutes.

The Chair recognizes the gentleman from North Carolina [Mr. NEAL].

GENERAL LEAVE

Mr. NEAL of North Carolina. 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 presently under consideration.

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

There was no objection.

Mr. NEAL of North Carolina. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. GONZALEZ], the distinguished committee chairman.

Mr. GONZALEZ. I thank the gentleman for yielding this time to me.

Mr. Speaker, after many months of diligent work, Congress has finally come to the end of the savings and loan cleanup—one of the most difficult, but important obligations this body has undertaken.

On September 14, the House passed H.R. 1340, a bill that would reform the Resolution Trust Corporation, and provide funds to protect depositors in hundreds of dead and dying S&L's. Today's conference report closely mirrors that bill. In fact, every major House provision remains, intact, in this report.

The conference report on S. 714 would enable the RTC to close the large number of institutions that are losing millions of taxpayer dollars every day. It would ensure that local investors get to bid on RTC's assets, and that minority and women-owned businesses have an equal opportunity to receive contracts. It would guarantee that the Clinton administration follows through on critical management and fiscal reforms. These improvements, such as appointing a RTC Chief Financial Officer, are long overdue and sorely needed.

The conference report does not contain a House provision giving homeless families preference in buying RTC affordable housing properties because the conferees believed that existing law adequately covers this situation. The RTC's Affordable Housing Program has been one of the few bright lights in the darkness of the savings and loan situation. I encourage the Corporation to continue striving to assist low-income and very low-income families, including the homeless.

But the best part of S. 714 is that all of these positive changes do not require any additional appropriations. The bill simply makes the remainder of $25 billion that was appropriated in 1991 available to the RTC. This amount should be sufficient to complete the RTC's work, making further congressional action unnecessary.

All of our constituents expect the full faith and credit of the United States to stand behind their deposits. Today we must live up to that expectation. We must keep our obligation to depositors and constituents by voting for this conference report.

I want to thank Congressman LEACH for his hard work and support, and Chairman STEVE NEAL, whose energetic, consistent leadership on the Financial Institutions Subcommittee helped usher this legislation through the Congress. This is a good bill. It is the last RTC bill. It will close the book on this sorry episode of our financial history. And it deserves your vote.

Mr. NEAL of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report to accompany S. 714, the Resolution Trust Corporation Completion Act.

If this Congress adopts the report to provide the RTC with additional funds, it should be the last vote that any of us will ever have to make for RTC funding.

These funds are needed. They are not used to bail out shareholders, officers, or directors of failed savings and loans. Simply, they are paid to insured depositors who have relied on the U.S. deposit guarantee. We must honor that promise.

During the 4 years the RTC has been in operation, it has protected over 22 million depositors and $198 billion of insured deposits in 675 failed savings and loans. About 1 American of every 11 has had his or her deposits protected by the RTC.

According to the General Accounting Office audit of the RTC's financial statements, there could still be as many as 170 more institutions whose depositors the RTC must protect. It is our responsibility to honor our pledge to protect those depositors.

Let me emphasize that the legislation neither authorizes nor appropriates additional funds for the RTC. It simply removes the statutory April 1, 1992, limitation on the expenditure of funds which had been appropriated in 1991.

Some people have suggested that the RTC does not need any more money to finish the job. That is simply not true. The GAO says so, the CBO says so, the administration says so, and the facts say so. On Friday, the Comptroller General wrote to the Congress "that RTC needs additional funding to complete its task of resolving troubled thrifts."

Others claim that the legislation authorizes too much money. Again, listen to the Comptroller General's latest letter. In his Friday letter he stated "that the funding by the current proposed legislation of $18.3 billion is reasonable." He concluded that "[d]elaying legislative action could add to the cost."

In short, GAO says that the RTC needs funding, and that the funding level in this legislation is reasonable.

Others have argued that the RTC should simply sell more assets to pay off depositors. The only reason the RTC has these assets is because the savings and loans which failed did not have enough assets to sell to pay off their depositors. Yes, the RTC has billions of dollars in assets, but it owes depositors even more. It needs this legislation to make up the difference.

Moreover, RTC funding is not optional. A recent Congressional Research Service memorandum states that, "without additional appropriations to the RTC or its successors, there would eventually be a default under the deposit insurance guarantees somewhere in the deposit insurance system" and "there can be no doubt that a default would precipitate runs."

In short, unless we fund the RTC, we risk a collapse of our banking system.

I am sure that every Member has heard at least one story about RTC mismanagement—about inability to get information, real estate fire sales, and excessive photocopying costs. The conference report also maintains the strict management reforms of the House bill which should stop these shoddy practices, while adding additional provisions to improve the operation of the RTC.

There is no question that the management of the RTC needs to be improved. If you want RTC reform, then you should support the conference report. The legislation provides significant improvements in the RTC's operating procedures. Receipt of additional funds by the RTC is conditioned on the implementation of the legislation's required management reforms.

Importantly, the legislation terminates the RTC a full year earlier than originally scheduled, so it will end on December 31, 1995.

Beginning in 1995, the cost of resolving failed savings and loans will be transferred to the Savings Association Insurance Fund, or SAIF. The Senate agreed to the House's reduction in the existing $32 billion authorization for the SAIF by 75 percent, to $8 billion. And the Senate agreed to drop its $8.5 billion appropriation for SAIF. As a result, the bill does not appropriate a single cent to SAIF, and it is very likely that no money for SAIF will ever be needed.

If there is a need for SAIF funding, the funds may be used only to pay depositors, not to build up the fund. The legislation also requires the FDIC to certify to Congress that all possible funds have been taken from the savings and loan industry before any funds are appropriated to the SAIF for losses.

Finally, any appropriated funds for the RTC or the SAIF that are not needed must be returned to the Treasury.

RTC legislation has never been a popular subject in this House. It has been hard for Democrats and it has been hard for Republicans. But now we have come to the end of the process. Finally, it appears that this will be the last legislation needed to complete the resolution of the S&L debacle; the last vote on the RTC.

On Friday, the Senate approved this conference report. A "yes" vote today is the final vote on RTC funding. Sooner or later, this House is going to have to vote to fund the RTC. Let's make today the day we bring down the curtain on the savings and loan crisis.

Mr. Speaker, I urge this House to honor the U.S. deposit insurance commitment, and adopt the conference report.

Mr. MCCOLLUM. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa [Mr. LEACH], the distinguished ranking member of the full Committee on Banking, Finance and Urban Affairs.

Mr. LEACH. I would only say very briefly that the RTC and its problem is a dark cloud hanging over this Congress. With this vote there is some decent prospect that we will never ever again have to deal with this issue.

I urge that it be adopted.

Mr. Speaker, the RTC and the problem it symbolizes are a dark cloud hanging over Congress. But there is, in this vote, three slivers of silver in the lining: First, the low-inflation macroeconomic environment has cut the taxpayer liability that existed 4 or 5 years ago from $200 to $250 billion to $110 to $120 billion; such is the case because the fixed interest assets taken over by the RTC have increased in value and because institutions on the cusp of difficulties have accordingly recovered; second, unless calamity strikes the economy, this vote should be the last Congress will have to make; third, unless mistakes are made in new product offerings like derivatives, the United States in short order should have the strongest financial system in the world.

With regard to the authorization, it must be stressed that funds granted by this bill can only be used to protect depositors. The bill does not mandate any spending. Indeed, it requires the RTC to return any excess funds to the Treasury.

As we look at the past two decades experience with S&Ls it is interesting—although expensively so—how changes in interest rates affect not only the economy, but costs of deposit insurance liabilities to the Government. In an escalating interest rate environment, delay in dealing with the S&L problem in the late 1970's and early 1980's cost the Government dearly. Ironically, in a declining interest rate environment, delay in resolving certain thrift problems in the late 1980's and early 1990's saved the Government money—in total about one-half of what would otherwise have been the cost of the S&L cleanup. Today, it would appear interest rates are stabilizing and Treasury estimates delay in congressional decisionmaking has cost the taxpayer between $1 and $2 billion. If a Member is confident interest rates will continue to ratchet down, a credible case can be made for more delay. My personal sense is that such is an imprudent risk. Stability in rates or a higher interest rate environment would prove costly to the taxpayer, making the better bet or at least most prudent policies being that of dealing with reality as it exists rather than as one might wish it to be.

Mr. Speaker, Congress is disproportionately responsible for causing this liability to the tax payer. It is therefore disproportionately responsible for resolving it. Accordingly, I urge support of this conference report. Congress has no choice but to honor its commitment to small depositors, over 22 million of whom have so far been protected.

To ensure that the funds authorized for the RTC and the SAIF are used to protect only depositors, I would like to point out that the conference committee agreed to a House amendment I authored which prohibits RTC funds and FDIC funds to be used in any manner to benefit shareholders of failed or failing depository institutions. Under my amendment, the FDIC, in administering both the Bank Insurance Fund and Savings Association Insurance Fund, and the RTC are prohibited from providing open bank or thrift assistance, facilitating in an early resolution assisted merger or participating in any other assisted transaction, unless existing shareholders of a failed or failing depository institution are wiped out. Except for instances of systemic risk, my amendment overrides all other statutory mandates imposed on the FDIC and RTC in its resolution of a depository institution, including the least cost resolution requirement imposed under section 13(c)(4) of the Federal Deposit Insurance Act.

The need for RTC legislation is unfortunate, but the passage of this conference report should be the last payment for the sins of Congresses past. The financial conditions of the banking and thrift industries are improving. Once the S&L cloud is removed from the financial horizon, the country will have the strongest financial system in the world. Failure to remove the cloud and provide adequate funds for the RTC could not only increase thrift bail-out costs but conceivably prove so jolting to public confidence as to produce runs on financial institutions.

Mr. Speaker, for the sake of economic stability and the integrity of this body, I urge my colleagues to honor this body's commitment to the deposit insurance system and vote for the RTC conference report.

Mr. MCCOLLUM. Mr. Speaker, I yield myself such time as I may consume. I would like to make a couple of very brief comments about this. Now, the Members may not want to hear it, but I want to say it.

The fact is we still have a problem with this money that we have got out here on the table in this bill. The fact is some of us are very much opposed to giving the RTC another penny. They do not need it, and there is $18 billion in here. The report that we have, the latest revised estimate is that at the most even by their own figures they are going to need $4.4 billion. They have $6.8 billion in loss funds right now.

In the estimates we have seen, looking at the overall picture for this matter, there is absolutely no sense in putting 18 billion—and that is with a "b" as in "boy"—dollars out for the Resolution Trust Corporation.

They have borrowing authority if they need it, if they need to use it. Frankly, they do not need to use it. They have the money. We do not have to put out 1 penny here tonight, but certainly not $18 billion when $4.5 billion, by their own estimate, would do the job.

In addition to that, we still have a problem relative to the fact that we have minority provisions in this bill that I do not think were improved in the conference report to the satisfaction of most Members. There is no reason to have the quota-type system set up in this bill for doing the work of the Resolution Trust Corporation.

I know the Members want to rush through the night, they want to go home, they are not happy with the fact that they may have to vote again somebody with any prospect of RTC; but I would submit to you that your constituents are not going to appreciate reviewing someday the fact that we put this kind of money out there when it was absolutely unnecessary. If this were a couple of hundred million dollars, that is still big money to our folks, but we are dealing with billions of dollars here. We are dealing with at least $12 to $14 billion more than they say they need, even though the official request is for the full amount.

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But that is by a memo that the GAO has sent over here very recently, dated the 19th day of November.

So I cannot see why we are doing this tonight. I want to go on record very much so against this. The RTC can borrow against at least $38 billion in assets if they need to.

Mr. NEAL of North Carolina. Mr. Chairman, I yield such time to the distinguished gentleman from Maryland [Mr. MFUME] for a colloquy.

Mr. MFUME. Mr. Speaker, this will be a rather brief colloquy.

Would the gentleman from North Carolina enter into a colloquy with me?

Mr. NEAL of North Carolina. Mr. Speaker, if the gentleman will yield, I would be happy to.

Mr. MFUME. Am I correct that section 3(a)(18) of this bill is designed to increase the opportunities that minorities and women have to participate in contracts in excess of $500,000?

Mr. NEAL of North Carolina. The gentleman is correct.

Mr. MFUME. Am I correct that the provision would require the use of a minority or women subcontractors except where the RTC chooses to exclude a contract because imposition of the subcontracting requirement would substantially increase the cost of contract performance or would undermine the ability of the contractor to perform its obligation under the contract?

Mr. NEAL of North Carolina. Again, the gentleman is correct.

Mr. MFUME. It is my understanding that in order to redress disparities in the participation levels of the different subgroups of the class of MWOB's and MWOLF's in RTC contracting activities, the bill requires the RTC to establish guidelines for achieving the goal of a reasonably even distribution of contracts among minority subgroups comprising 5 percent or more of all certified MWOB's and MWOLF's. The 5

percent threshold is meant to provide the RTC with a mechanism for reasonable administration of goals and is not meant to exclude any eligible MWOB's and MWOLF's from the benefits of section 1216(c) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, or of section 21A(r)(1) of the Federal Home Loan Bank Act.

Is my understanding correct?

Mr. NEAL of North Carolina. The gentleman is correct.

Mr. MFUME. The joint explanatory statement accompanying the conference report on the Resolution Trust Corporation Funding Act of 1991, indicated that "the RTC has not included racial and ethnic groups in the business activities of the Corporation in a significant way, to the detriment of the national interest." Although the RTC has established guidelines, the RTC in practice has not achieved Congress' objectives among all minority subgroups. Do the conferees believe that a mechanism that is designed to achieve equitable consideration of all eligible groups of MWOB's and MWOLF's is appropriate?

Mr. NEAL of North Carolina. Again, the gentleman from Maryland is correct.

Mr. MFUME. Mr. Speaker, I rise in support of the conference report on S. 714. Since the RTC's inception in August 1989, I have worked specifically on those elements of the RTC's operations regarding their minority-and women-owned business outreach program, which was mandated by Section 1216 of the Financial institutions Reform, Recovery and Enforcement Act [FIRREA].

Meaningful and full inclusion of minority subgroups in opportunities arising from the work of RTC has been something we have worked diligently toward for some time now. It has been noted by previous RTC conference committees that the RTC has not included racial and ethnic groups in the contracting activities of the Corporation in a significant, way, to the detriment of the national interest. The compelling national interest presented by this issue is that of economic development and how increasing the access of minority group members to the factors of production will generate business activity and contribute to that development.

Almost 2 years passed after FIRREA's enactment before the RTC even began developing regulations for minority and women outreach program. While there has been progress, much of that progress has been driven by the work of the members of the committee who have given direction to the program through legislative language after having been patient for more than 2 years.

The legislation before us today contains improvements to the RTC's outreach efforts and is designed to increase economic opportunity for minorities and minority-and women-owned businesses. While the language that was agreed upon during House Committee consideration did contain some stronger provisions than what is before us today, we have reached a workable compromise that I encourage my colleagues to support.

Mr. Speaker, with regard to the parity guidelines called for in the bill, this language is a result of the noted disparities between the participation levels of non-minority men and women and ethnic minorities in RTC contracting activities. The bill requires RTC to establish guidelines for achieving the goal of reasonably even distribution of contracts among minority subgroups comprising five percent or more of all certified minority-and women-owned businesses and minority- and women-owned law firms. The 4 percent threshold is meant to provide the RTC with a mechanism for reasonable administration of goals and is not meant to exclude any eligible group. In fact, the language specifies that any movement toward parity should not be accomplished at the expense of any subgroup falling below the 5 percent threshold. Furthermore, the guidelines may reflect the regional and local geographic distribution of American minority populations. For example, Hispanic-owned businesses tend to be concentrated in the Southwest, in California, and in Florida—parts of the country with relatively large Hispanic-American populations. California has the largest number of businesses owned by Asian-Americans and Pacific Islanders and Alaska has the largest number of businesses owned by Native-Americans. Guidelines geared toward regional and local geographic distribution would ensure that party guidelines are not implemented in a fashion detrimental to some minority sub-groups.

Additionally, the language before us today contains important elements designed to preserve minority-owned depository institutions. This policy will further support the goal of providing greater economic opportunities for minority-owned businesses and for the residents of predominantly minority neighborhoods and will promote diversity in the financial services industry.

Only one percent of the financial institutions in the United States are owned by minorities. Financial institutions are essential to the economic well-being of the country and of the communities they serve. There is evidence that minority-owned financial institutions can serve as valuable resources in furthering the economic viability of minority communities. There is also evidence that the residents of minority neighborhoods often do not have access to banking services commonly available in other localities. Preserving and increasing the number of minority-owned financial institutions may ease some entrepreneurship obstacles and help allay the bias in mortgage lending.

Section 308 of FIRREA called for methods to preserve minority-owned depository institutions. Further, section 403 of the RTC Refinancing, Restructuring and Improvement Act provided for assistance to minority investors and institutions in acquiring non-minority institutions; following guidelines already established in the Strategic Plan of the RTC Oversight Board. The language before us today further encourages and supports minority ownership of financial institutions and minority acquisition of institutions and branches in minority neighborhoods.

Finally, Mr. Speaker, the subcontracting requirements are based on the same policies that have long served as the basis for Congressional action to increase economic opportunity for minorities and minority-owned businesses. The long-standing policy of using the subcontracting arena is reflected in many areas including section 8(a) of the Small Business Act, the Airport and Airway Development Act of 1970, the Public Works Employment Act of 1977, the Surface Transportation Assistance Act of 1982, and other legislation. The RTC is left with the discretion to decide which of its contracts involve activities that could be appropriately subcontracted.

Mr. Speaker, these are good provisions that represent the culmination of years of work toward meaningful inclusion of minorities in the opportunities arising out of the savings and loan debacle. I encourage full support of the conference report as presented.

Mr. Speaker, important governmental objectives were established by section 1216 of FIRREA. Section 1216 grew out of findings that discrimination and the present effects of past discrimination have adversely affected the economic development of certain racial and ethnic groups. All citizens have a right to pursue commercial endeavors unencumbered by invidious discrimination or the present effects of past discrimination. The Federal Government's interest is to ensure that public funds are not used to finance the preservation of discriminatory practices and, to achieve this objective, it is appropriate for the government to utilize all authorities at its disposal. Thus section 1216 called for a minority outreach program to ensure inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, in all contracts entered into by the RTC and other financial regulatory agencies.

The opportunity for disadvantaged individuals to fully participate in the free enterprise system of the United States is essential to obtain social and economic equality for such persons and to improve the functioning of the national economy. Discrimination has adversely affected the rate at which members of certain racial and ethnic groups have accumulated the factors of production (including land, labor, capital, management, and technological resources) needed to establish and develop business concerns. Discrimination against individual members of racial and ethnic groups is evidenced by, among other things, such individuals' lack of access to the factors of production; representation in social, trade, and professional organizations and associations; business experience; equitable participation in markets supported with public contract; and access to bonding and insurance needed to penetrate certain markets. The underrepresentation of minority individuals in most industries is primarily due to discrimination and, were it not for discrimination, minority individuals would be represented in most industries in approximate proportion to the representative number in the general population.

To achieve social and economic equality and improve the functioning of the national economy, it is essential that substantial and sustained efforts be undertaken at all levels of government to assist disadvantaged individuals in their entrepreneurial endeavors. The minority business provisions in S. 714 are designed to move toward that end.

It can not be understated that programs like the minority outreach program serve important

governmental objectives. The United States Commission on Minority Business Development reported that we are dealing with historically underutilized businesses in America, and it is a squander of talent and energy that we can ill afford. In most urban and many rural areas of the country, small and minority owned firms are the prime employers of other minorities living within those communities. The Commission said, therefore, the lack of viable businesses owned and operated by minorities is increasing unemployment, overloading welfare and contributing to more crime. If minorities owned businesses at the same rate as non-minorities and had average gross receipts on a path with all domestic firms, minority business establishments would be contributing billions more per year to the total economy. That would create more jobs, enhance tax revenues, decrease government subsistence payments, and contribute to an improved quality of life and standard of living for all Americans.

The Commission noted that minority business development efforts are not social programs; they are investments in America's economic system and in its future. Even if we place considerations of equity and historic discrimination aside, it makes absolutely no economic sense to squander more than 20 percent of the nation's most precious resources—human talent—and foster, in effect, practices that primarily force minorities to be consumers rather than producers of wealth. Investing in human capital now places us in a position of reaping the benefits of economic progress in the future.

The House Banking Committee presented a report entitled "Problems With Equal Employment Opportunity and Minority and Women Contracting at the Federal Banking Agencies," in June of 1992. It reported that three years after passage of FIRREA, the agencies affected still had not developed information systems that provide detailed statistics regarding both equal employment opportunity and contracting outreach and awards. It was noted two years after enactment that the law intended to encourage the involvement of minority-owned concerns in managing assets seized from savings and loans appeared to be having little effect. Internal documents at that time showed that Federal contracts to manage everything from multi-million dollar loan portfolios to small apartment buildings had gone almost entirely to companies owned by non-minorities. As of July, 1991, black firms were doing 0.7 percent of the business, Latinos 2 percent, and Asian-Americans received 0.1 percent. In fact it was shown that 25 firms captured more than 59 percent of the fees ($961 million at the time and 23,000 contracts). With respect to legal services, the RTC in January of 1991 states that it was unable to provide data on RTC's use of minority- and women-owned businesses for legal services and that it would not have a more comprehensive data-gathering system until the end of 1991. Three hundred million went to law firms in 1990 and legal fees for 1991 approximated $750 million.

So we began, Mr. Speaker, to direct the outreach program through legislative change and we have begun to realize improvements and hope that S. 714 will further our efforts toward achieving the intent and spirit of the originating language.

Regarding minority ownership of financial institutions, the Congress affirmed its realization that minority owned institutions can further the interest of community reinvestment when it made changes to the statute providing for Community Reinvestment Act credit for investments in minority owned institutions. The Federal Reserve's previously released mortgage data makes it clear that more needs to be done to get credit into the hands of minorities and low and moderate income borrowers, and one way is through minority ownership.

Section 308 of FIRREA provides for the preserving of minority ownership of minority financial institutions. Also, in accordance with sections 403 and 404 of the Resolution Trust Corporation Refinancing, Restructuring and Improvement Act of 1991, the RTC may accept bids from minority investors for previously majority-owned depository institutions with such bids being dependent upon the minority investor receiving interim capital assistance from the RTC. Such interim capital assistance dependent bids will only be considered by the RTC if no other cost effective bid is received by the RTC from a qualified bidder. However, less than 50 percent of institutions which were previously minority owned were resolved in favor of minority acquirors. S. 714 further encourages the ownership of financial institutions by minority groups by providing preferences for institutions in predominantly minority neighborhoods.

The Home Mortgage Disclosure Act data has mostly been used to make the case that mortgage lenders discriminate against certain racial minorities. But the numbers provide even more revealing insights about mortgage markets. One is that thrifts lend mostly to low-income communities, while commercial banks tend to focus on high-income communities. The need for minority ownership of these thrifts became more evident as the Department of Justice, in 1992, settled its first race discrimination lawsuit against a major mortgage lender. It was found that one of the largest providers of home mortgage loans in the Atlanta, Georgia, area engaged in a pattern or practice of discrimination against prospective black homebuyers. It was also found that this institution purposefully defined its relevant lending market to exclude large portions of the black community and employed virtually an all-white staff. Since 1927, Decatur Federal placed 42 out of 43 branch and regional loan offices in predominantly white neighborhoods.

The language in S. 714 is designed to counteract the dwindling number of financial institutions which are minority-owned and also to interrupt the closing of branches located in minority neighborhoods by majority acquirors after they have successfully acquired franchises offered by the Resolution Trust Corporation.

There is no better method on the table today which would allow for the true implementation of the objectives of the community reinvestment act and community development banking initiatives than the creation and expansion of minority-owned financial institutions.

Mr. McCOLLUM. Mr. Speaker, I yield 1 minute to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Speaker, I certainly rise in strong support of this legislation. I think it is about time that we put an end to this sad chapter in our history. We have delayed much too long. We have lost money for the taxpayer by this long protraced delay. At least a billion dollars of taxpayer money has already been lost.

The point is that we should end the gridlock and pass this tonight.

As a battle-scarred veteran of previous RTC funding bills, including the most recent one which won with a margin of 6 votes, I hope we can all summon the courage one last time to pass this legislation and bring to an end this sad chapter in the history of our financial institutions.

S. 174 will provide the final increment of previously authorized funds necessary to continue the process of closing down remaining insolvent S&Ls and finishing the clean-up of the thrift mess.

S. 174 contains no new funds for the RTC. It merely removes an arbitrarily set date for cutting off the use of existing funds and permits the RTC to spend the money the Congress has already authorized and appropriated.

To my colleagues I say I want to reemphasize this point. We are not providing any new funds for the RTC.

The inability of the RTC to close down insolvent thrifts costs the American taxpayer up to $3 million each and every day. Our lack of political will up to now has cost the American taxpayer over $1 billion.

This lack of political courage also represents the worst example of gridlock which the American voter demanded we end when they went to the polls last year.

I believe we are simply kidding ourselves, and shirking our responsibilities to the thrift depositor and the American taxpayer by refusing to proceed with this funding request.

As I have said in the past , I believe it is totally irresponsible for Members to decide that innocent depositors and taxpayers no longer matter and that we will not support the final resolution of the S&L mess which we demanded be cleaned up.

To my colleagues, I say we are here today on the verge of completing the work of cleaning up the S&L mess.

I want to urge my colleagues to do the right thing—vote for RTC funding. We must understand the basic essential: Delay equates into added and unnecessary, costs.

The failure to pass this conference report is costing the American taxpayer money. $1 billion more so far. How fiscally responsible is that?

Must we subject our hard-working, taxpaying citizens to this irresponsible loss of money? To pretend this issue will simply go away is the most irresponsible position we can take.

Yes, the S&L debacle was an indictment of a deregulation frenzy that went awry. And yes, it was a sorry commentary on our regulatory process and even on our role as congressional overseers.

However, this is history. There simply is no alternative. These billions of dollars are buying fairness.

I urge my colleagues to act as the responsible custodians of the public trust that we are.

Lets get on with the job of cleaning up this mess once and for all.

I urge passage of this conference report.

Mr. MCCOLLUM. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from the great State of Wisconsin [Mr. ROTH] a member of the committee.

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

I know we want to vote; but you know, this is serious business. I am only going to speak 1 minute, but I think the Members of this body have to understand, this is not the last time you are going to face this bill.

This is $18 billion. Your own investigative arm of the Congress, the GAO, said the most they need is $11 billion. They have $7 billion on hand now.

How much more are we going to put in to this black hole?

The reason this is going to come back is because we had a man by the name of Al Casey at the Head of the RTC this year.

He said, "I can close down the RTC this year, but our government would not allow it."

They fired him on the spot. You remember that.

This is the same agency that last year paid $600 million to outside law firms.

I mean, this thing stinks to high heaven. You have got to take a look at this before you vote on it.

There are 7,000 people working at the RTC. You are not going to shut down the RTC this year or next year or the year after that.

This is important business, and my friends, I ask you to look at this and to vote no. This is $18 billion of taxpayer money. Your own GAO, to reiterate, said that the most that they can possibly need is $11 billion and they have got $7 billion on hand now.

Mr. Speaker, do not vote for this, do not vote for this.

Mr. Chairman, I urge the House to reject the RTC funding bill.

My colleagues, this is a golden opportunity to slash Federal spending in a really big, big way.

The former FDIC chairman, Bill Seidman was right when said there is no need now for this $18 billion S&L bail-out legislation.

Seidman was FDIC chairman and the first boss at the RTC. He was there from the beginning.

And, in the vernacular, "He knows what he's talking about."

The $18 billion we could save is at least *double* what we will cut by eliminating the supercollider.

It is at *least six times* the much-heralded budget-cutting rescission bill.

If this useless, wasteful, unfair RTC legislation becomes law, the taxpayers have every right to take revenge at the ballot box next year.

The $18 billion in the conference report is far more money than could ever be reasonably or justifiably used.

That's not just my opinion—but the opinion of experts at the RTC itself and at the General Accounting Office [GAO].

The bill dumps billions of dollars into the RTC, already one of the costliest agencies ever created.

The bill's supporters assure us that if all this money isn't needed, the leftover would go back to the Treasury.

Yes, my friends, there is a Santa Claus, an Easter bunny, and a tooth fairy.

And, yes, my friends, the taxpayers won't remember this vote.

I never heard of a bureaucrat who could not spend any given amount of money.

Believe me, this bill would give the RTC bureaucrats bushels of money to play with.

The RTC itself, in internal documents, says it needs only about $11 billion to finish its clean-up job.

The RTC has about $7 billion in unobligated funds on hand, leaving a net of only about $4 billion—according to their own inflated figures.

Not $18 billion that the proponents of this bill want to give them.

I ask you to consider this—before you vote to waste billions more of the taxpayers' money.

The actual amount needed can easily be covered by borrowing against RTC assets of about $76 billion.

So the Congress does not need to vote for any new taxpayers' dollars at this time to finish the clean-up.

This is basically the plan of those like Bill Seidman who know what the score is.

I offered amendments to mandate this approach.

I have argued long and hard for adoption of this concept in Committee.

I took my battle to the Rules Committee, and I presented it in floor debate on September 14 when the bill was passed.

And now I reiterate the facts that are evident to all.

This is a bad bill. It deserves defeat.

The bill itself was prepared without benefit of hearings or expert witnesses.

No need for the $18 billion can be demonstrated at this time.

This basically is a fight of the bureaucracy against the American taxpayer.

Let's win one for the taxpayer for a change.

The RTC bureaucracy is given a new lease on life. More than 7,000 people are on the RTC payroll at a cost of about $360 million a year.

This agency should be phased out—not given a new life with a transfusion of taxpayers' money.

All RTC functions should be taken over by the Federal Deposit Insurance Corporation.

Finally, despite my efforts to amend the bill, State governments responsible for more than half of the Nation's $84 billion of S&L depositors' losses are again let off scot free.

The States again are given another free ride at Federal Government expense.

So I urge my colleagues to reject this conference report.

To do otherwise—to appropriate tax funds now just is not fair to the people paying the taxes.

I know you're concerned about the 7,000 bureaucrats at the RTC. But is it fair to raid the Treasury just so these bureaucrats have a Government job?

This would be in total disregard for the American taxpayer to say nothing of being irresponsible on the part of Congress.

If enacted in this form, this bill will come to haunt its supporters because now they are responsible for the RTC's renewed life.

Again, it was Bill Seidman who pointed out that Congress' failure since April 1, 1992, to act to provide additional clean-up funds has willy-nilly saved the taxpayers billions of dollars.

This is because every top official in the U.S. Government has consistently overestimated S&L losses. One of the worst was the former administration's bad guess in September 1991 that $80 billion should be appropriated immediately.

In February of this year, the RTC's chief, Albert Casey, told our committee he could finish the job for $25 billion and close down the RTC in 1993.

He was immediately fired.

Then the Secretary of the Treasury told our committee $45 billion and a renewed life for the RTC were urgently needed.

Now this bill tells us $18 billion will take care of it.

Do not be misled by those who say delay costs the taxpayer's money. The truth is billions have been saved because we in Congress were not stampeded into opening the Federal Treasury. Let's not be stampeded now.

The facts are, the longer we wait, the less the bail out will cost the taxpayers.

I urge my colleagues to reject this ill-advised, unnecessary bill. It is bad legislation. It is bad public policy. It is a big waste of money.

Mr. NEAL of North Carolina. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Speaker, I just rise in support of this measure.

I would just say that I think you have to dismiss the sort of wishful thinking that has led us to a repeated denial of the funds to make up for the lost funds of the RTC.

This is to make up the difference between what the depositors have in value and loss of assets.

There is money sitting over there that is committed. I only wish it was a $5 billion problem. The fact is it is closer to the $18 billion.

Let us give the Treasury the money they need to do the job. We have reformed the RTC. We have a separate inspector general appointed by the President. We have done the best we can. The new administration is taking the right steps.

Mr. Speaker, let us get behind this and get this problem solved.

Mr. Speaker, I rise in support of S. 714, the Resolution Trust Corporation Completion Act. I commend Chairmen GONZALEZ and NEAL, as well as Congressman LEACH for their hard work and leadership on this difficult issue. This legislation, which is overdue, will hopefully draw to an end the long and costly S&L bail-

out and will allow the administration to close the book on the RTC in an efficient and cost-effective manner.

Mr. Speaker, all of my colleagues are well aware of the serious shortcomings of the RTC. We have all heard our constituent complaints about the nonresponsive RTC bureaucracy. As the former chairman of the House Banking Committee RTC task force, I know that these RTC missteps were more than public relations fiascoes. They literally have cost the American taxpayers hundreds of millions of dollars.

It is clear that significant changes had to be made to bring the S&L resolution process in line and to a conclusion. To its credit, the Clinton administration has already implemented many necessary changes through regulation or policy directives. These administrative changes include stronger internal controls against waste, fraud, and abuse; improvements in the management information systems; and improvements in the disposition of assets. However, these improvements were not enough, further legislative action was required. Hopefully when the day is done with the current wave of S&L failures, the lessons learned in faulty regulation, law, policy, and the administration of the resolution will be retained for the future.

The Resolution Trust Completion Act incorporates those needed reforms. The conference report now under consideration sets in place further safeguards to ensure that taxpayer funds will be used efficiently and effectively as the special thrift resolution process comes to a conclusion. Under this legislation, crucial management reforms include positive steps to ensure that RTC-held properties are sold for the maximum price, to require the appointment of a chief financial officer; to improve the oversight of outside contractors; to extend the statute of limitations; and to improve the office for professional liability.

Mr. Speaker, as important as these reforms are, perhaps even more important are the reforms which this legislation includes for the Federal Deposit Insurance Corporation. Based on the experience of the RTC, this legislation sets in place many of the same key reforms for the FDIC. The requirement that the FDIC establish a division of asset disposition; importantly the designation of a Presidentially appointed inspector general for the FDIC who will be truly independent; and the expansion of the conflict of interest reforms are all long overdue FDIC resolution reforms. In addition, this legislation sets up a rational transition process between the RTC and the FDIC.

Mr. Speaker, some have suggested that this legislation is unneeded and should be defeated. A "yes" vote on S. 714 is a vote against business as usual for the RTC and FDIC. It is truly a vote for resolution reforms. A "yes" vote is a vote to give the Government new tools to prosecute those individuals who have contributed to the S&L crisis and to ensure that the taxpayer will not pay more and more because of the delay.

Some critics point to new estimates that the lost funds amount may be substantially less than this legislation provides in the release of already appropriated funds. If history is any guide, estimates have too often been off and too little has been provided. This measure ensures that the S&L industry will pay first and to the maximum extent feasible. Taxpayer dollars are, by law, carefully limited in the past and current proposals. Nevertheless, I would caution my colleagues, especially those on the relevant committees, to join me in maintaining a thorough oversight of this process.

Mr. Speaker, it is time for the Resolution Trust Corporation to complete its work. This legislation will provide the RTC with the tools to do its job efficiently. I urge my colleagues to support this crucial legislation.

Mr. MCCOLLUM. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. SAM JOHNSON].

Mr. SAM JOHNSON of Texas. Mr. Speaker, I rise in opposition to this conference report which appropriates $18.3 billion to the RTC, a new debt to America.

The last time I remember voting on this thing, it was about 2 o'clock in the morning and nobody wanted to vote because it is so bad.

This bill extends the RTC's takeover authority by 18 months.

It retroactively extends the statute of limitations against officers of failed thrifts.

It establishes, as we have already been told, minority contracting quotas.

The main reason I oppose this bill, though, is because it wastes taxpayer dollars. You have already heard how much we waste, and you all know this body killed the super collider because you believed it wasted taxpayer money. Well, let me tell you, this bill wastes over $13 billion, or almost two times what the Congress wanted to save by killing the SSC.

The RTC's own internal estimates say they only need $4.4 billion, and we have talked about that. We have already said how much they have on hand. They just flat do not need to waste an unnecessary amount of money.

Review the past amounts the RTC, the GAO, and the CBO believed was needed to finish the job.

You know, first they told us they needed $60 billion. Then it went to $45 billion, then $28 billion, then 25, 18, 11, and now it is down to $4.4 billion.

You know, if this economy stays on a roll like it has been and interest rates stay down, it takes an idiot not to make money with a thrift.

They do not need any more. This kind of accounting makes me leery of giving them anything.

You now, some RTC lobbyists caught me outside yesterday and tried to lobby me on this bill. I checked and found they have 16 people on the payroll of the RTC lobbying this Congress. That is taxpayer-wasted money.

Mr. Speaker, a vote for this bill is a vote to waste tax dollars. I urge you to vote against it.

Mr. MCCOLLUM. Mr. Speaker, for purposes of a colloquy, I yield such time as he may consume to the gentleman from New York [Mr. FISH], the distinguished ranking member of the Committee on the Judiciary.

Mr. FISH. Mr. Speaker, this will only take a minute.

I would like to engage the chairman of the Judiciary Committee in a colloquy regarding section 4 of the conference report, a provision within the jurisdiction of the Judiciary Committee. This section carefully confines the class of conduct to which the retroactive and prospective extension of the statute of limitations applies.

Prospectively, section 4 extends the statute of limitations to acts involving gross negligence or a greater disregard of a duty of care, including intentional misconduct. It is my understanding that gross negligence clearly does not encompass simple negligence, or any tortious conduct which, in any way, is less culpable than gross negligence. Is that the chairman's understanding?

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Mr. BROOKS. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Texas.

Mr. BROOKS. The gentleman is correct. Section 4 clearly excludes actions involving simple errors in judgment or unintentional mistakes from extension of the limitations period. Gross negligence is an extreme category of negligence, reflecting decades of interpretation by State and Federal courts. Section 4 is not intended to permit the RTC to retitle simple negligence actions as gross negligence actions for purposes of a statute of limitations extension. The traditional distinction between gross negligence and simple negligence is completely and specifically maintained by this legislation.

Mr. FISH. Mr. Speaker, I thank the gentleman from Texas.

Mr. MCCOLLUM. Mr. Speaker, I yield such time as he may consume to the gentleman from Wyoming [Mr. THOMAS].

Mr. THOMAS of Wyoming. Mr. Speaker, I rise in opposition to the conference report.

Mr. NEAL of North Carolina. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. MINETA].

Mr. MINETA. Mr. Speaker, H.R. 1340 states "The guidelines may reflect the regional and local geographic distributions of minority subgroups." Thus, as the RTC establishes guidelines to achieve the goal of an even distribution of contracts among various minority- and women-owned businesses and law firms, the RTC will be able to acknowledge that there are some regions of the country with greater concentrations of certain minority subgroups. For example, the southwest, California, and Florida have greater concentrations of Hispanic-American populations. California has the largest number of businesses owned by Asian-Americans and Pacific Islanders, and Alaska has the largest number of businesses owned by

native Americans. In short, the many regions of this country contain various concentrations of minority subgroups. Thus, the number of certified contractors of a minority subgroup could be well over the 5-percent threshold in one region but less than 5 percent in another region. Is it the committee's intent that the RTC guidelines reflect this geographic distribution so that a minority subgroup that has certified contractors fewer than 5 percent in some regions not be excluded from the RTC's goals in other regions?

Mr. NEAL of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. MINETA. I yield to the gentleman from North Carolina.

Mr. NEAL of North Carolina. Yes, it is.

Mr. MCCOLLUM. Mr. Speaker, I yield myself such time as I may consume to conclude the debate on our side of the aisle.

Mr. Speaker, I would like to conclude this before I yield back over to my friend from North Carolina with just a couple of final points on this RTC matter and put it to rest.

We started this process quite a long time ago with a request for $45 billion. Fortunately we have not had to do that. The economy has been better. They did not have to close down nearly the thrifts they said they would in the savings and loan crisis. We have a lot of institutions today that are still out there because we did not rush to judgment and frankly because we delayed and did not give them the money when it ran out on them last spring. We have gone through several months in which the interest rates have gone down, when the actual situation is such that property values have been going back up again, and the taxpayers have been profiting by the very fact we have not been rushing to judgment on RTC.

Why are we here today? We are here today, and we are voting for so-called emergency situations. That back in September was supposed to be very dire, but they really did not press for a conference report to be gotten out during that interval that has gone on in the several months because they had the money to deal with this and because they really are not under the pressure they said they were going to be. There is nothing on the economic horizon that says things are going to get worse. If anything, they are going to get better. They have, as I said earlier, $6.6 billion in lost reserves presently without barring a single penny to devote to the cause that they need to, and, as a couple of our speakers have pointed out, the most they have ever said they needed was $11.2 billion. So, that leaves a net, if we believe them, that they may need without barring of about $4.4 billion, and that is it, and they could go out and borrow against $38 billion in assets.

Frankly, Mr. Speaker, they do not need a penny here tonight, and we are going to give them $18 billion. As the gentleman from Texas [Mr. JOHNSON] said, that is a couple of superconducting super colliders, and I think this is very tragic, very unnecessary and very wrong, and I urge my colleagues to take this conference report and vote it down. Let us come back with a figure sometime next year in the ballpark of what they may need, if they do, because they got a plenty of money, at least 6.8 billion, to do whatever they may need to deal with before we come back in session, and they may not even need that. But whatever the case may be, it is absolute folly tonight to be voting 18 billion more to the Resolution Trust Corporation.

Please vote "no" for common sense.

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

Mr. NEAL of North Carolina. Mr. Speaker, I yield myself 1 minute to finish this up.

Mr. Speaker, I just want to clear up this matter about what the GAO has to say.

On Friday the Comptroller General wrote to the Congress that the RTC needs additional funding to complete its task of resolving troubled thrifts, and they went on to say that $18.3 billion is the reasonable amount of money. He concluded that delaying the legislation would add to the costs.

Mr. VENTO. Mr. Speaker, will the gentleman yield?

Mr. NEAL of North Carolina. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Speaker, I think it boggles the mind that here we have had the RTC unable to take in institutions into conservatorship because they have not got the money to deal with the difference between the assets and deposits. We have got someone standing up saying that there is no problem, and we are losing money every day because we have to pay the depositors, rather than the Treasury, rates.

Mr. NEAL of North Carolina. Mr. Speaker, the gentleman is correct. We need the $18.3 billion.

Mr. LAFALCE. Mr. Speaker, in previous years I have opposed RTC funding. However, I am now convinced that the responsible course is to provide the RTC and the SAIF with the funds necessary to finish the job. I believe that the RTC reforms implemented by this administration will make the resolution process more equitable and will serve to minimize the cost to taxpayers.

The resolution process has caused enormous dislocations in our economy and local communities, largely as a direct result of the ill-advised policies adopted in the past. I am referring to the lax supervisory policies of the Reagan administration, as well as the failure to sufficiently recapitalize the FSLIC insurance fund in 1987. Had it provided adequate funding, the 1987 FSLIC recapitalization legislation could have contained the thrift crisis. Instead, insufficient funding allowed the crisis to snowball over the next several years and the cost of the eventual cleanup to skyrocket. By the time Congress and the Bush administration finally confronted the problem in 1989, it had degenerated into a financial crisis of monumental proportions.

Much of the dislocation—including a credit crunch the effects of which persist to this day—could have been avoided had the Bush administration and Congress not taken such a draconian approach to thrift resolutions in the 1989 FIRREA legislation. That legislation emphasized a liquidation strategy rather than a revitalization strategy. I argued strongly that was the wrong approach, and would do irreparable damage to our economy, and felt compelled to vote against final passage of the legislation.

Unfortunately I was proved correct. This liquidation strategy adopted in FIRREA has been responsible in large part for the credit crunch that has been restricting economic growth in this country over the past several years, particularly for small business.

But we now have a new administration, committed to reforming the resolution process. Therefore, despite the misguided policies of the past and the many flaws in the FIRREA legislation in 1989, I believe it is our responsibility now to complete the job of resolving thrifts that are already in conservatorship and those that must be closed in the near future.

This is the final stage of a very painful and disruptive process. The most difficult part of the job has been completed and the only responsible course now is to finish the resolution process. We have now gone three-quarters of the way across the lake and at this point it makes sense to swim to the other side. But we must finish the job in a manner that is both fair to those participating in the resolution process and cost efficient to the taxpayers.

I believe this bill reflects a serious effort at reform of the RTC resolution process on the part of Congress and the administration. The management reforms, the restrictions on bulk sales, the improvements made in contracting systems, and in the area of minority and women contracting—all these provisions contained in the bill will improve both the efficiency and fairness of the resolution process.

I am also confident that the new approach of this administration to thrift resolutions provides a better balance between the need for economic growth and the safety and soundness concerns that have dominated in the past. I have been assured that the administration is putting more emphasis on working with weak but viable institutions to give them adequate time to rebuild their capital, thereby enabling them to continue making loans and serving their communities. This change has been a major factor in my decision to support this legislation.

In the end, despite all the legitimate criticisms that can be made concerning their thrift resolution process to date, we are still confronted with an obligation that no government can responsibly ignore. The simple fact is that the full faith and credit of the U.S. Government stands behind depositors in the insured the rights that have failed and those that may fail in the near future, and we absolutely must honor that commitment.

I urge my colleagues to meet this responsibility and vote in favor of funding for the RTC and the SAIF.

Mr. LAZIO. Mr. Speaker, I rise in support of the conference report for the Resolution Trust Completion Act. A vote for the conference report is a vote for fiscal responsibility. It is a vote to end the savings and loan mess once and for all.

The Federal Government promised to insure depositors and it is your responsibility to fulfill that promise. The RTC was never properly funded, and as a result, the RTC has been unable to carry out its mission, with the costly result that taxpayers ultimately pay more.

The Congressional Budget Office reminds us that if we fail to provide this money now, then we will be back to vote on this again in the future. Federal Reserve Board Chairman, Alan Greenspan, testified before the Banking Committee that it would be irresponsible not to fund the RTC. I reiterate—putting off this action will almost only continue to raise the cost of the S&L mess.

We are finally providing enough funds to get the job done and this bill makes sure that unneeded funds are not used. At the same time, it ensures, as best as possible that we do not have to repeat this painful process. I urge a "yes" vote on the conference report.

Ms. ROYBAL-ALLARD. Mr. Speaker, I rise today in strong support of the conference report on S. 714, a bill to restore funding to the Resolution Trust Corporation.

The conference report is a compromise version of the bill passed in this Chamber just 2 months ago. Those Members who voted in favor of the bill in September should be aware that the conference report is just as strong as the House-passed bill. The tough requirements imposed upon the RTC and the savings and loan industry have been retained, including RTC management reforms and strict certification requirements the industry must meet prior to receiving funding for the savings association insurance fund.

I would also remind my colleagues that the conference agreement contains provisions to improve contracting opportunities for minorities and women and to enhance affordable housing programs. And the agreement includes cost-saving measures to ensure that the maximum price is received from the sale of assets from failed thrifts. This is a socially responsive and fiscally responsible agreement.

Beyond these enhancement provisions, this government must not overlook its fundamental commitment to this Nation's depositors. As representatives of the people, we must not turn our backs on millions of Americans * * * men and women who put their savings into insured S&L accounts, believing that the government would honor its insurance commitments.

Let us act responsibly by voting to meet our obligations to the depositors of this country, and to improve the operations of the RTC. I urge my colleagues to vote "aye" on the conference report of S. 714.

Mr. BACHUS of Alabama. Mr. Speaker, I rise today not in opposition to RTC funding, but in opposition to this RTC funding bill.

As a new member of this body, I missed the opportunity to vote on RTC funding in the 102d Congress when the price tag was $60 billion.

By the time that I was elected to Congress and became a member of the Banking Committee in February 1993, the price tag had fallen to $50 billion.

By the time I took my first committee vote on the issue, we were down to $18.6 billion and even then, we found money that had already been appropriated.

Before the entire body voted on September 13, the GAO found more money and lowered the estimate to $11.9 billion.

The trend continues.

Just last week, the GAO released a letter saying that the RTC only needs $5 billion to complete its job.

If they only need $5 billion, why are we giving them $18.3 billion.

Let's not wipe out the cuts we just made, vote "no" on this RTC bill.

Mr. THOMAS of Wyoming. Mr. Speaker, there will be all kinds of outlandish claims during this debate, but I'd hope we would return to the facts. I have a good friend in the other body who is fond of saying "you're entitled to your own opinion, but you're not entitled to your own facts." That's true tonight.

The facts are this: The money in this bill isn't based on need, it's not based on the current situation or expected future losses. The money in this bill is based on political bidding.

Let's not lose sight on the fact that the administration first requested $42 billion for this bill. That was cut to $34 billion and now is at $26 billion. Each time we're told this is the bare minimum needed to finish the job. In fact, the GAO determined the need was $11.9 billion.

This is a good example of why the government ought not to be in business activities.

It seems to me we ought to be encouraging the RTC to use the $12 billion in cash reserves and borrowing authority they have now to dispose of their assets. I certainly haven't seen proof that they need another $18 billion.

I'm also concerned about the management abuses we've seen in this agency.

I know a woman in Denver who is owed a half of a million dollars for work the RTC demanded and now refuses to pay for.

I could talk about a man from Casper, WY who has had nothing but the run-around from the RTC for the last 2 years. He was told the property he was buying didn't have a balance on the deed of trust. After purchase the RTC changed its tune. They've since turned down several different offers—offers that would have produced revenue for the agency. Now it seems their first determination was the correct one. We're not sure, however, because they can't find their own files.

Clearly, the American taxpayer demands more from the RTC. This is not the kind of activity that deserves increased funding.

I'm not saying there isn't a need for some action. We need to wrap things up and put this episode behind us. There are good savings and loan institutions that shouldn't be penalized needlessly. However, this bill is not the answer and it ought to be defeated.

Mr. NEAL of North Carolina. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. HOYER). The question is on the conference report.

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

RECORDED VOTE

Mr. MCCOLLUM. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 235, noes 191, answered "present" 1, not voting 6, as follows:

[Roll No. 613]

AYES—235

Abercrombie	Gordon	Morella
Ackerman	Grandy	Murphy
Andrews (ME)	Green	Murtha
Applegate	Gutierrez	Nadler
Bacchus (FL)	Hall (TX)	Natcher
Baker (LA)	Hamburg	Neal (MA)
Barcia	Hamilton	Neal (NC)
Barlow	Harman	Oberstar
Barrett (NE)	Hastings	Obey
Barrett (WI)	Hilliard	Olver
Bateman	Hinchey	Ortiz
Becerra	Hoagland	Orton
Beilenson	Hochbrueckner	Parker
Bereuter	Holden	Pastor
Berman	Houghton	Payne (NJ)
Bilbray	Hoyer	Payne (VA)
Bishop	Inslee	Pelosi
Blackwell	Jacobs	Peterson (FL)
Bonior	Jefferson	Pickett
Borski	Johnson (CT)	Pickle
Boucher	Johnson (GA)	Porter
Brooks	Johnson (SD)	Price (NC)
Brown (CA)	Johnson, E. B.	Rangel
Brown (FL)	Johnston	Reed
Brown (OH)	Kanjorski	Reynolds
Bryant	Kennedy	Richardson
Cantwell	Kennelly	Roemer
Cardin	Kildee	Rose
Carr	King	Rostenkowski
Clay	Kleczka	Roukema
Clayton	Klein	Rowland
Clyburn	Klink	Roybal-Allard
Coleman	Kolbe	Rush
Collins (IL)	Kopetski	Sabo
Collins (MI)	Kreidler	Sangmeister
Conyers	LaFalce	Sarpalius
Coppersmith	Lambert	Sawyer
Coyne	Lancaster	Schenk
Danner	Lantos	Schumer
Darden	LaRocco	Scott
de la Garza	Laughlin	Serrano
Deal	Lazio	Shays
Dellums	Leach	Shepherd
Derrick	Lehman	Sisisky
Deutsch	Levin	Skaggs
Dicks	Levy	Skelton
Dingell	Lewis (CA)	Slattery
Dixon	Lewis (GA)	Smith (IA)
Dooley	Lightfoot	Spratt
Dreier	Lipinski	Stark
Durbin	Machtley	Stenholm
Edwards (CA)	Maloney	Stokes
Edwards (TX)	Mann	Strickland
Engel	Manton	Studds
English (AZ)	Margolies-Mezvinsky	Stupak
Eshoo	Markey	Swett
Farr	Martinez	Swift
Fawell	Matsui	Synar
Fazio	Mazzoli	Tejeda
Fields (LA)	McCandless	Thurman
Fingerhut	McCloskey	Torres
Fish	McCurdy	Torricelli
Flake	McDermott	Towns
Foglietta	McHale	Tucker
Ford (MI)	McKinney	Unsoeld
Ford (TN)	McMillan	Valentine
Fowler	Meehan	Velazquez
Frank (MA)	Meek	Vento
Franks (CT)	Mfume	Volkmer
Frost	Mineta	Washington
Furse	Minge	Waters
Gejdenson	Mink	Watt
Gephardt	Moakley	Waxman
Geren	Mollohan	Wheat
Gibbons	Montgomery	Whitten
Glickman	Moran	Williams
Gonzalez		

Wilson	Woolsey	Yates
Wise	Wynn	Young (AK)

NOES—191

Allard	Gilchrest	Penny
Andrews (NJ)	Gillmor	Peterson (MN)
Andrews (TX)	Gilman	Petri
Archer	Gingrich	Pombo
Armey	Goodlatte	Pomeroy
Bachus (AL)	Goodling	Portman
Baesler	Goss	Poshard
Baker (CA)	Grams	Pryce (OH)
Ballenger	Greenwood	Quillen
Barca	Gunderson	Quinn
Bartlett	Hancock	Rahall
Barton	Hansen	Ramstad
Bentley	Hastert	Ravenel
Bevill	Hefley	Regula
Bilirakis	Hefner	Ridge
Bliley	Herger	Roberts
Blute	Hobson	Rogers
Boehlert	Hoekstra	Rohrabacher
Boehner	Hoke	Ros-Lehtinen
Bonilla	Horn	Roth
Brewster	Huffington	Royce
Browder	Hughes	Sanders
Bunning	Hunter	Santorum
Burton	Hutchinson	Saxton
Buyer	Hutto	Schaefer
Byrne	Inglis	Schiff
Callahan	Inhofe	Schroeder
Calvert	Istook	Sensenbrenner
Camp	Johnson, Sam	Shaw
Canady	Kaptur	Shuster
Castle	Kasich	Skeen
Chapman	Kim	Slaughter
Clement	Kingston	Smith (MI)
Coble	Klug	Smith (NJ)
Collins (GA)	Knollenberg	Smith (TX)
Combest	Kyl	Snowe
Condit	Lewis (FL)	Solomon
Cooper	Linder	Spence
Costello	Livingston	Stearns
Cox	Lloyd	Stump
Cramer	Long	Sundquist
Crane	Lowey	Talent
Crapo	Manzullo	Tanner
Cunningham	McCollum	Tauzin
DeFazio	McCrery	Taylor (MS)
DeLauro	McDade	Taylor (NC)
DeLay	McHugh	Thomas (CA)
Diaz-Balart	McInnis	Thomas (WY)
Dickey	McKeon	Thompson
Doolittle	McNulty	Thornton
Dornan	Menendez	Torkildsen
Duncan	Meyers	Traficant
Dunn	Mica	Upton
Emerson	Michel	Visclosky
English (OK)	Miller (CA)	Vucanovich
Evans	Miller (FL)	Walker
Everett	Molinari	Walsh
Ewing	Moorhead	Weldon
Fields (TX)	Nussle	Wolf
Filner	Owens	Wyden
Franks (NJ)	Oxley	Young (FL)
Gallegly	Packard	Zeliff
Gallo	Pallone	Zimmer
Gekas	Paxon	

ANSWERED "PRESENT"—1

Hyde

NOT VOTING—6

Clinger	Hayes	Sharp
Hall (OH)	Myers	Smith (OR)

□ 0006

Mr. KLUG and Mr. SKEEN changed their vote from "aye" to "no."

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.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1705

Mr. FINGERHUT. Mr. Speaker, I ask unanimous consent that my name be withdrawn as a cosponsor of H.R. 1705.

The SPEAKER pro tempore (Mr. HOYER). Is there objection to the request of the gentleman from Ohio?

There was no objection.

(Mr. SOLOMON asked and was given permission to proceed out of order for 1 minute.)

SCHEDULE FOR VOTES

Mr. SOLOMON. Mr. Speaker, I have asked unanimous consent to speak out of order to inform the House that it is our understanding on this side of the aisle that there are 2 more votes to be taken up her tonight. Both of them will be taken probably within the next half hour to 35 minutes.

Members should stay on the floor and not be late for the vote.

CONFERENCE REPORT ON H.R. 1025, BRADY HANDGUN VIOLENCE PREVENTION ACT

Mr. BROOKS. Mr. Speaker, pursuant to the order of the House, I call up the conference report on the bill (H.R. 1025) to provide for a waiting period before the purchase of a handgun, and for the establishment of a national instant criminal background check system to be contacted by firearms dealers before the transfer of any firearm.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the order of the House, the conference report is considered as having been read.

(For conference report and statement, see prior proceedings of the House of today, Monday, November 22, 1993.)

The SPEAKER pro tempore. The gentleman from Texas [Mr. BROOKS] will be recognized for 30 minutes, and the gentleman from Wisconsin [Mr. SENSENBRENNER] will be recognized for 30 minutes.

The CHAIR recognizes the gentleman from Texas [Mr. BROOKS].

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

As I predicted last night, the conference on H.R. 1025 was not very lengthy. While some may have hoped for different language, including myself, the conferees nevertheless have agreed to a final version of the bill. What we ended up with is the Senate bill with the following changes:

We adopted the House 5-year sunset of the waiting period, with no standards for the establishment of the instant national background check. We also dropped from the Senate bill the following sections: section 304 on antique firearms; section 302(c) on face-to-face transfer between licensees from different States: section 305 on the Bureau of Alcohol, Tobacco and Firearms, communications with licensees each time a new rule or regulation is issued; section 302(e)(b), which imposed a mandatory 30-year sentence for stealing a gun from a licensee; and section 401, imposing certain requirements on States in reporting any adjudication of mental defectives or commitments to mental institutions.

□ 0010

Finally, a few words of clarification were added in two sections on the authorization of funds. Unfortunately, I cannot support the legislation, Mr. Speaker, as it now stands. It still does not address the preemption of State law question, which does not make sense if one is attempting to impose a uniform national waiting period for handgun purchases.

Finally, Mr. Speaker, it goes without saying that the legislation will not remedy one unassailable fact in this debate. Violent criminals do not purchase firearms in the legal market at all. They buy them in the illicit marketplace or steal them.

Until there is a real commitment to get the National Instant Check System on line, the temporary waiting period procedure, spelled out in the conference report, may do but very little to stem the flow of illegal purchases.

Mr. Speaker, I would just tell the Members this. If they did not like the bill when it came through the House, they will not love it now. If they did like it, they will probably like it just as well.

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

Mr. SENSENBRENNER. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I rise in support of this conference report. I did like the bill when it passed the House. I still like it, and so should the membership of the House.

The major issue of difference in the conference between the House and the Senate was on the sunset provisions and standards imposed for certification of the Instant Check System. In the conference, the House prevailed and the so-called Gekas amendment provisions, which I opposed on the floor of the House, but which I support now, are in the conference report, which means a 5-year sunset provision and no standards.

Mr. Speaker, I believe this is a good bill. I strongly urge that it be passed.

Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON].

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

Mr. Speaker, both the gentleman from Texas [Mr. BROOKS] and the gentleman from Wisconsin [Mr. SENSENBRENNER] have adequately described the bill. In layman's language, what it says is the 4 years are out, the 5 years are in, there are no standards, and the other changes were all within scope. Therefore, for those of the Members who are anti-Brady, they still should vote no, like they did before.

Mr. SENSENBRENNER. Mr. Speaker, I yield such time as he may

consume to the gentleman from Florida [Mr. MCCOLLUM].

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

Mr. Speaker, I just want to reiterate very briefly once again the fact that many of us do not believe this bill is necessary, and do not believe that it is anything more than a distraction. Mr. Speaker, the reason why we believe it is unnecessary, regardless of any other feelings about it, is that we truly can do in between five minutes and five hours what the waiting period is supposed to do in five days. That is, we can find out by checking through the NCIC system through the States whether or not somebody is a felon, and if that person is ineligible to purchase a gun or a handgun from a gun dealer, so really, it is not necessary.

Mr. Speaker, I would like to bring out the point that I think is more important in this than just the unnecessary feature. Mr. Speaker, I think the point that I think is more significant than the question of why we find it unnecessary, many of us, is the fact that bill itself is really a distraction in terms of what we have to do out here. The issue of controlling and getting control of violent crime, which is the number one concern in the polls today of the American people, is not addressed by this bill. Mr. Speaker, it is at best symbolic.

Mr. Speaker, if we want to address that kind of issue, and we must do it immediately when we get back here, we have to have opportunities to vote on things like a partnership with the States for regional prisons, to take the violent felons who commit these crimes and go back out on the street through the revolving door, take them off the streets, throw away the key and lock the door up permanently on them. We have to be able to do that. There is a vehicle.

Mr. Speaker, the regional prison concept and a number of other critical ways of going about addressing this problem do exist in various legislative forms, but they have not been brought out this session for votes.

Mr. Speaker, the gentleman, who is my friend, the chairman of the committee, has assured us that sometime next year, earlier rather than later, we are going to see some of these out here. I want to remind my colleagues that the statistics from the bureau that collects those statistics show that every single month in this country there are 160,000 violent crimes committed, and if we wait 6 months to pass any legislation that really addresses this problem, we are going to see over 1 million more violent crimes committed in this country.

Mr. Speaker, there is a bill down at the desk tonight in a discharge petition form, No. 10, that any of the Members can sign on an open rule to bring out a comprehensive crime bill. Mr. Speaker, I would urge both my colleagues on this side and that side of the aisle to sign that discharge petition before the night is out and send a signal that the Members do care about how long it takes and how quickly we address this problem when we get back here.

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

Mr. BROOKS. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. SCHUMER], the distinguished chairman of the Subcommittee on Crime and Criminal Justice of the Committee on the Judiciary, so he can get home and go home for his birthday.

Mr. SCHUMER. Mr. Speaker, I urge my colleagues to pass the Brady bill now. I urge this Congress to send it to the President before Thanksgiving.

Mr. Speaker, the grant program established by the Brady bill requires a grant to each of the States to improve their computerized criminal history records. The grant program is critical in order to implement the instant check system quickly and effectively.

The grant program is intended to be a flexible vehicle to permit the Justice Department, through the Bureau of Justice Statistics, to target funds as needed, to establish a reliable instant check system. The legislation requires that a grant be made to each State during the life of the program but does not require a grant to each State in each year. The Department should take into account each State's timetable and the assistance that each State needs in order to participate in the instant check system.

We intend that courts can and should receive grant moneys. Courts are often the source of final dispositions and these dispositions are necessary so that the system will be a reliable identifier of convicted felons who are prohibited from purchasing firearms.

The Bureau of Justice Statistics has existing legal authority to make grants to not-for-profit organizations and the Brady bill does not change this. Thus, Brady grants can be awarded to not for profits when this serves the purposes of the Brady grant program. Not for profits can provide technical assistance, training, demonstration, and dissemination of strategies for participating in the instant check system and other assistance that will be critical for the prompt implementation of the system.

We intend that the national instant check system shall be based on the existing Interstate Identification Index [III] unless the Attorney General finds that the III would not be satisfactory for this purpose. The III is the only existing comprehensive computerized national file of criminal history records in existence at this time. The States and the FBI have been working cooperatively to establish III for two decades. It is based on a decentralized recordkeeping principle, which has been proven to offer a cost-effective way to store, search, and disseminate more complete and accurate records. For these reasons, it would be far preferable to build the national instant check system on III than to attempt to create a new centralized system at the FBI or elsewhere.

Mr. SMITH of Michigan. Mr. Speaker, on this early Tuesday morning, Mr. SCHUMER of New York has indicated that Michigan's law, which prohibits the sale of handguns to convicted felons, exempts Michigan from the 5-day waiting period of H.R. 1025.

Restrictions on guns will do very little to reduce crime in our country. Our greater energies in our efforts to reduce crime must be more effective apprehension, quicker and stricter judicial review and sentencing, assurances that those convicted will serve their time in prison, and most importantly instilling values and moral responsibility in the minds of our Nation's young people.

More specifically, we need: Mandatory prison sentences for the most serious offenders; sentencing laws that will not permit armed and violent felons to avoid prison through plea bargaining; mandatory life imprisonment for a third conviction of violent or serious felony similar to the three strikes you're out initiative; death penalty for first degree murder with aggravating circumstances; tough, determinate sentences coupled with prison release policies that require every inmate to serve no less than 85 percent of the prison sentence imposed; adequate prison capacity with authority to privatize institutions; comprehensive effective juvenile justice reform with early intervention for youth at risk; and comprehensive, enforceable constitutional rights for crime victims. This morning I am signing the discharge petition No. 10 so we can bring to the floor the Republican crime bill to help solve some of these problems.

I would also like to add, Mr. Speaker, that in trying to assure a safer society, the role of the family cannot be understated. Dedicated parents sustain families and the Nation. As models and guides for their children, they help solve our educational problems, our crime problems, and, by teaching respect and hard work, provide the key to a strong economic future. They nurture the strong, healthy adults we need in our society.

Mr. PORTER. Mr. Speaker, the level of crime in our society is frightening, and we must enact legislation to combat this violence. But there is not one measure that is a quick cure-all that will solve our crime problem. In the past month, Members of both Houses have argued for more prison construction, more police on our streets, increased penalties, drug rehabilitation, a more expeditious appeals system, and a limitation on the easy availability of handguns. I agree. We need both preventive and punitive measures to address this complex problem.

I have strongly supported the Brady bill for years, and I would like to see this bill be one in a series of effective anticrime measures enacted in the 103d Congress.

The Brady bill is only a modest step to prevent convicted or potential criminals from easily obtaining handguns. It does not deny the right of individuals to obtain handguns or to keep them for self-defense or legitimate hunting or sporting purposes. If it did, I would oppose it.

It is also not a panacea for our Nation's crime problem nor for criminal misuse of weapons. It will not prevent many crimes. But it will prevent some: suicides of confused

teenagers; crimes of passion where an individual, in a fit of rage, quickly purchases a handgun and murders his mate or spouse; and, perhaps, crimes like that of John Hinckley against former President Reagan and Jim Brady.

Yes, the Brady bill will cause a little inconvenience, but 5 working days seems to me a very small price to pay to ensure that felons, fugitives, drug addicts, and individuals with histories of mental illness are not able to purchase handguns over the counter in less time than it takes to get a haircut. Even most members of the NRA admit that the inconvenience is inconsequential.

Obviously, there are other, more effective ways to end violent crime. Mandatory additional sentences for crimes committed with a deadly weapon are a very effective way, an approach I favored with my own legislation when I served in the Illinois General Assembly, and an approach I have supported in this Congress by cosponsoring similar legislation. But today we are addressing the Brady bill, and this bill will apply reason to the way we sell handguns.

Virtually every major law enforcement organization supports passage of the Brady bill: the Federal Law Enforcement Officers Association, the Fraternal Order of Police, the National Sheriffs Organization, the National Association of Police Organizations, and the list goes on. The American people are now more than ever overwhelmingly supportive of reasonable handgun control measures. Poll after poll shows public support for the Brady bill to be in the 80 percent range. It is time to shake up the special interests, stand for what we think is right, listen to the American people, and support the Brady bill. Presidents Nixon, Ford, Carter, Reagan, and most recently Clinton have endorsed the Brady bill. Let us pass this conference report today and do what is in the public's best interest.

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

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

There was no objection.

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

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

RECORDED VOTE

Mr. SENSENBRENNER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 238, noes 187, not voting 8, as follows:

[Roll No. 614]

AYES—238

Abercrombie	Bateman	Brown (CA)
Ackerman	Becerra	Brown (FL)
Andrews (ME)	Beilenson	Brown (OH)
Andrews (NJ)	Bentley	Bryant
Andrews (TX)	Berman	Byrne
Applegate	Bilirakis	Cantwell
Bacchus (FL)	Blackwell	Cardin
Baesler	Blute	Castle
Baker (CA)	Boehlert	Chapman
Barca	Bonior	Clay
Barrett (WI)	Borski	Clayton
Clement	Jacobs	Price (NC)
Clyburn	Jefferson	Quinn
Collins (IL)	Johnson (CT)	Ramstad
Collins (MI)	Johnson (SD)	Rangel
Condit	Johnson, E.B.	Reed
Conyers	Johnston	Regula
Cooper	Kaptur	Reynolds
Coppersmith	Kennedy	Roemer
Coyne	Kennelly	Ros-Lehtinen
Darden	Kildee	Rose
DeFazio	Kleczka	Rostenkowski
DeLauro	Klein	Roukema
Dellums	Klug	Rowland
Derrick	Kreidler	Roybal-Allard
Deutsch	LaFalce	Rush
Diaz-Balart	Lancaster	Sabo
Dicks	Lantos	Sangmeister
Dixon	Lazio	Sawyer
Dooley	Leach	Saxton
Durbin	Lehman	Schenk
Edwards (CA)	Levin	Schroeder
Engel	Lewis (GA)	Schumer
English (AZ)	Lipinski	Scott
Eshoo	Lloyd	Sensenbrenner
Evans	Long	Serrano
Farr	Lowey	Sharp
Fawell	Machtley	Shaw
Fazio	Maloney	Shays
Fields (LA)	Mann	Shepherd
Filner	Manton	Skaggs
Fingerhut	Margolies-Mezvinsky	Slattery
Fish	Markey	Slaughter
Flake	Matsui	Smith (MI)
Foglietta	Mazzoli	Smith (NJ)
Ford (MI)	McCloskey	Spratt
Fowler	McCurdy	Stark
Frank (MA)	McDade	Stearns
Franks (NJ)	McDermott	Stokes
Frost	McHale	Studds
Furse	McKinney	Swett
Gallegly	McMillan	Swift
Gallo	McNulty	Synar
Gejdenson	Meehan	Thomas (CA)
Gephardt	Meek	Thompson
Gibbons	Menendez	Torkildsen
Gilchrest	Meyers	Torres
Gilman	Mfume	Torricelli
Glickman	Michel	Towns
Gonzalez	Miller (CA)	Traficant
Goodling	Mineta	Tucker
Gordon	Minge	Upton
Goss	Mink	Valentine
Greenwood	Moakley	Velazquez
Gutierrez	Molinari	Vento
Hamburg	Moran	Visclosky
Hamilton	Morella	Walsh
Harman	Nadler	Washington
Hastings	Neal (MA)	Waters
Hefner	Neal (NC)	Watt
Hinchey	Olver	Waxman
Hoagland	Owens	Weldon
Hochbrueckner	Oxley	Wheat
Hoekstra	Pallone	Wolf
Horn	Pastor	Woolsey
Hoyer	Payne (NJ)	Wyden
Huffington	Pelosi	Wynn
Hughes	Pickle	Young (FL)
Hutto	Porter	Zimmer
Hyde		

NOES—187

Allard	Callahan	Duncan
Archer	Calvert	Dunn
Armey	Camp	Edwards (TX)
Bachus (AL)	Canady	Emerson
Ballenger	Carr	English (OK)
Barcia	Coble	Everett
Barlow	Coleman	Ewing
Barrett (NE)	Collins (GA)	Fields (TX)
Bartlett	Combest	Franks (CT)
Barton	Costello	Gekas
Bereuter	Cox	Geren
Bevill	Cramer	Gillmor
Bilbray	Crane	Gingrich
Bishop	Crapo	Goodlatte
Bliley	Cunningham	Grams
Boehner	Danner	Grandy
Bonilla	de la Garza	Green
Boucher	Deal	Gunderson
Brewster	DeLay	Hall (TX)
Brooks	Dickey	Hancock
Browder	Dingell	Hansen
Bunning	Doolittle	Hastert
Burton	Dornan	Hefley
Buyer	Dreier	Herger
Hilliard	McKeon	Sanders
Hobson	Mica	Santorum
Hoke	Miller (FL)	Sarpalius
Holden	Mollohan	Schaefer
Houghton	Montgomery	Schiff
Hunter	Moorhead	Shuster
Hutchinson	Murphy	Sisisky
Inglis	Murtha	Skeen
Inhofe	Myers	Skelton
Inslee	Natcher	Smith (IA)
Istook	Nussle	Smith (TX)
Johnson (GA)	Oberstar	Snowe
Johnson, Sam	Obey	Solomon
Kanjorski	Ortiz	Spence
Kasich	Orton	Stenholm
Kim	Packard	Strickland
King	Parker	Stump
Kingston	Paxon	Stupak
Klink	Payne (VA)	Sundquist
Knollenberg	Penny	Talent
Kolbe	Peterson (FL)	Tanner
Kopetski	Peterson (MN)	Tauzin
Kyl	Petri	Taylor (MS)
Lambert	Pickett	Taylor (NC)
LaRocco	Pombo	Tejeda
Laughlin	Pomeroy	Thomas (WY)
Levy	Portman	Thornton
Lewis (CA)	Poshard	Thurman
Lewis (FL)	Pryce (OH)	Unsoeld
Lightfoot	Quillen	Volkmer
Linder	Rahall	Vucanovich
Livingston	Ravenel	Walker
Manzullo	Richardson	Williams
Martinez	Ridge	Wilson
McCandless	Roberts	Wise
McCollum	Rogers	Young (AK)
McCrery	Rohrabacher	Zeliff
McHugh	Roth	
McInnis	Royce	

NOT VOTING—8

Baker (LA)	Hall (OH)	Whitten
Clinger	Hayes	Yates
Ford (TN)	Smith (OR)	

□ 0034

Mr. CARR of Michigan changed his vote from "aye" to "no."

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.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1246

Mr. MACHTLEY. Mr. Speaker, I ask unanimous consent that my name be removed from the list of cosponsors of H.R. 1246.

The SPEAKER pro tempore (Mr. HOYER). Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

PROVIDING FOR ADJOURNMENT OF THE HOUSE FROM MONDAY, NOVEMBER 22, 1993, OR TUESDAY, NOVEMBER 23, 1993, AND ADJOURNMENT OR RECESS OF THE SENATE FROM MONDAY, NOVEMBER 22, 1993 OR THEREAFTER

Mr. GEPHARDT. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 190) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 190

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on the legislative day of Monday, November 22, 1993, or the legislative day of Tuesday, November 23, 1993, pursuant to a motion by the Majority Leader, or his designee, in accordance with this resolution, it stand adjourned sine die, and that when the Senate adjourns on any day beginning on Monday, November 22, 1993 through 11:55 a.m. on Monday, January 3, 1994, pursuant to a motion made by the Majority Leader, or his designee, in accordance with this resolution, it stand adjourned sine die or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this resolution: *Provided,* That the Senate may recess or adjourn for any period in excess of three days pursuant to a motion made by the Majority Leader, or his designee, for the duration of the first session of the One Hundred Third Congress, subject to section 2 of this resolution.

SEC. 2. The Speaker of the House and the Majority Leader of the Senate, acting jointly after consultation with the Minority Leader of the House and the Minority Leader of the Senate, shall notify the Members of the House and Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

CONVENING OF THE SECOND REGULAR SESSION OF THE 103D CONGRESS ON TUESDAY, JANUARY 25, 1994

Mr. GEPHARDT. Mr. Speaker, I send to the desk a joint resolution (H.J. Res. 300) and I ask unanimous consent for its immediate consideration.

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

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 300

Resolved by the Senate and House of Representatives of the United States of America in Congress Assembled, That the second regular session of the One Hundred Third Congress shall begin at noon on Tuesday, January 25, 1994.

SEC. 2. That prior to the convening of the second regular session of the One Hundred Third Congress on January 25, 1994, as provided in section of this resolution, Congress shall reassemble at noon on the second day after its Members are notified in accordance with section 3 of this resolution.

SEC. 3. The Speaker of the House and the Majority Leader of the Senate, acting jointly after consultation with the Minority Leader of the House and the Minority Leader of the Senate, shall notify the Members of the House and the Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

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

Mr. GEPHARDT. Mr. Speaker, I ask for this time for the purpose of informing the Members that we have one additional matter tonight, the unemployment compensation conference, which will be brought up right now and will probably not be debated very much and will go to a vote. That will be the last vote. You will then be asked to reappear here on January 25, 1994.

I would also inform Members we have a number of unanimous-consent requests regarding legislation which has been approved by both sides. Those will be handled later tonight, but there will be no other votes after the vote on unemployment.

GENERAL LEAVE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that all Members shall have 5 legislative days in which to revise and extend their remarks on the conference report on the bill, H.R. 1025, which was just considered and agreed to.

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

There was no objection.

CONFERENCE REPORT ON H.R. 3167, UNEMPLOYMENT COMPENSATION AMENDMENTS OF 1993

Mr. ROSTENKOWSKI. Mr. Speaker, pursuant to the previous order of the House, I call up the conference report to accompany the bill (H.R. 3167) to extend the emergency unemployment compensation program, to establish a system of worker profiling, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of November 21, 1993, at page 31443.)

The SPEAKER pro tempore. The gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 30 minutes, and the gentleman from Texas [Mr. ARCHER] will be recognized for 30 minutes.

The CHAIR recognizes the gentleman from Illinois [Mr. ROSTENKOWSKI].

□ 0040

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

Mr. Speaker, I rise in support of the conference agreement on H.R. 3167, the Unemployment Compensation Amendments of 1993. This legislation, which the Senate approved Saturday, will extend the authorization for new claims under the Emergency Unemployment Compensation, or EUC, Program from October 2, 1993 through February 5, 1994. It also includes an administration initiative that will help to address the reemployment needs of the growing number of unemployed workers who have lost their jobs permanently.

H.R. 3167 will help provide income security to approximately 1 million workers who exhaust regular State benefits, and their families. Depending on the unemployment rate in each State, workers will receive either 7 or 13 weeks of benefits. An estimated 400,000 unemployed workers, who have been waiting for their benefits since as far back as October 3, will receive extended benefits retroactively. Another 500,000 unemployed workers will be able to claim benefits from now until February 5, 1994. After that date, continued claims will be paid through April 30, 1994.

Mr. Speaker, this conference report is identical to the one that the House recommitted last week. The conferees deleted both Senate amendments, because it was our understanding that the House would be given a chance to vote on Federal work force reductions as part of the recissions and reinventing Government legislation. Since the Senate has passed this conference report without those amendments, the Senate amendments are at issue no longer.

The bill has been delayed long enough and we have had ample opportunity to debate its merits. In the end, we cannot ignore the basic facts: While job growth has improved, long-term unemployment is as much a problem today as when this program first was enacted in November 1991. Let us finish the year having recognized these facts and acted upon them. I strongly urge my colleagues to vote yes on the conference agreement on H.R. 3167.

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

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

Mr. Speaker, while I expected it would come to this, I am still very disappointed by the way Democrat leaders in the House and Senate have blatantly arranged to thwart the will of large majorities in both Chambers.

This conference report on the extension of federally funded unemployment benefits is before us once again—with a glaring omission—the provision originally passed by the Senate on an 82 to 14 vote to cut the Federal work force by 252,000 employees.

In case anyone has forgotten, the House voted on two separate occasions to instruct our negotiators to agree with that provision to cut the swollen Federal bureaucracy.

The first time the vote was 275 to 146. The second time it was 226 to 202.

The Democrat leadership in the House and Senate couldn't beat us on the merits of the issue. So they created

a parliamentary situation specifically designed to preclude the House from even voting on the Senate amendment this time around on this bill.

I am under no illusion that a majority will vote down the conference report. The hour is late and this session of Congress is grinding to a close.

But I, for one, will vote "no." It is an outrage that the leadership has handled the issue the way it has.

But my opposition is based on far more than that. I believe firmly that on the merits of the issue it is time to let this program finally expire.

It is time to let the State and Federal matching extended benefits program do the job it was designed to do in areas of high unemployment.

We simply cannot afford to continue a program which pays Federal benefits to people in areas where there is virtually no unemployment. And yet that is exactly what this so-called emergency benefits program does.

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

GENERAL LEAVE

Mr. ROSTENKOWSKI. 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 presently under consideration.

The SPEAKER pro tempore (Mr. HOYER). Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. PICKLE].

Mr. PICKLE. I thank the gentleman for yielding time to me.

Mr. Speaker, so far as I know, I have voted for every unemployment compensation bill since I have been in the Congress. I believe that workers who have lost their jobs through no fault of their own should get extended benefits. When I was a member of the Texas Employment Commission, I sat on the governing board of my State's unemployment benefits program because I firmly believed that we needed to help people who had lost their jobs, so I have a longstanding commitment to help unemployed workers.

With this particular bill, though, I have grave reservations regarding the lack of proper financing of the extension. We are asked to spend $1.1 billion in the next year, but the recommended revenue raiser, which purports to make up the money in the next 5 years, is not real and valid. The so-called profiling approach, in my view, simply will not produce the intended savings. There's just no reality in that approach.

Mr. Speaker, I want unemployed workers to get their benefits, but we must be more responsible in finding a realistic way to pay for them. I am willing to look at cuts or real revenues, and I would even be willing to look at that most sacred of sacred cows, cutting entitlements. I believe very strongly that we need a real, working unemployment benefits program, but we've got to be responsible enough to really pay for it.

Mrs. KENNELLY. Mr. Speaker, I am pleased that we have one final opportunity to pass the unemployment extension bill.

I cannot tell you how many of my constituents have stopped me at home the last 6 weeks to ask me when we were going to pass this bill. Late last week, I received a phone call from a resident in my home State who asked if she was going to get additional benefits. She told me that she was concerned because she had lost her job, and can't find another one in our economy up there, and was running out of money to provide for her family.

I know that many Members are concerned about these extensions and they want some type of permanent solution established so we do not need to go through this process every few months. I agree, and would be pleased to work with my colleagues to find a permanent solution.

We must correct the relationship between the States and the Federal Government in regard to the extended benefits program. The way the program is currently structured is not financially attractive for the States to implement.

The current Federal matching rate for this program is 50–50. As part of reconciliation, language was included in the House bill to make this share 75–25. However, this provision was dropped. We need to take a look at this match, and evaluate how many States can successfully fund their share of the program.

At the Human Resources Subcommittee hearing on this legislation in September, Secretary Reich testified that an emergency extension was needed because at that time only two States and Puerto Rico would qualify for the Federal-State extended benefit program when regular benefits ran out in October.

To correct this, there must be a mechanism established that will allow States with significant unemployment, States where people are unemployed for the long term, can qualify for the extended benefit program.

We cannot make these changes today. Today we can only do one thing, pass a bill which will help pay mortgages, feed children, and keep families together. I urge my colleagues to vote for this conference report.

Mr. BORSKI. Mr. Speaker, I rise in strong support of the conference report on H.R. 3167, the Unemployment Compensation amendments.

As we are all aware, the Emergency Unemployment Benefit Program expired on October 2. Every day since then, thousands of Americans have exhausted their regular unemployment benefits and discovered that there were no additional benefits for them. Every day these Americans, whose lives have been seriously disrupted by the long recession and restructuring of our economy, have looked to us for help. But all they have found is more delay.

Mr. Speaker, we have had this legislation before us for 2 months. We could have approved the extension before the EUC Program even expired. I cannot adequately express my frustration at the gridlock and extraneous issues that have delayed passage of this extension.

Because we did not follow our traditional procedure of declaring the extension as emergency spending, we had to find offsetting cuts in other programs. The controversy over which programs to cut in order to pay for the extension delayed passage of this legislation in the House for several weeks. In addition, the amendment added in the Senate to require the reduction of the Federal work force by 252,000, created more controversy and further delayed passage of the extension, even though this provision was included in concurrent legislation.

While controlling the deficit and reducing unnecessary Government are important goals of this Congress, they have nothing to so with unemployment benefits. We must remember that our first priority is to serve the American people. When Americans are in need, it is our responsibility to act.

Today, we have the opportunity to provide these Americans with 7 to 13 weeks of additional benefits that will help them pay their mortgage, put food on the table and have a more hopeful holiday season.

If we do not approve this extension today, 2 long months will elapse before we will have another opportunity to provide these people with the benefits they so desperately need. No political or procedural controversy will ever be able to justify to these people why we have failed them again.

I urge my colleagues to put their differences aside to show unemployed Americans they are not forgotten.

Mr. CRANE. Mr. Speaker, after the conference committee on H.R. 3167 ignored the previous instructions which the House sent to it on October 28, I offered a second motion to recommit the bill on November 9. Specifically, my motion instructed the conferees to concur in the Senate amendment to cut the Federal bureaucracy by 252,000 employees as recommended by Vice President GORE's National Performance Review. I was pleased that 225 of my colleagues supported my motion to save the taxpayers an estimated $21 billion over the next 5 years by sending H.R. 3167 back to the conference committee to do the job the House asked it to do the first time. Unfortunately, the conferees turned a deaf ear on this effort once again by dropping the Senate provision from the conference agreement before us today. It is highly disappointing that the conference committee twice disregarded a provision that has received overwhelming support in both Chambers. Indeed, it is no wonder that the American public has become so skeptical of this Congress' ability to reduce the deficit and eliminate waste when even the cuts that a bicameral majority supports are not adopted.

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

Mr. ROSTENKOWSKI. 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.

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.

RECORDED VOTE

Mr. BUNNING. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were ayes 320, noes 105, not voting 9, as follows:

[Roll No. 615]

AYES—320

Abercrombie	Everett	LaFalce
Ackerman	Farr	Lambert
Andrews (NJ)	Fawell	Lancaster
Andrews (TX)	Fazio	Lantos
Applegate	Fields (LA)	LaRocco
Bacchus (FL)	Filner	Laughlin
Baesler	Fingerhut	Lazio
Baker (CA)	Fish	Leach
Barca	Flake	Lehman
Barcia	Foglietta	Levin
Barlow	Foley	Levy
Barrett (WI)	Ford (MI)	Lewis (GA)
Bateman	Ford (TN)	Lipinski
Becerra	Frank (MA)	Lloyd
Beilenson	Franks (CT)	Long
Bentley	Franks (NJ)	Lowey
Berman	Frost	Machtley
Bevill	Furse	Maloney
Bilbray	Gallegly	Mann
Bishop	Gallo	Manton
Blackwell	Gejdenson	Margolies-Mezvinsky
Blute	Gekas	Markey
Boehlert	Gephardt	Martinez
Bonilla	Gibbons	Matsui
Bonior	Gilchrest	Mazzoli
Borski	Gillmor	McCloskey
Boucher	Gilman	McCurdy
Brooks	Glickman	McDade
Browder	Gonzalez	McDermott
Brown (CA)	Goodling	McHale
Brown (FL)	Gordon	McHugh
Brown (OH)	Grandy	McKeon
Bryant	Green	McKinney
Bunning	Greenwood	McNulty
Byrne	Gunderson	Meehan
Calvert	Gutierrez	Meek
Camp	Hall (TX)	Menendez
Canady	Hamburg	Meyers
Cantwell	Hamilton	Mfume
Cardin	Harman	Michel
Carr	Hastert	Miller (CA)
Castle	Hastings	Mineta
Chapman	Hefner	Minge
Clay	Herger	Mink
Clayton	Hilliard	Moakley
Clement	Hinchey	Molinari
Clyburn	Hobson	Mollohan
Coleman	Hochbrueckner	Montgomery
Collins (IL)	Hoekstra	Moran
Collins (MI)	Hoke	Morella
Condit	Holden	Murphy
Conyers	Horn	Murtha
Cooper	Houghton	Myers
Coppersmith	Hoyer	Nadler
Costello	Huffington	Natcher
Coyne	Hughes	Neal (MA)
Danner	Hutto	Neal (NC)
Darden	Hyde	Oberstar
de la Garza	Inslee	Obey
DeFazio	Jacobs	Olver
DeLauro	Jefferson	Ortiz
Dellums	Johnson (CT)	Orton
Derrick	Johnson (SD)	Owens
Deutsch	Johnson, E. B.	Pallone
Diaz-Balart	Johnston	Parker
Dicks	Kanjorski	Pastor
Dingell	Kaptur	Paxon
Dixon	Kasich	Payne (NJ)
Dooley	Kennedy	Pelosi
Doolittle	Kennelly	Peterson (FL)
Dunn	Kildee	Peterson (MN)
Durbin	Kim	Pickett
Edwards (CA)	King	Pombo
Emerson	Kleczka	Pomeroy
Engel	Klein	Porter
English (AZ)	Klink	Poshard
English (OK)	Klug	Price (NC)
Eshoo	Kopetski	Quinn
Evans	Kreidler	Rahall
Sharp	Thurman	
Rangel	Shepherd	Torkildsen
Reed	Shuster	Torricelli
Regula	Sisisky	Towns
Reynolds	Skaggs	Traficant
Richardson	Skelton	Tucker
Ridge	Slattery	Unsoeld
Roemer	Slaughter	Upton
Rogers	Smith (IA)	Velazquez
Ros-Lehtinen	Smith (NJ)	Vento
Rose	Snowe	Visclosky
Rostenkowski	Solomon	Volkmer
Roukema	Spence	Vucanovich
Roybal-Allard	Spratt	Walsh
Rush	Stark	Washington
Sabo	Stokes	Waters
Sanders	Strickland	Watt
Sangmeister	Studds	Waxman
Santorum	Stupak	Weldon
Sarpalius	Swett	Wheat
Sawyer	Swift	Whitten
Saxton	Synar	Williams
Schenk	Talent	Wise
Schiff	Tanner	Wolf
Schroeder	Tauzin	Woolsey
Schumer	Tejeda	Wyden
Scott	Thompson	Wynn
Serrano	Thornton	Zimmer

NOES—105

Allard	Gingrich	Packard
Archer	Goodlatte	Payne (VA)
Armey	Goss	Penny
Bachus (AL)	Grams	Petri
Ballenger	Hancock	Pickle
Barrett (NE)	Hansen	Portman
Bartlett	Hefley	Pryce (OH)
Barton	Hoagland	Quillen
Bereuter	Hunter	Ramstad
Bilirakis	Hutchinson	Ravenel
Bliley	Inglis	Roberts
Boehner	Inhofe	Rohrabacher
Brewster	Istook	Roth
Burton	Johnson (GA)	Rowland
Buyer	Johnson, Sam	Royce
Callahan	Kingston	Schaefer
Coble	Knollenberg	Sensenbrenner
Collins (GA)	Kolbe	Shaw
Combest	Kyl	Shays
Cox	Lewis (CA)	Skeen
Cramer	Lewis (FL)	Smith (MI)
Crane	Lightfoot	Smith (TX)
Crapo	Linder	Stearns
Cunningham	Livingston	Stenholm
Deal	Manzullo	Stump
DeLay	McCandless	Sundquist
Dickey	McCollum	Taylor (MS)
Dornan	McCrery	Taylor (NC)
Dreier	McInnis	Thomas (CA)
Duncan	McMillan	Thomas (WY)
Edwards (TX)	Mica	Valentine
Ewing	Miller (FL)	Walker
Fields (TX)	Moorhead	Young (AK)
Fowler	Nussle	Young (FL)
Geren	Oxley	Zeliff

NOT VOTING—9

Andrews (ME)	Hall (OH)	Torres
Baker (LA)	Hayes	Wilson
Clinger	Smith (OR)	Yates

□ 0101

The Clerk announced the following pair:

On this vote:

Mr. Yates for, with Mr. Smith of Oregon against.

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.

PERSONAL EXPLANATION

Mr. ANDREWS of Maine. Mr. Speaker, I learned this morning that my vote for H.R. 3167, rollcall No. 615, was not recorded by the electronic device last night.

Mr. Speaker, if it had been recorded, my vote would have been "aye." I asked unanimous consent that my vote appear as an "aye" vote in the permanent RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no obligation.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF VARIOUS BILLS

Mr. MFUME. Mr. Speaker, I ask unanimous consent to remove my name as cosponsor of the following bills: H.R. 526, H.R. 1200, H.R. 1699, H.R. 1296, and H.R. 1151.

The SPEAKER (Mr. HOYER). Is there objection to the request of the gentleman from Maryland?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF VARIOUS BILLS

Mr. GORDON. Mr. Speaker, I ask unanimous consent to have my name removed from the sponsorship of the following bills: H.R. 2010, H.R. 634, H.R. 1296, H.R. 937, and H.R. 1078.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

INTRODUCTION OF H.R. 3626, THE ANTITRUST REFORM ACT OF 1993

(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, 18 months ago, I introduced legislation (H.R. 5096) in the 102d Congress that was designed to establish a broad-based competition policy to guide this Nation's telecommunications industry into the 21st century. At that time, there was fragmented policy orientation in the courts, throughout the enforcement agencies, and in the Halls of Congress. Piecemeal, one sided solutions seemed to be the easy and preferred choice for many who wished to avoid the hard decisions needed to formulate a comprehensive approach for all sectors of the industry. Having watched the confusion in all branches of Government, I finally reached the decision that it was time to change the dynamic and I think that last year's effort made a real difference in serving notice that change was on the way.

And much has changed since I introduced H.R. 5096. Tonight—as the first session of the 103d Congress moves rapidly to adjournment—I am pleased to be introducing—with my good friend, Chairman JOHN DINGELL—comprehensive telecommunications legislation to spur competition and accelerate innovation in what may be our most

critical strategic industry. The legislation (H.R. 3626) obviously builds upon my antitrust legislative effort last year but expands its reach to encompass legitimate and vital communications policy concerns as well.

Many thought this moment would not come. The naysayers were fond of predicting that two committee chairmen, who both believe in and strongly defended their jurisdictional interests, would never be able to fashion a product together. Some may have even hoped that jurisdictional gridlock would win out as it has so often in the past—so that anarchy in the markets would not be replaced by the larger vision of what is needed to keep telecommunications the prized industry that it is. I am happy to say that our mutual interests and deep concern for this vital industry transcended all other concerns.

The Brooks-Dingell legislation establishes a blueprint of the all important transition to a new State for all market sectors will be opened up to robust competition, with the added benefits or better products and services at lower prices. In the process, however, we cannot allow small- and mid-size niche players—who have made this industry such a diverse and innovative one in the past decade—to fall by the wayside. Similarly, our national interest is not served by unreasonably restricting new entrants to use their demonstrated skills and resources in furthering the technological revolution provided competitive entry and public interest concerns are met.

When the next session comes, you can be assured that two chairmen are going to be moving together to have this legislation proceed with all due speed through the legislation process.

INTRODUCTION OF H.R. 3626

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

Mr. DINGELL. Mr. Speaker, I am pleased and honored to join my good friend, JACK BROOKS, in the introduction of H.R. 3626. This is important legislation that creates a process for phasing out the Modification of Final Judgment [MFJ] that governs much of the behavior of the Bell Operating Cos.'

This legislation is important for many reasons. First, it will affect virtually every American. It will help to ensure that America's telecommunications companies retain their world leadership, and will usher in a new age of telecommunications services that will improve the quality of life for everyone.

Second, it is important because, with the enactment of this legislation, Congress will reclaim its rightful role in formulating telecommunications policy. For the last 10 years, U.S. District Judge Harold Green has regulated the Bell Cos.', and the extent to which they are able to freely and fairly compete in the telecommunications marketplace. This legislation will change all that.

Finally, it is important because it demonstrates that this institution works—and works well. This bill represents a compromise among many different perspectives and interests, as many people of good will worked together to craft a balanced policy.

Since the negotiations that resulted in this legislation were only completed a short time ago, we do not yet have a summary of its provisions. That will come tomorrow. But I would like to say a few words of gratitude about the people who contributed to this legislation.

First among these is JACK BROOKS. JACK and I come at this debate from opposite poles. It is my belief that the Bell Cos.' should be freed of the MFJ restraints. By contrast, last year JACK introduced H.R. 5096, which was vigorously opposed by the Bells and many of their allies.

Yet JACK and I both understand that the only way that comprehensive legislation can move through this institution is for balances to be struck; for compromises to be reached, and for opponents to work with each other. That is what we have done, and that is the reason that we are able to join together today and introduce this bill. It is not a bill that I would have crafted; it is not a bill that JACK would have authored. But it is a compromise that we can both support, and I have enormous respect for JACK's willingness to compromise and work together with me so that we could resolve our differences and introduce this bill.

I would also like to thank our colleague, ED MARKEY, the chairman of the Commerce Committee's Subcommittee on Telecommunications and Finance. Chairman MARKEY has built an impressive record on the need to reform our Nation's telecommunications laws, and has today introduced legislation to accomplish much of what needs to be done.

In addition, our colleague, BILLY TAUZIN has worked closely with me for many years to rationalize the application of the MFJ restrictions. I know he will continue to contribute to this process as H.R. 3626 moves through the legislative process.

Finally, I would also like to thank my good friend and colleagues on the Energy and Commerce Committee, JIM SLATTERY. JIM has led the effort to permit the Bell Cos.' to manufacture telecommunications equipment, and has worked closely with the Communications Workers, the IBEW, and the Bell Cos.' themselves. In addition, he has also succeeded in working with the disabled community to ensure that network developments and advances in equipment technology are accessible to those with disabilities, so that they may be full participants in the information age.

Mr. Speaker, the legislation my good friend, JACK BROOKS and I are introducing will, I suspect, be of considerable interest to the Members when we return next January. We will be furnishing more comprehensive summaries and explanations of the bill in the coming days. But I wanted to take this opportunity to thank JACK and all of our other colleagues who have assisted—each in different ways—in the production of this legislation. We have succeeded in crafting a balanced bill, and it is my intention to bring the bill before the full House for a vote early in the next session.

MAKING CERTAIN NON-FEDERAL LEVEES ELIGIBLE FOR ASSISTANCE UNDER THE FEDERAL LEVEE REHABILITATION PROGRAM

Mr. APPLEGATE. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be discharged from further consideration of the bill (H.R. 3583) to make certain non-Federal levees eligible for assistance under the Federal levee rehabilitation program, and for other purposes.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the bill, as follows:

H.R. 3583

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

SECTION 1. ELIGIBILITY OF CERTAIN NON-FEDERAL LEVEES.

(a) ELIGIBILITY.—Notwithstanding any other provision of law (including any regulation), the eligibility to receive assistance under the levee rehabilitation program of a public sponsor of a primary levee located in the area that was affected by major, widespread flooding in the Midwest during 1993 shall not be affected by the status of participation (or the lack of participation) of the public sponsor in the program.

(b) APPLICATION.—A public sponsor of a levee who is eligible to receive assistance under the levee rehabilitation program as a result of subsection (a) shall submit an application to participate in the program not later than September 30, 1994.

(c) CONDITIONS.—Subject to the availability of funds, assistance may be provided under the levee rehabilitation program to a public sponsor of levee which is eligible to receive assistance under the levee rehabilitation program as a result of subsection (a) only if—

(1) the public sponsor demonstrates sufficient financial capability to comply with the requirements of this section;

(2) the levee otherwise meets the requirements of the levee rehabilitation program for operation, maintenance, and design;

(3) the benefits derived from repair or reconstruction of the levee exceed the costs thereof; and

(4) the public sponsor enters into a written agreement acknowledging that any future

assistance under the levee rehabilitation program will be conditioned upon the public sponsor's continued participation in the program.

(d) NON-FEDERAL SHARE.—The non-Federal share of a levee rehabilitation project for which assistance is made available as a result of this section shall be—

(1) to provide all lands, easements, rights-of-way, and dredged material disposal areas necessary for the project; and

(2) to provide 25 percent of the costs of construction of the project of which 5 percent of such costs shall be paid in cash (or a cash equivalent) from non-Federal sources.

(e) LIMITATION ON FUNDING.—Of the amounts made available to the Secretary of the Army to provide assistance under the levee rehabilitation program for fiscal year 1994, not more than $50,000,000 may be used to provide assistance to public sponsors who become eligible to receive assistance under the program as a result of this section.

SEC. 2. LEVEE REHABILITATION PROGRAM DEFINED.

In this Act, the term "levee rehabilitation program" means the levee rehabilitation assistance program of the Army Corps of Engineers carried out under section 5(a)(1) of the Act entitled "An Act authorizing construction of certain public works on rivers and harbors for flood control, and for other purposes", approved August 18, 1941 (33 U.S.C. 701n(a)(1)).

Mr. MINETA. Mr. Speaker, I am pleased to rise in support of H.R. 3583, a bill which will expand the eligibility of certain nonfederal levees to participate in the levee repair and reconstruction program of the Corps of Engineers.

Mr. Speaker, this bill represents a compromise proposal to provide additional assistance to the flood victims of the Midwest. Congresswoman PAT DANNER and the Missouri congressional delegation, and others, have developed this legislation working in close cooperation with the Office of Management and Budget. All the parties to the negotiation are to be commended for developing a proposal which will aid the flood victims, but not place an undue burden upon the Federal Treasury.

I wish to emphasize that this bill is not a blank check or a raid on the Federal Treasury. Many safeguards are included in the bill to assure that only viable levee projects are eligible for assistance:

There must be a public sponsor responsible for participating in the levee repair;

The levee must otherwise meet corps requirements for operation, maintenance and design;

The repair work must pass a cost-benefit analysis;

The non-Federal share is increased from the usual 20 to 25 percent, and at least 5 percent must be in cash; and finally,

No more than $50 million of the funds available to the corps may be spent for this program.

I should also note that we do not intend the repair or reconstruction of nonparticipating levees, as authorized by this bill, to be at the expense of the repair or reconstruction of participating levees or other flood control projects. Those who have a real need for repair or reconstruction work and who have been participants in the corps program should not be disadvantaged either by their willingness to participate or by any unintended interpretation of this bill.

Mr. Speaker, I do not believe that rebuilding every levee which was damaged this summer is in the best interests of the Nation, of flood control, or of the environment. We also need to explore nonstructural alternatives such as restoration of wetlands and natural floodplains. But, until we have had the opportunity to Evaluate these alternatives, certain critical public facilities and settled areas in the Midwest will need protection now. This legislation will allow for that protection to be provided.

I urge my colleagues to support the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. APPLEGATE. 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. 3583, the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

HISTORICALLY BLACK COLLEGES AND UNIVERSITIES HISTORIC BUILDING RESTORATION AND PRESERVATION ACT

Mr. VENTO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2921) to authorize appropriations for the preservation and restoration of historic buildings at historically black colleges and universities, with amendments thereto, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. ALLARD. Mr. Speaker, reserving the right to object, I would ask for the gentleman from Minnesota [Mr. VENTO] to explain this legislation.

Mr. VENTO. Mr. Speaker, will the gentleman yield?

Mr. ALLARD. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Speaker, H.R. 2921, introduced by Congressman CLEMENT, authorizes appropriations for the preservation and restoration of historic buildings at historically black colleges and universities [HBCU]. This bill was introduced on August 6, 1993, and was approved by the Natural Resources Committee on November 10, 1993.

Many of the historic structures located on historically black college and university [HBCU] campuses are threatened, and a significant effort is needed to preserve and protect them. The Department of the Interior, in cooperation with the United Negro College Fund [UNCF], has launched a project to preserve these structures. In 1988, a special survey to identify candidates for inclusion in this program generated responses from 46 HBCU's nominating 144 structures for consideration.

The Department and UNCF eventually selected 11 of the most historically significant and critically threatened structures on such campuses. The Department and UNCF estimate that it will cost $20 million to preserve these particular structures, and UNCF has agreed to match a departmental contribution of $10 million for this purpose under the HBCU historic preservation initiative. However, no funds were requested or appropriated for this purpose for fiscal year 1994.

H.R. 2921, as reported by the Committee on Natural Resources, authorizes the use of appropriations from the historic preservation fund to provide grants for the preservation and restoration of historic buildings and structures at eligible HBCU's. In fiscal year 1995, a total of $20 million would be authorized, $5 million of which may be used only for Fisk University and $10 million of which may be used only for grants to those HBCU's identified for inclusion in the Interior Department's HBCU historic preservation initiative. For each of fiscal years 1996, 1997, and 1998, $15 million would be authorized. Federal funding for structures listed on the national register of historic places must be matched equally, unless the Secretary determines that an extreme emergency exists or that such waiver is in the public interest. The bill, as amended, also stipulates that structures receiving Federal funds may be altered later only with the concurrence of the Secretary.

These structures represent the hopes and achievements of a group of people denied equal opportunity and justice and who succeeded despite the imposition of almost insurmountable legal and social obstacles. In many cases, the buildings were constructed by the students themselves, many of them former slaves, and came under constant attack, particularly during the civil rights struggles of the 1960's and 1970's, as symbols of African-American pride and progress.

National Park System resources representing African-American themes are notably scarce. These institutions provided the only avenue to a better life for many African-Americans and provided this country with some of its greatest leaders—including many current Members of Congress. The inadequacy of the African-American theme representation in the National Park System makes this program to recognize the importance of HBCU's to our Nation critical.

The historic preservation fund, through which this grant program will be funded, is authorized at $150 million each fiscal year through 1997, and the total amount authorized for the fund since fiscal year 1977 remains available until appropriated. Of the funds appropriated for historic preservation

through the HPF, the amounts cited in this bill may be used for preservation specifically at HBCU's. This bill does not authorize new spending, but allows already authorized funds to be spent on these significant, and underfunded, resources.

The testimony received at the hearing from the many presidents of HBCU's provided moving and eloquent affirmation of the significance of these resources and their importance to the African-American experience. Many of our colleagues have expressed strong support for this legislation, and several were able to attend the hearing and voice powerful personal confirmation of the education and cultural values represented by these structures. With enactment of this legislation, we will have taken an important step in recognizing the importance of these institutions to African-American advancement in this country, and I urge my colleagues to support this bill.

Mr. ALLARD. Mr. Speaker, further reserving my right to object, I rise in opposition to H.R. 2921. I commend the efforts of Mr. CLEMENT to provide funding to Fisk University and the other historically black colleges and universities. There is no doubt that these schools have made significant contributions to the advancement of African-Americans and indeed to the history of this country.

The reason I stand in opposition is not because of the merits of this program but because the $65 million that is authorized by H.R. 2921 is not supported by current projects. As fully explained by Mr. VENTO, H.R. 2921 would authorize $65 million for the rehabilitation and renovation of structures at historically black colleges and universities out of the Historical Preservation Fund. Unfortunately, only $16 million is supported by projects that have been reviewed and recommended by the National Park Service. In committee I offered a reasonable amendment that would have fully funded the 11 projects identified by the Park Service and the Fisk University project but it was defeated by my colleagues on the other side of the aisle.

It is irresponsible to turn an extra $49 million over to the Interior Department to spend on projects that have not been the subject of study and review by the administration or Congress. In a time when funds are scarce, we, as Representatives must keep a watchful eye over the taxpayers' hard-earned dollars.

Providing Federal assistance to the historically black colleges and universities is certainly a worthwhile effort that will preserve our history and heritage; however, H.R. 2921 in its present form is irresponsible. Vote "no" on H.R. 2921 and send it back to committee where we can authorize those projects that are fully supported by identified projects.

Mr. Speaker, I withdraw my reservation of objection.

□ 0110

Mr. CLEMENT. Mr. Speaker, reserving the right to object. I rise in support of the bill.

Mr. Speaker, I speak today in strong support of H.R. 2921, a bill to create a matching grant program for the preservation and restoration of historic buildings on the campuses of our Nation's historically black colleges and universities. With the encouragement of Chairman VENTO, I introduced H.R. 2921 on August 6, with the broad support of our colleagues.

I would like to thank Chairman VENTO and Chairman, MILLER, as well as ranking Republicans JIM HANSEN and DON YOUNG for their leadership in bringing H.R. 2921 to the floor today. I would also like to thank Mr. VENTO'S staff, particularly Ms. Amy Holley, for their assistance as well.

Mr. Speaker, as my colleagues know, our historically black colleges and universities have had a unique role in educating African-Americans. Notwithstanding the creation of land grant colleges under the 1890 Second Morrill Act, State and Federal Governments did not allocate sufficient land and financial resources to support these institutions. As a result, many of the schools came to rely on the generous support of private benefactors and charitable organizations. Many also came to rely on the sweat and tears of their own students and faculty.

Several of the witnesses who testified before the subcommittee described many of these structures as well as the historic activities and individuals associated with them.

It is the restoration and preservation of these important buildings that brings us before you today. Many of these buildings are architectural masterpieces and sites of historic consequence. They deserve to be restored and preserved.

As a former college president, I have a keen appreciation of the importance of the physical plant which houses every institution of higher learning. The first impression is often the most important impression as schools try to recruit talented young people to their campuses.

And, as a former college president, I know the difficult financial needs these and other schools have in keeping tuition affordable and in just meeting operating requirements. Regrettably, these schools are financially strapped and unable to devote scarce resources to restoring their historic buildings.

For all of us, the historic buildings on these campuses are important symbols of the schools' past, present, and promising future. Their restoration sends an important message nationally to members of all races that educational excellence is to be rewarded and not discouraged. By linking our rich history and culture with educational excellence, our country will retain its position of world leadership.

Specifically, the bill sets forth two important criteria before a building can qualify for assistance. First, that the building either be designated "a national historic landmark" or be listed on the National Register of Historic Buildings. And second, for buildings on the national register, the building's sponsor provide an equal amount of non-Federal funds to match the Federal Government's grant.

The bill authorizes $20 million in the first year and $15 million in the subsequent 3 fiscal years.

The opponents of the bill have argued that after the first year, the extent of the need is not evident. Perhaps they are unaware that there were more than 10 times as many historic buildings submitted for consideration under the Interior Department's initiative. Each of the 144 submissions was carefully reviewed by a special evaluation team of National Park Service historic preservation experts, and HBCU and private sector officials.

What opponents misunderstand is that the 11 buildings included in the Interior initiative are the most critically threatened, but they are not the only critically threatened historic structures on the campuses of the historically black colleges and universities.

H.R. 2921 establishes a modest program that will be administered by the Secretary of the Interior to meet these other needs.

Mr. Speaker, these historic buildings attest to the contribution historically black colleges and universities have made to the rich history of our Nation. These structures and buildings are national treasures worthy of preservation and restoration for future generations. They are also valuable educational facilities for the students and faculty who occupy them.

I respectfully request the House's favorable consideration of H.R. 2921.

Mr. Speaker, under my reservation, I yield to the gentleman from Virginia [Mr. SCOTT].

Mr. SCOTT. Mr. Speaker, I rise today in support of H.R. 2921, the Historically Black Colleges and Universities Historic Building Restoration and Preservation Act. Historically black colleges and universities have been the educational environment for thousands of African-Americans. They have been, and continue to be, the source of both academic and social enrichment. Not only has the enrollment in these institutions grown significantly over the years, their physical plants feature well equipped, architecturally beautiful structures. Some buildings, however, because of their age in need of major renovation.

Such is the case with Virginia Hall on the campus of Hampton University in Hampton, VA, in my district. Hampton University was established in 1868 to provide an education for newly freed slaves. One of the first permanent buildings constructed on the campus was Virginia Hall.

Virginia Hall has been designated a National Historic Landmark. Virginia Hall is also in need of significant repair. The funding provided through this bill will afford Hampton University the moneys that it needs to refurbish this historic building.

I urge my colleagues to vote for H.R. 2921.

Mr. CLEMENT. Mr. Speaker, further reserving the right to object, I yield to the gentlewoman from Florida [Ms. BROWN].

Ms. BROWN of Florida. Mr. Speaker, I rise in support of the bill H.R. 2921 and I am proud to be an original cosponsor of this legislation.

This important bill would authorize funds to assist Historically Black Colleges and Universities [HCBU's] in restoring historic buildings on their campuses. H.R. 2921 would authorize $25 million in fiscal year 1994 and such sums

as necessary through the year 2000 to restore buildings on the campuses of HCBU's that are on the historic register or designated historic landmarks. The United Negro College Fund [UNCF], through its own historic preservation initiative, has identified 11 schools whose historic buildings are critically threatened and which would benefit under the bill: First, Gaines Hall, Morris Brown College, Atlanta, GA; second, Leonard Hall, Shaw University, Raleigh, NC; third, Hill Hall, Savannah State College, Savannah State College, Savannah, GA; fourth, St. Agnes Hall, St. Augustine's College, Raleigh, NC; fifth, The Mansion, Tougaloo College, MI; sixth, White Hall, Bethune Cookman College, Daytona Beach, FL; seventh, Graves Hall, Morehouse College, Atlanta, GA; eighth, Howard Hall, Howard University, Washington, DC; ninth, Virginia Hall, Hampton University, Hampton, VA; tenth, Packard Hall, Spelman College, Atlanta, GA; eleventh, Lockerman Hall, Delaware State College, Dover, DE. In addition, the entire campus of Fisk University in Nashville, TN, has been designated as a National Historic District by the U.S. Department of the Interior. This bill would make a one-time authorization of $5 million for renovation of the Fisk Campus Historic District.

One of the 11 buildings already identified by UNCF is White Hall on the campus of Bethune Cookman College in Daytona Beach, FL, which is in my district. This school was founded in 1904 by a great American, Mary McLeod Bethune, who began a small school with only $1.50 to serve the needs of the sons and daughters of slaves in Florida. It has grown over the years to 2,400 students. White Hall was named for Mr. Thomas A. White who was affiliated with the Westinghouse Co. and made a substantial contribution to the college. The First Lady, Mrs. Eleanor Roosevelt, was a close friend of Dr. Mary McCleod Bethune and on several occasions visited the building and the campus. White Hall is the oldest building at Bethune Cookman and the 6 years was the only building on campus. All activities were conducted in this building—both academic and administrative functions. The gymnasium which was a combination of a gym arena and auditorium was also used by civic organizations for cultural and social events.

The historical significance of all these buildings and their contribution to the higher education of African-American people cannot be overemphasized. HBCU's with historic buildings have difficulty securing funds necessary to repair and renovate these structures. Older historic buildings are much more expensive to preserve and maintain; this is an undisputed fact. However, the importance of these structures to the African-American community, the African-American higher education and intellectual achievement requires that every effort be made to preserve these symbols for future generations.

Many of these historic structures, that serve to physically attest to the contribution that HBCU's have made in educating this Nation's citizens, are at risk of being lost forever to the wrecking ball, acts of nature or loss of institutional memory. Recognizing this fact, the Department of the Interior launched a project aimed at preserving those structures on HBCU campuses considered to be the most significant and threatened. The project has been established as the HBCU Historic Preservation Initiative. A blue ribbon Department of the Interior/Private Sector Field Assessment Team headed by the National Park Service made a final field evaluation resulting in the selection of the 11 schools listed above. Efforts have begun to organize external public and private recognition and support for preservation and protection of the buildings.

Another important feature of this bill is that it provides for Federal funds to be matched on a dollar-for-dollar basis. This will allow Government dollars to be stretched twice as far. The Federal funds are already authorized, this is not new money. This bill merely allows the historic preservation fund to be used for grants to HBCU's specifically.

The problem that H.R. 2921 addresses is that these historic buildings are in danger of being lost if they are not restored. They have been too important to the higher education of African-Americans to lose—not just for the role they have played in the past, but for the valuable lessons they can teach future generations of African-American students.

Mr. CLEMENT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota:

There was no objection.

The Clerk read the bill, as follows:

H.R. 2921

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 "Historically Black Colleges and Universities Historic Building Restoration and Preservation Act".

SEC. 2. FINDINGS.

Congress finds that—

(1) the Nation's historically black colleges and universities have contributed significantly to the effort to attain equal opportunity through postsecondary education for African-American, low-income, and educationally disadvantaged Americans;

(2) over our Nation's history, States and the Federal Government has discriminated in the allocation of land and financial resources to support these institutions, thus forcing them to rely on the generous support of private individuals and other charitable organizations;

(3) the development of this source of private and charitable financial support for historically black colleges and universities has resulted in structures and buildings of historic importance and architecturally unique design on the campuses of these institutions; and

(4) many of these structures and buildings are national treasures worthy of preservation and restoration for future generations of all Americans as well as for the students and faculty of these institutions.

SEC. 3. PRESERVATION AND RESTORATION GRANTS FOR HISTORIC BUILDINGS AT HISTORICALLY BLACK COLLEGES AND UNIVERSITIES.

(a) AUTHORITY TO MAKE GRANTS.—Under the authority of section 2 of the Act entitled "An Act to provide for the preservation of historic sites, buildings, objects, and antiquities of national significance, and for other purposes" (16 U.S.C. 462), the Secretary of the Interior shall, from amounts available under subsection (b) in any fiscal year, make grants to eligible historically black colleges and universities for the preservation and restoration of historic buildings and structures on the campus of these institutions.

(b) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated $25,000,000 for fiscal year 1994, and such sums as may be necessary for each succeeding fiscal year through fiscal year 2000, to carry out this Act.

(2) Of the amounts appropriated pursuant to paragraph (1) for fiscal year 1994, $5,000,000 shall be available only for grants under subsection (a) to Fisk University.

(c) REGULATIONS.—The Secretary may promulgate such regulations as may be necessary to carry out this Act.

SEC. 4. DEFINITIONS.

For the purposes of this Act:

(1) The term "historically black colleges and universities" means any historically black college and university that was established prior to 1964 whose principal mission was, and is, the education of African-Americans and that is accredited by a nationally recognized accrediting agency or association determined by the Secretary of the Department of Education to be a reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation.

(2) The term "historic building and structures" means a building or structure listed on the National Register of Historic Places or designated a National Historic Landmark.

COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

The SPEAKER pro tempore (Mr. HOYER). The Clerk will report the committee amendment in the nature of a substitute.

The Clerk read as follows:

Committee amendment in the nature of a substitute: Strike all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Historically Black Colleges and Universities Historic Building Restoration and Preservation Act".

SEC. 2. FINDINGS.

Congress finds that—

(1) the Nation's historically black colleges and universities have contributed significantly to the effort to attain equal opportunity through postsecondary education for African-American, low-income, and educationally disadvantaged Americans;

(2) over our Nation's history, States and the Federal Government have discriminated in the allocation of land and financial resources to support these institutions, thus forcing them to rely on the generous support of private individuals and other charitable organizations;

(3) the development of this course of private and charitable financial support for historically black colleges and universities has resulted in structures and buildings of historic importance and architecturally unique design on the campuses of these institutions; and

(4) many of these structures and buildings are national treasures worthy of preservation and restoration for future generations of all Americans as well as for the students and faculty of these institutions.

SEC. 3. PRESERVATION AND RESTORATION GRANTS FOR HISTORIC BUILDINGS AT HISTORICALLY BLACK COLLEGES AND UNIVERSITIES.

(a) AUTHORITY TO MAKE GRANTS.—From the amounts made available to carry out the

National Historic Preservation Act for the fiscal years 1995 through 1998, the Secretary of the Interior shall make grants in accordance with this section to eligible historically black colleges and universities for the preservation and restoration of historic buildings and structures on the campus of these institutions.

(b) GRANT CONDITIONS.—Grants made under subsection (a) shall be subject to the condition that the grantee covenants, for the period of time specified by the Secretary, that—

(1) no alteration will be made in the property with respect to which the grant is made without the concurrence of the Secretary; and

(2) reasonable public access to the property with respect to which the grant is made will be permitted by the grantee for interpretive and educational purposes.

(c) MATCHING REQUIREMENT FOR BUILDINGS AND STRUCTURES LISTED ON THE NATIONAL REGISTER OF HISTORIC PLACES.—(1) Except as provided by paragraph (2), the Secretary may obligate funds made available under this section for a grant with respect to a building or structure listed on the National Register of Historic Places only if the grantee agrees to match, from funds derived from non-Federal sources, the amount of the grant with an amount that is equal or greater than the grant.

(2) The Secretary may waive paragraph (1) with respect to a grant if the Secretary determines from circumstances that an extreme emergency exists or that such a waiver is in the public interest to assure the preservation of historically significant resources.

(d) FUNDING PROVISIONS.—(1) Not more than $20,000,000 for fiscal year 1995 and not more than $15,000,000 for each of the fiscal years 1996, 1997, and 1998 may be made available under this section.

(2) Of the amounts made available under this section for fiscal year 1995, $5,000,000 shall be available only for grants under subsection (a) to Fisk University.

(3) Of the amounts made available under this section for fiscal year 1995, $10,000,000 shall be available only for grants under subsection (a) to those historically black colleges and universities identified for inclusion in the Department of the Interior Historically Black College and University Historic Preservation Initiative.

(e) REGULATIONS.—The Secretary shall promulgate such regulations as may be necessary to carry out this Act.

SEC. 4. DEFINITIONS.

For the purposes of this Act:

(1) The term "historically black colleges and universities" has the same meaning given the term "part B institution" by section 322 of the Higher Education Act of 1965 (20 U.S.C. 1061).

(2) The term "historic building and structures" means a building or structure listed on the National Register of Historic Places or designated a National Historic Landmark.

Mr. VENTO (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

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

There was no objection.

The SPEAKER pro tempore. The question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include therein extraneous material, on H.R. 2921, the bill just passed.

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

There was no objection.

JEFFERSON COMMEMORATIVE COIN ACT OF 1993

Mr. KENNEDY. Mr. Speaker, I ask unanimous consent that the Committee on Banking, Finance and Urban Affairs be discharged from further consideration of the bill (H.R. 3616) to require the Secretary of the Treasury to mint coins in commemoration of the 250th anniversary of the birth of Thomas Jefferson, Americans who have been prisoners of war, the Vietnam Veterans Memorial on the occasion of the 10th anniversary of the Memorial, and the Women in Military Service for America Memorial, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

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

Mr. MCCANDLESS. Mr. Speaker, reserving the right to object, I ask that the subcommittee chairman, the gentleman from Massachusetts [Mr. KENNEDY] explain the bill that is before us.

Mr. KENNEDY. Mr. Speaker, if the gentleman will yield, H.R. 3616 establishes commemorative coin programs on behalf of prisoners of war, women veterans, the preservation of the Vietnam Veterans Memorial, the preservation of Monticello, Thomas Jefferson's home, and the preservation of the U.S. Capitol.

With the exception of the U.S. Capitol coin, the House passed this exact legislation yesterday by a vote of 428 to nothing. The Capitol coin will be used for a very worthy cause, to preserve and maintain the U.S. Capitol, the center of our democracy. This legislation will not cost the taxpayers a cent, and I urge its adoption.

Mr. MCCANDLESS. Mr. Speaker, I withdraw my reservation of objection and I urge the adoption of the bill.

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

There was no objection.

The Clerk read the bill, as follows:

H.R. 3616

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

TITLE I—THOMAS JEFFERSON COMMEMORATIVE COIN

SEC. 101. SHORT TITLE.

This title may be cited as the "Jefferson Commemorative Coin Act of 1993".

SEC. 102. COIN SPECIFICATIONS.

(a) ONE-DOLLAR SILVER COINS.—

(1) ISSUANCE.—The Secretary of the Treasury (hereafter in this title referred to as the "Secretary") shall issue not more than 600,000 one-dollar coins, which shall—

(A) weigh 26.73 grams;

(B) have a diameter of 1.500 inches; and

(C) contain 90 percent silver and 10 percent copper.

(2) DESIGN.—The design of the coins issued under this title shall be emblematic of a profile of Thomas Jefferson and a frontal view of his home Monticello. On each coin there shall be a designation of the value of the coin, an inscription of the year "1993", and inscriptions of the words "Liberty", "In God We Trust", "United States of America", and "E Pluribus Unum".

(b) LEGAL TENDER.—The coins issued under this title shall be legal tender, as provided in section 5103 of title 31, United States Code.

(c) NUMISMATIC ITEMS.—For purposes of section 5132(a)(1) of title 31, United States Code, all coins minted under this title shall be considered to be numismatic items.

SEC. 103. SOURCES OF BULLION.

The Secretary shall obtain silver for the coins minted under this title only from stockpiles established under the Strategic and Critical Minerals Stock Piling Act.

SEC. 104. SELECTION OF DESIGN.

Subject to section 102(a)(2), the design for the coins authorized by this title shall be—

(1) selected by the Secretary after consultation with the Executive Director of the Thomas Jefferson Memorial Foundation and the Commission of Fine Arts; and

(2) reviewed by the Citizens Commemorative Advisory Committee.

SEC. 105. ISSUANCE OF COINS.

(a) QUALITY OF COINS.—Coins minted under this title shall be issued in uncirculated and proof qualities.

(b) MINT FACILITY.—Only 1 facility of the United States Mint may be used to strike any particular quality of the coins minted under this title.

(c) PERIOD FOR ISSUANCE.—The Secretary may issue coins minted under this title during the period beginning on May 1, 1994, and ending on April 30, 1995.

SEC. 106. SALE OF COINS.

(a) SALE PRICE.—The coins authorized under this title shall be sold by the Secretary at a price equal to the sum of the face value of the coins, the surcharge provided in subsection (c) with respect to such coins, and the cost of designing and issuing the coins (including labor, materials, dies, use of machinery, overhead expenses, marketing, and shipping).

(b) PREPAID ORDERS.—The Secretary shall accept prepaid orders for the coins authorized under this title prior to the issuance of such coins. Sale prices with respect to such prepaid orders shall be at a reasonable discount.

(c) SURCHARGES.—All sales shall include a surcharge of $10 per coin.

SEC. 107. GENERAL WAIVER OF PROCUREMENT REGULATIONS.

(a) IN GENERAL.—Except as provided in subsection (b), no provision of law governing procurement or public contracts shall be applicable to the procurement of goods and services necessary for carrying out the provisions of this title.

(b) EQUAL EMPLOYMENT OPPORTUNITY.—Subsection (a) shall not relieve any person entering into a contract under the authority of this title from complying with any law relating to equal employment opportunity.

SEC. 108. DISTRIBUTION OF SURCHARGES.

All surcharges received by the Secretary from the sale of coins issued under this title shall be promptly paid by the Secretary—

(1) in the case of surcharges received in connection with the sale of the first 500,000 coins issued, to the Jefferson Endowment Fund, to be used—

(A) to establish and maintain an endowment to be a permanent source of support for Monticello and its historic furnishings; and

(B) for the Jefferson Endowment Fund's educational programs, including the International Center for Jefferson Studies; and

(2) in the case of surcharges received in connection with the sale of all other such coins, to the Corporation for Jefferson's Poplar Forest, to be used for the restoration and maintenance of Poplar Forest.

SEC. 109. AUDITS.

The Comptroller General of the United States shall have the right to examine such books, records, documents, and other data of the entities specified in section 108, as may be related to the expenditures of amounts paid under section 108.

SEC. 110. FINANCIAL ASSURANCES.

(a) NO NET COST TO THE GOVERNMENT.—The Secretary shall take such actions as may be necessary to ensure that minting and issuing coins under this title will not result in any net cost to the United States Government.

(b) PAYMENT FOR COINS.—A coin shall not be issued under this title unless the Secretary has received—

(1) full payment for the coin;

(2) security satisfactory to the Secretary to indemnify the United States for full payment; or

(3) a guarantee of full payment satisfactory to the Secretary from a depository institution whose deposits are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration Board.

TITLE II—U.S. VETERANS COMMEMORATIVE COINS

SEC. 201. SHORT TITLE.

This title may be cited as the "United States Veterans Commemorative Coin Act of 1993".

SEC. 202. COIN SPECIFICATIONS.

(a) ONE-DOLLAR SILVER COINS.—

(1) ISSUANCE.—The Secretary of the Treasury (hereafter in this title referred to as the "Secretary") shall issue one-dollar coins of 3 different designs, which shall—

(A) weigh 26.73 grams;

(B) have a diameter of 1.500 inches; and

(C) contain 90 percent silver and 10 percent copper.

(2) DESIGNATION OF VALUE AND INSCRIPTIONS.—On each coin there shall be a designation of the value of the coin, an inscription of the year "1994", and inscriptions of the words "Liberty", "In God We Trust", "United States of America", and "E Pluribus Unum".

(3) DESIGN OF 3 COINS.—

(A) PRISONER-OF-WAR COMMEMORATIVE COIN.—1 type of coin issued under this title shall be a prisoner-of-war commemorative coin the design of which shall be emblematic of the experience of Americans who have been prisoners-of-war.

(B) VIETNAM VETERANS MEMORIAL COMMEMORATIVE COIN.—1 type of coin issued under this title shall be a Vietnam Veterans Memorial commemorative coin the design of which shall be emblematic of the Vietnam Veterans Memorial.

(C) WOMEN IN MILITARY SERVICE FOR AMERICA MEMORIAL COMMEMORATIVE COIN.—1 type of coin issued under this title shall be Women in Military Service for America Memorial commemorative coin the design of which shall be symbolic of women's service in the Armed Forces of the United States.

(4) MAXIMUM NUMBER FOR COINS OF EACH DESIGN.—The Secretary shall issue no more than 500,000 coins of each design.

(b) LEGAL TENDER.—The coins issued under this title shall be legal tender, as provided in section 5103 of title 31, United States Code.

(c) NUMISMATIC ITEMS.—For purposes of section 5132(a)(1) of title 31, United States Code, all coins minted under this title shall be considered to be numismatic items.

SEC. 203. SOURCES OF BULLION.

The Secretary shall obtain silver for the coins minted under this title only from stockpiles established under the Strategic and Critical Minerals Stock Piling Act.

SEC. 204. SELECTION OF DESIGN.

Subject to section 202(a)(3), the design for the coins authorized by this title shall be—

(1) selected by the Secretary after consultation with the Commission of Fine Arts and—

(A) in the case of the coin described in section 202(a)(3)(B), the Vietnam Veterans Memorial Fund; and

(B) in the case of the coin described in section 202(a)(3)(C), the Women in Military Service for America Memorial Foundation, Incorporated; and

(2) reviewed by the Citizens Commemorative Advisory Committee.

SEC. 205. SALE OF COINS.

(a) SALE PRICE.—The coins issued under this title shall be sold by the Secretary at a price equal to the face value, plus the cost of designing and issuing such coins (including labor, materials, dies, use of machinery, and overhead expenses) and the surcharge provided for in subsection (d).

(b) BULK SALES.—The Secretary shall make bulk sales at a reasonable discount.

(c) PREPAID ORDERS.—The Secretary shall accept prepaid orders for the coins issued under this title before the issuance of such coins. Sales under this subsection shall be at a reasonable discount to reflect the benefit of prepayment.

(d) SURCHARGES.—All sales of coins issued under this title shall include a surcharge of $10 per coin.

SEC. 206. ISSUANCE OF THE COINS.

(a) COMMENCEMENT OF ISSUANCE.—The coins minted under this title may be issued beginning May 1, 1994.

(b) TERMINATION OF AUTHORITY.—The coins authorized under this title may not be minted after April 30, 1995.

(c) PROOF AND UNCIRCULATED COINS.—The coins authorized under this title shall be issued in uncirculated and proof qualities.

(d) 3-COIN SETS.—

(1) IN GENERAL.—In addition to any other manner and form of sales of coins minted under this title, the Secretary shall make a portion of such coins available for sale in 3-coin sets containing 1 of each of the 3 designs of coins required pursuant to section 202(a)(3).

(2) NUMBER OF SETS.—The number of 3-coin sets made available pursuant to paragraph (1) shall be at the discretion of the Secretary.

SEC. 207. GENERAL WAIVER OF PROCUREMENT REGULATIONS.

(a) IN GENERAL.—Except as provided in subsection (b), no provision of law governing procurement or public contracts shall be applicable to the procurement of goods and services necessary for carrying out the provisions of this title.

(b) EQUAL EMPLOYMENT OPPORTUNITY.—Subsection (a) shall not relieve any person entering into a contract under the authority of this title from complying with any law relating to equal employment opportunity.

SEC. 208. DISTRIBUTION OF SURCHARGES.

(a) PRISONER-OF-WAR COMMEMORATIVE COINS.—Except as provided in subsection (d), an amount equal to the surcharges received by the Secretary from the sale of prisoner-of-war commemorative coins described in section 202(a)(3)(A) shall be promptly paid by the Secretary in the order that follows:

(1) AMOUNTS TO BE MADE AVAILABLE FOR CONSTRUCTION OF MUSEUM.—The Secretary of the Treasury shall make available to the Secretary of the Interior the first $3,000,000 of such surcharges for the construction of the Andersonville Prisoner-of-War Museum in Andersonville, Georgia.

(2) AMOUNTS TO BE PAID TO ENDOWMENT FUND.—After payment of the amount required by paragraph (1), the Secretary of the Treasury shall pay 50 percent of the remaining surcharges to the endowment fund established pursuant to section 209(a).

(3) AMOUNTS TO BE PAID TO MAINTAIN NATIONAL CEMETERIES.—After payment of the amount required by paragraph (1), the Secretary shall pay 50 percent of the remaining surcharges to the Secretary of Veterans Affairs for purposes of maintaining national cemeteries pursuant to chapter 24 of title 38, United States Code.

(b) VIETNAM VETERANS MEMORIAL COMMEMORATIVE COINS.—Except as provided in subsection (d), an amount equal to the surcharges received by the Secretary from the sale of Vietnam Veterans Memorial commemorative coins described in section 202(a)(3)(B) shall be promptly paid by the Secretary to the Vietnam Veterans Memorial Fund to assist the Fund's efforts to raise an endowment to be a permanent source of support for the repair, maintenance, and addition of names to the Vietnam Veterans Memorial.

(c) WOMEN IN MILITARY SERVICE FOR AMERICA MEMORIAL COMMEMORATIVE COINS.—Except as provided in subsection (d), an amount equal to the surcharges received by the Secretary from the sale of Women in Military Service for America Memorial commemorative coins described in section 202(a)(3)(C) shall be promptly paid by the Secretary to the Women in Military Service for America Memorial Foundation, Inc., for the purpose of creating, endowing, and dedicating the Women in Military Service for America Memorial.

(d) SURCHARGES FROM 3-COIN SETS.—In the case of surcharges derived from the sale of 3-coin sets pursuant to section 206(d)—

(1) ⅓ of such amount shall be distributed as provided in subsection (a);

(2) ⅓ shall be distributed as provided in subsection (b); and

(3) ⅓ shall be distributed as provided in subsection (c).

SEC. 209. ANDERSONVILLE PRISONER-OF-WAR MUSEUM ENDOWMENT FUND.

(a) ESTABLISHMENT.—There is hereby established in the Department of the Interior an endowment fund (hereinafter in this section referred to as the "fund") to be administered by the Secretary of the Interior and to consist of the amounts deposited under subsection (b).

(b) DEPOSIT INTO FUND.—

(1) DEPOSIT FROM SURCHARGES.—There shall be deposited into the fund such amounts that

are paid by the Secretary under section 208(a)(2).

(2) INVESTMENT.—The Secretary of the Interior shall have the authority to invest the portion of the fund that is not, in the determination of such Secretary, required to meet the current needs of the fund, in obligations of the United States or in obligations guaranteed as to the principal and interest by the United States. In making such investments, the Secretary of the Interior shall select obligations having maturities suitable to the needs of the fund.

(c) EXPENDITURES.—The Secretary of the Interior may use the amounts deposited in the fund under this title to pay for the maintenance of the Andersonville Prisoner-of-War Museum in Andersonville, Georgia.

SEC. 210. AUDITS.

The Comptroller General of the United States shall have the right to examine such books, records, documents, and other data of the entities specified in section 208, as may be related to the expenditures of amounts paid under section 208.

SEC. 211. FINANCIAL ASSURANCES.

(a) NO NET COST TO THE GOVERNMENT.—The Secretary shall take such actions as may be necessary to ensure that minting and issuing coins under this title will not result in any net cost to the United States Government.

(b) PAYMENT FOR COINS.—A coin shall not be issued under this title unless the Secretary has received—

(1) full payment for the coin;

(2) security satisfactory to the Secretary to indemnify the United States for full payment; or

(3) a guarantee of full payment satisfactory to the Secretary from a depository institution whose deposits are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration Board.

TITLE III—REFORM OF COMMEMORATIVE COIN PROGRAMS

SEC. 301. SENSE OF CONGRESS RESOLUTION.

(A) FINDINGS.—The Congress hereby makes the following findings:

(1) Congress has authorized 18 commemorative coin programs in the 9 years since 1984.

(2) There are more meritorious causes, events, and people worthy of commemoration than can be honored with commemorative coinage.

(3) Commemorative coin legislation has increased at a pace beyond that which the numismatic community can reasonably be expected to absorb.

(4) It is in the interests of all Members of Congress that a policy be established to control the flow of commemorative coin legislation.

(b) DECLARATION.—It is the sense of the Congress that the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate should not report or otherwise clear for consideration by the House of Representatives or the Senate legislation providing for more than 2 commemorative coin programs for any year, unless the committee determines, on the basis of a recommendation by the Citizens Commemorative Coin Advisory Committee, that extraordinary merit exists for an additional commemorative coin program.

SEC. 302. REPORTS BY RECIPIENTS OF COMMEMORATIVE COIN SURCHARGES.

(a) QUARTERLY FINANCIAL REPORT.—

(1) IN GENERAL.—Each person who receives, after the date of the enactment of this Act, any surcharge derived from the sale of commemorative coins under any Act of Congress shall submit a quarterly financial report to the Director of the United States Mint and the Comptroller General of the United States describing in detail the expenditures made by such person from the proceeds of the surcharge.

(2) INFORMATION TO BE INCLUDED.—The report under paragraph (1) shall include information on the proportion of the surcharges received during the period covered by the report to the total revenue of such person during such period, expressed as a percentage, and the percentage of total revenue during such period which was spent on administrative expenses (including salaries, travel, overhead, and fund raising).

(3) DUE DATES.—Quarterly reports under this subsection shall be due at the end of the 30-day period beginning on the last day of any calendar quarter during which any surcharge derived from the sale of commemorative coins is received by any person.

(b) FINAL REPORT.—Each person who receives, after the date of the enactment of this Act, any surcharge derived from the sale of commemorative coins under any Act of Congress shall submit a final report on the expenditures made by such person from the proceeds of all surcharges received by such person, including information described in subsection (a)(2), before the end of the 1-year period beginning on the last day on which sales of such coins may be made.

SEC. 303. GAO REPORTS TO CONGRESS.

Before the end of the 1-year period beginning on the last day on which sales of commemorative coins may be made under the Act of Congress which authorized such coins, the Comptroller General of the United States shall submit a financial accounting statement to the Congress on the payment of any surcharges derived from the sale of such coins and the use and expenditure of the proceeds of such surcharges by any recipient (other than a recipient which is an agency or department of the Federal Government) based on the reports filed by such recipient with the Comptroller General in accordance with section 302 and any audit of such recipient which is conducted by the Comptroller General with respect to the use and expenditure of such proceeds.

TITLE IV—BICENTENNIAL OF THE UNITED STATES CAPITOL COMMEMORATIVE COIN ACT

SEC. 401. SHORT TITLE.

This title may be cited as the "Bicentennial of the United States Capitol Commemorative Coin Act".

SEC. 402. SPECIFICATIONS OF COINS.

(a) ONE DOLLAR SILVER COINS.—

(1) ISSUANCE.—The Secretary of the Treasury (hereafter in this title referred to as the "Secretary") shall mint and issue not more than 500,000 one dollar coins each of which shall—

(A) weigh 26.73 grams;

(B) have a diameter of 1.500 inches; and

(C) be composed of 90 percent silver and 10 percent copper.

(2) DESIGN.—The design of the one dollar coins shall, in accordance with section 404, be emblematic of the bicentennial of the United States Capitol. Each one dollar coin shall bear a designation of the value of the coin, an inscription of the year "1994", and inscriptions of the words "Liberty", "In God We Trust", "United States of America", and "E Pluribus Unum".

(b) LEGAL TENDER.—The coins minted under this title shall be legal tender as provided in section 5103 of title 31, United States Code.

(c) NUMISMATIC ITEMS.—For purposes of section 5132(a)(1) of title 31, United States Code, all coins minted under this title shall be considered to be numismatic items.

SEC. 403. SOURCES OF BULLION.

The Secretary shall obtain silver for minting coins under this title only from stockpiles established under the Strategic and Critical Minerals Stock Piling Act.

SEC. 404. DESIGN OF COINS.

The design for the coin authorized by this title shall be selected by the Secretary after consultation with the Speaker of the House of Representatives, the President pro tempore of the Senate, and the Commission of Fine Arts.

SEC. 405. ISSUANCE OF COINS.

(a) ONE DOLLAR COINS.—The one dollar coins minted under this title may be issued in uncirculated and proof qualities, except that not more than 1 facility of the United States Mint may be used to strike any particular quality.

(c) COMMENCEMENT OF ISSUANCE.—The Secretary may issue the coins minted under this title beginning May 1, 1994.

(d) TERMINATION OF AUTHORITY.—Coins may not be minted under this title after April 30, 1995.

(e) CONTRACTS.—Any contract to be made by the Secretary involving the promotion, advertising, or marketing of any coins authorized under this title shall be valid only upon approval by the United States Capitol Preservation Commission.

SEC. 406. SALE OF COINS.

(a) IN GENERAL.—Notwithstanding any other provision of law, the Secretary shall sell the coins minted under this title at a price equal to the face value, plus the cost of designing and issuing the coins (including labor, materials, dies, use of machinery, and overhead expenses).

(b) BULK SALES.—The Secretary shall make any bulk sales of the coins minted under this title at a reasonable discount.

(c) PREPAID ORDERS.—The Secretary shall accept prepaid orders for the coins minted under this title prior to the issuance of such coins. Sale prices with respect to such prepaid orders shall be at a reasonable discount.

(d) SURCHARGES.—All sales of coins minted under this title shall include a surcharge of $15 per coin.

SEC. 407. FINANCIAL ASSURANCES.

(a) NO NET COST TO THE GOVERNMENT.—The Secretary shall take such actions as may be necessary to ensure that minting and issuing coins under this title will not result in any net cost to the United States Government.

(b) PAYMENT FOR COINS.—A coin shall not be issued under this title unless the Secretary has received—

(1) full payment for the coin;

(2) security satisfactory to the Secretary to indemnify the United States for full payment; or

(3) a guarantee of full payment satisfactory to the Secretary from a depository institution whose deposits are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration Board.

SEC. 408. USE OF SURCHARGES.

(a) USE OF SURCHARGES.—All surcharges that are received by the Secretary from the sale of coins minted under this title shall be deposited in the Capitol Preservation Fund and be available to the United States Capitol Preservation Commission.

(b) TECHNICAL AMENDMENT.—Section 8(b)(1) of Public Law 100-673 is amended to read as follows:

"(2) LIMITATIONS ON REIMBURSEMENTS.—No amount received by the Commission from the Capitol Preservation Fund from the sale of coins minted under this Act may be used to pay representational expenses of the Commission.".

SEC. 409. GENERAL WAIVER OF PROCUREMENT REGULATIONS.

(a) IN GENERAL.—Except as provided in subsection (b), no provision of law governing procurement or public contracts shall be applicable to the procurement of goods and services necessary for carrying out the provisions of this title.

(b) EQUAL EMPLOYMENT OPPORTUNITY.—Subsection (a) shall not relieve any person entering into a contract under the authority of this title from complying with any law relating to equal employment opportunity.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. KENNEDY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include therein extraneous material, on H.R. 3616, the bill just passed.

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

There was no objection.

ADDITION OF TRUMAN FARM HOME TO HARRY S. TRUMAN NATIONAL HISTORIC SITE

Mr. VENTO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 486) to provide for the addition of the Truman Farm Home to the Harry S. Truman National Historic Site in the State of Missouri, and ask for its immediate consideration.

The Clerk read the title of the bill.

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

Mr. ALLARD. Mr. Speaker, reserving the right to object, I yield back to the gentleman from Minnesota [Mr. VENTO] for an explanation.

Mr. VENTO. Mr. Speaker, H.R. 486 is legislation introduced by Representative ALAN WHEAT to authorize the Secretary of the Interior to acquire by donation the Truman Farm National Historic Landmark located in Grandview, MO, and add this property to the existing Harry S Truman National Historic Site. Identical legislation passed the House last Congress but was not acted on by the Senate prior to adjournment.

Harry Truman, the 33d President of the United States, lived and worked on the Truman farm from 1906 until 1917. During these 11 years he did everything that was required for farm life including plowing, sowing, baling hay, repairing equipment and building fences and a barn. He kept the books for the farm and experimented with relatively new practices such as crop rotation and soil conservation. Truman was the sole manager of the farm for 3 years after his father died in 1914 and he visited the farm frequently throughout the rest of his life.

The property was listed on the National Register of Historic Places in 1978. The farm was purchased by Jackson County in 1980 and was restored by a local foundation in 1984. The property was designated a National Historic Landmark in 1985.

Several prominent historians, including Truman biographer David McCullough and the chief historian of the National Park Service, have provided testimony about the high degree of national significance of the Truman Farm Home property and the importance of the farm to the development of Truman's values of family and community and to shaping his views on agriculture.

Truman's agricultural experience became a major factor in his 1948 election victory because of his firsthand knowledge of farm issues and because he constantly appealed to farm voters on the basis of their common ground. Much of Truman's Federal Farm Program was founded in his and his family's agricultural experience. Truman had great affection for the farm, and once stated "I always give my occupation as farmer. I spent the best years of my life trying to run a 600-acre farm successfully, and I know what the problems are."

The costs of this measure are minimal for several reasons. As I stated, the Truman Farm Home and surrounding property will be donated to the National Park Service by Jackson County. Administrative costs at the site will be minor since there already is a National Park Service administrative unit in nearby Independence. Finally, no visitor center would be needed and much of the interpretive work could be performed by volunteers who are currently doing this service.

Mr. Speaker, H.R. 486 is a low cost measure which would preserve a very significant site in the life of one of our greatest presidents. Its addition to the existing Truman National Historic Site would complement the properties already managed by the National Park Service and it would provide an excellent opportunity to interpret Truman's farm years which were so important in shaping the future President's life and values. The bill has bipartisan support in the House and Senate and is supported by the Clinton administration. I urge Members to support this measure.

Mr. ALLARD. Mr. Speaker, continuing my reservation of objection, I rise in opposition to H.R. 486, a bill to expand the Harry S. Truman National Historic Site by authorizing a Federal takeover of the Truman Farm Home, an existing county park. As the administration testified before the Parks Subcommittee in presenting their opposition to this measure, both in the 102d and 103d Congresses, this site fails to pass the first test which all properties must pass in order to be eligible for inclusion in the National Park System, and that is the integrity of the site itself.

When the Park Service studied the site, they found that the 5.2-acre remnant of the former 600-acre Truman Farm did not pass muster because the farm had been almost entirely engulfed by urban development. During our hearing, several historians testified that the Truman Farm, which former President Truman ran from 1906 to 1917, was important in shaping his understanding of rural life and political skills. I don't disagree with that, but the question we must answer with this measure is whether it is essential for the Federal Government to takeover this compromised site in order to interpret the life of this President to the public. Will this site add in any significant way to the story presented to the public at the existing Truman National Historic Site, located just 15 miles away?

To answer that question, I'd like to quote from a National Park Service internal memorandum signed by the associate director of cultural resources:

> The Truman Farm Home is no longer in a farming area; indeed, Truman himself sold the farm for development and it is now a suburban area. Thus it is impossible to interpret his farm life there in a meaningful way. Additionally, unlike the home in Independence, which was donated to the Government fully intact and completely furnished with Truman belongings, the farm home lacks much curatorial potential.
>
> The primary motivation behind this bill, we suspect, is to free Jackson County from the financial burden of maintaining the property as a public park. We do not believe the Service should accede, for we suspect it will strengthen the pressure for additional Presidential sites of the second rank, as we must suggest this one is; we cannot advocate that the National Park System include all such properties, when other subjects cry out for representation in a system already top-heavy with Presidential sites, as opposed to those representing other great individuals and other aspects of the Nation's history.

The best thing that proponents can say about this measure is that it won't cost much, only about $0.5 million up front and $350,000 annually for eternity. That is a shallow argument, when you consider that the country paid nothing for this property, which they are now so anxious for the Federal Government to takeover. In fact, Federal funds were originally used to acquire a 50-percent interest in the property and the balance was donated to the county by the Truman family. This site is such a low priority for Jackson County that in 1992 the county allocated just $2,000 of their $5 million park and recreation budget to this site.

I cannot disagree with the priorities of the county and why they have decided not to fund this project. I know

there are many projects at all levels of government where we have good intentions to carry them out, but lack the necessary funds. However, if this is not even a priority at the county level, I cannot agree that it should be a priority for the Federal Government and therefore I oppose this measure.

My colleagues will remember a few years ago when this body said no to funding for the Lawrence Welk home. I urge you now to join me in rejecting this proposal which is equally unnecessary.

Mr. Speaker, under my reservation, I yield to the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Speaker, I rise in support of H.R. 486, which provides for the addition of the Truman Farm Home to the Harry S Truman National Historic Site in the State of Missouri.

Martha Truman, the mother of our 33d President, said of her son, "It was on the farm that Harry got his common sense." President Truman worked on his family's farm in Grandview, MO for 11 years before going off to fight in World War I.

Truman worked on the Grandview farm during what historians call "the Golden Age" of American agriculture. It was also the time of Truman's formative years, when his social and political values were molded. President Truman not only kept the books for his farm, he did the hands-on work required of farm life—plowing, sowing, repairing farm equipment, and bailing hay.

The Grandview farm continued to be a family-run operation throughout his time in Washington to his retirement in Independence, MO. It continues to attract many Americans who wish to glimpse a part of President Truman's past.

H.R. 486, which adds the Harry S Truman Harm to the existing National Historic Site, will enhance our appreciation and understanding of President Truman and preserve this important site for the benefit of future generations. It deserves our support.

Mr. ALLARD. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. PAYNE of Virginia). Is there objection to the request of the gentleman from Minnesota?

Mr. WHEAT. Mr. Speaker, reserving the right to object, I would just like to thank the chairman for all the work that he has done in moving this bill forward over the years.

Mr. Speaker, I rise today in support of H.R. 486, legislation to allow the National Park Service to acquire and administer Harry Truman's farm home in Grandview, MO. This bill would allow the National Park Service to acquire the 5.2 acre farm home in Grandview by donation from Jackson County, MO, and to operate the site as part of the existing Truman Historic Site in Independence, MO.

Mr. Speaker, this legislation was passed by the House of Representatives during the 102d Congress; however, the other body was unable to act on the measure before the end of the session. Now I am hopeful that the House can again move this important measure so that the farm home of President Truman can be appropriately preserved as an important piece of this Nation's history.

I would like to thank the members and staff of the committee and subcommittee for all of their hard work. In particular, I extend great thanks to Mr. Emerson, my colleague from Missouri, who was instrumental in once again bringing this bill to the floor for consideration.

I would like to begin by quoting from a letter I received from noted historian David McCullough, Pulitzer Prize winner for his masterpiece Truman, in which he states his support for this bill.

Harry Truman was not the avocational kind of farmer who never pulled a weed, or never knew the satisfactions and pride of being truly a farmer. He was in this, as in so much else in his life, the real thing.

Much of the history of Truman's life is evident throughout Independence and surrounding areas. The addition of the Truman farm home to the National Historic Site would provide a unique opportunity for the presentation in one area of an entire presidential life story. The farm in Grandview depicts Truman's roots as a common, working man. In Independence, Truman's courthouse office preserves the memory of his early political career. The Truman home, also known as the Summer White House, is where he lived before he was elected Vice President and where he returned after his decision not to run for a third term of office. Finally, the presidential library commemorates and preserves the documents of Truman's presidency. Preservation of the farm home is necessary to the completion of this comprehensive biography of our 33d President.

Numerous historians and Truman scholars, including historians from the Park Service, have affirmed the significance of Truman's years on this farm in the development of his character. Historians often refer to his farm home as the site where the future President not only worked the land, but also cultivated the skills and no-nonsense work ethic that made him a towering figure in American history. The addition of the Truman farm home will greatly enhance our National Park System by allowing the Park Service to teach the public about a key period in the life of this great national and international leader.

Harry Truman lived on the original 600-acre farm from 1906 until 1917 when he left Missouri to serve in the First World War. Extensive historical documentation of Truman's life on the farm, and reminiscences about his time there, are available through nearly 1200 letters he wrote to his future wife, Bess Wallace, during his years on the farm.

The farm and the house were built in 1894 and belonged to Truman's maternal grandparents. Because of a flood that destroyed the rented farm of Truman's father, John Anderson Truman, Harry and his brother Vivian left their banking jobs in Kansas City to help their father run their grandparents' farm. From age 22 to age 23, Harry made his living planting, plowing, and managing the family farm. Through those years on the farm, Truman gained a deep appreciation for the working man. The habits of rising early and working hard never left the future President.

Historians believe that it was during Harry Truman's life as a working man, especially the 11 years of his early adult life that he spent on this family farm, that he developed the common sense, integrity and compassion for which he is so famous. Truman himself remarked in later years that "I spent the best 10 years of my life on a 600-acre farm south of Kansas City."

This farm home represents a critical part of Truman's life and must not be allowed to fall into disrepair. It was in 1967 that the local community began to express concerns about the state of the farm home and later organized a plan for its revival. Volunteer organizations were formed with the help of Federal, State and local officials, specifically, the Truman Farm Home Foundation and The Friends of the Truman Farm Home. Along with Jackson County, these volunteers focused their efforts on raising funds to purchase, restore, and operate the farm home which was opened for visitors in 1984.

Unfortunately, after years of hard work, the county and volunteers do not have the funds, resources, or preservation expertise to appropriately complete the necessary restoration. As a result, the farm home has been available for the public to enjoy only a few days a week in the summer.

Because of the lack of adequate resources, nearby commercial development, and the need for professional management, passage of this legislation is imperative for the future of this historic site. Although the farm home has been in good hands with the care of the volunteers of the Friends of the Truman Farm Home, the National Park Service has recommended—and stated its support for—putting the responsibility for the care of the home under the Park Service. In testimony before the other body in July, the administration announced its support for preserving and administering the farm home under the auspices of the National Park Service.

In 1989, at the behest of Congress, the National Park Service conducted a study of the site and possible management alternatives. The Park Service identified the option embodied in H.R. 486—a takeover of the farm by the Park Service through donation by Jackson County—as one feasible solution to the management dilemma. Since the study, Jackson County has offered to donate the property to the National Park Service, believing strongly that Federal management of the site would be beneficial, in fact vital, to preserving the farm home for the public.

I would like to take the time to specifically address some of the concerns that have been expressed by others in response to this proposal.

Some have questioned the historical value of the property. However, I would like to point out that the Park Service, in 1978, selected the Truman Farm Home to be a site listed in the National Register of Historic Places. Stringent criterion regarding the historical integrity of the resource must be met in order to receive this designation. Later, in 1985, the Park Service awarded the farm an even more prestigious designation by selecting it to be a National Historic Landmark.

Further, few historians have disputed the historical value of this site or this period of Truman's life. Even the Chief Historian for the National Park Service emphasized the importance of this period to the development of this

future president while testifying at the hearing on this bill.

Opponents of this legislation like to point out that Truman himself sold much of the farm land for development. They neglect to mention, however, that the Truman family was forced to sell much of the land in order to settle the mortgage on the farm. In fact, because of the financial troubles that plagued Truman throughout his life, he lived most of the time in a house owned by his mother-in-law. The current historic site in Independence represents the Wallace family house.

It is true that in this time of strained budgets and shrinking funds for State and local governments, Jackson County has been unable to provide the necessary funds to maintain this site at the level it deserves. However, the historical value of the site itself mandates that it be placed under the auspices of the National Park Service. No amount of funding support at the local level can make up for the historical, management, and interpretative resources that the National Park Service can and must bring to this nationally significant site.

Certainly, it is important that any added responsibility for the Park Service be carefully scrutinized. According to the Congressional Budget Office, this proposal would not involve any pay-as-you-go scoring under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985. Furthermore, because the farm home would be included as part of the existing Truman Historical site, cost savings would be realized through the use of the existing administrative and management resources already in place at the Truman home in Independence.

Finally, Mr. Speaker, this is a bipartisan issue. The two Republican Senators from Missouri have sponsored the bill in the other body.

I am proud to represent a region of the country that calls Harry Truman its favorite son. Among other things, Harry S Truman will most likely be remembered as one of the last American Presidents to have worked as a farmer. The years that he spent on the farm were a vital component to the formation of his character. If the place where he spent those years is not adequately preserved through Federal management, Americans will not have the opportunity to experience this important aspect of Truman's life. To allow this landmark to deteriorate without proper maintenance would be to rob thousands of visitors of the opportunity to learn of a truly unique aspect of a truly unique President. This landmark represents a theme in American history which should not be forgotten—that the mainstay of our early economy was agriculture and the family farmer.

Mr. Speaker, the time has come to move forward and pass this measure into law. I will finish my remarks with another quote from David McCullough's letter:

If the walls of that small plain, seemingly ordinary house could speak, they would have the most American of stories to tell. So let us make sure it is properly preserved. Let the house stand as a symbol of strength and pride and bedrock decency of the "good farmer," as Truman might have said. It is a national treasure.

Mr. Speaker, with that, I close my remarks and ask that the House approve H.R. 486.

I include for the RECORD the letter from Mr. McCullough:

JULY 29, 1993.

President WILLIAM J. CLINTON,
The White House, Washington, DC.,

DEAR MR. PRESIDENT: I am writing to urge you to give full support to the bill S. 845 that would save the old Truman family homeplace at Grandview, Missouri, and make it part of the National Park Service operation that maintains the Truman home in Independence.

The importance of the Truman farmhouse, in the life of President Truman, and in what it says about our country, could not be greater. The two most formative experiences of his life were his service in France in World War I and his years on the farm. It was there, in the house at Grandview, that he lived with his mother, father, and sister for eleven years, up every morning to work the long day as a partner in the family enterprise, in all seasons, beset often by drought, insect plague, falling prices, and always with a load of debt.

It was there on the farm, his mother liked to say, that, "Harry got his common sense." It was there, writing to the love of his life, Bess Wallace of Independence, that he poured out the events of his days, his ideas and his heart's desire in hundreds of letters that fortunately have survived, letters that tell us so much about him and about a whole vanished way of life in rural America. It was there, in a house without electricity or running water, that young Harry held the lantern while a country doctor operated on his mother, there that he watched over his father in his dying hour, John Truman having literally worked himself to death.

Some supposedly historic houses have in fact been of only marginal importance in the life of the past Americans they honor. This is not one of those and its preservation is entirely in the national interest.

Harry Truman was not the avocational kind of farmer who never pulled a weed, or never knew the satisfactions and pride of being truly a farmer. He was in this, as in so much else in his life, the real thing. Further, his years on the farm, from 1906 to 1917, coincided with what historians call "The Golden Age" of American agriculture. His grandfather had pioneered the land when it was unbroken prairie. He and his family were living still the Jefferson ideal. He himself often expressed that ideal in the long letters to Bess Wallace, and he would, when the time came, leave the plow and go to war in the spirit of Cincinnatus, another of his heroes.

If the walls of that small plain, seemingly ordinary house could speak, they would have the most American of stories to tell. So let us make sure it is properly preserved. Let the house stand as a symbol of the strength and pride and bedrock decency of the "good farmer," as Truman might have said. It is a national treasure.

Respectfully,

DAVID MCCULLOUGH.

Mr. Speaker, I withdraw my reservation of objection.

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

Mr. SKELTON. Mr. Speaker, reserving the right to object, I think that this is a piece of history that is living all over again. I commend my colleague, the gentleman from Missouri [Mr. WHEAT]. I commend the committee. I think it certainly is a step that will pay great dividends for young people generations from now to be able to see the beginnings and the rearings of our own Harry Truman from back in Missouri.

Mr. Speaker, under my reservation I yield to the gentleman from Missouri [Mr. EMERSON].

Mr. EMERSON. Mr. Speaker, this measure has broad bipartisan support in the Missouri delegation. I am proud to be an original cosponsor of the measure, together with the gentleman from Kansas City and the gentleman from Lexington, and I urge Members to support this measure.

Mr. SKELTON. Mr. Speaker, further reserving the right to object, I might say that this is a great effort on behalf of the delegation, led by the gentleman from Kansas City, MO [Mr. WHEAT]. I compliment the gentleman, and I am pleased to be associated with it.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the bill, as follows:

H.R. 486

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

SECTION 1. PROPERTY ACQUISITION.

The first section of the Act entitled "An Act to establish the Harry S Truman National Historic Site in the State of Missouri, and for other purposes", approved May 23, 1983 (97 Stat. 193), is amended by adding at the end the following:

"(c) The Secretary is further authorized to acquire from Jackson County, Missouri, by donation, the real property commonly referred to as the Truman Farm Home located in Grandview, Jackson County, Missouri, together with associated lands and related structures, comprising approximately 5.2 acres.".

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee Amendment: On page 2, line 9, strike the quotation marks and the final period, and add the following:

"(d) The Secretary is authorized and directed to provide appropriate political subdivisions of the State of Missouri with technical and planning assistance for the development and implementation of plans, programs, regulations, or other means for minimizing the adverse effects on the Truman Farm Home of the development and use of adjacent lands.".

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may

have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on H.R. 486, the bill just passed.

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

There was no objection.

DESIGNATION OF CHAIRMAN OF COMMITTEE ON FOREIGN AFFAIRS TO HEAD DELEGATION FOR D-DAY FIFTIETH ANNIVERSARY CELEBRATION

Mr. FOLEY. Mr. Speaker, I am pleased to announce that I have designated the distinguished gentleman from Mississippi [Mr. MONTGOMERY], the chairman of the Committee on Veterans Affairs, to head a delegation on behalf of the House to the celebrations for the 50th anniversary of D-day. Mr. MONTGOMERY will lead a bipartisan delegation of Members, many of them World War II veterans, to observations in the United Kingdom, France, and Italy marking the pivotal military assaults that took place in those three countries in early June 1944.

ANNOUNCEMENT OF APPOINTMENT OF OBSERVERS WITH RESPECT TO PRESENT AND FUTURE UNITED STATES ARMS CONTROL NEGOTIATIONS

Mr. FOLEY. Mr. Speaker, pursuant to an agreement with the Republican leader, I am pleased to announce the appointment of observers from the House during the 103d Congress with respect to present and future United States arms control negotiations, including those affecting a Comprehensive Nuclear Test Ban Treaty, implementation of the Chemical Weapons Convention, and other arms proliferation regimes, as well as implementation of existing arms control treaties and agreements. The observers are as follows:

Messrs. GEPHARDT, HAMILTON, DELLUMS, SABO, LANTOS, CARR of Michigan, DICKS, BERMAN, TORRES, LANCASTER, SKAGGS, BROWDER, KOPETSKI, GILMAN, SPENCE, HYDE, BATEMAN, HANSEN, BEREUTER, KYL, GOSS, and RAMSTED.

EXTENDING AUTHORIZATION OF BLACK REVOLUTIONARY WAR PATRIOTS FOUNDATION TO ESTABLISH MEMORIAL

Mr. VENTO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2947) to extend for an additional 2 years the authorization of the Black Revolutionary War Patriots Foundation to establish a memorial, and ask for its immediate consideration.

The Clerk read the title of the bill.

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

Mr. ALLARD. Mr. Speaker, reserving the right to object, I yield to the gentleman from Minnesota [Mr. VENTO] to explain the bill.

Mr. VENTO. Mr. Speaker, H.R. 2947 as originally introduced by Congresswoman NANCY JOHNSON, would extend the authorization for the Black Revolutionary War Patriots Memorial, a memorial to those African Americans who fought with the American colonists for independence from Great Britain and for those who petitioned for their freedom or escaped to obtain it. As amended by the Committee on Natural Resources, H.R. 2947 extends the authorization for the establishment of three commemorative works to be constructed here in the Nation's Capital and makes various technical amendments to the Commemorative Works Act. In 1986 Congress enacted the Commemorative Works Act out of concern that numerous memorials were being proposed for the scarce public lands in the Nation's Capital and that a process for establishing those of the highest merit should be developed. The Black Revolutionary War Patriots Memorial, the women in military service to America and the National Peace Garden have all been authorized under the Commemorative Works Act. All three have obtained the initial site and design approvals as required by the law. But for various reasons, particularly because of the difficulty of fundraising, each of them has requested an extension for the completion of their commemorative works. This legislation extends their authorizations to 10 years—an additional 3 years for each. I support this extension with the understanding that there will be no further extensions.

As amended by the Committee on Natural Resources, H.R. 2947 also makes various changes to the Commemorative Works Act. Primarily Technical, these changes were requested by the National Capital Memorial Commission, and by those responsible for administrating the act. The most important of these changes adds provisions on accountability for fundraisers so that the public's trust is not abused.

Mr. Speaker, I endorse this legislation and urge its passage.

Mr. ALLARD. Mr. Speaker, further reserving my objection, I yield to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. Mr. Speaker, I rise today to stress the importance of the reauthorization of the Black Revolutionary War Patriots Memorial. This noteworthy initiative will result in the construction of a powerful monument that will not only honor those thousands of black Americans who helped turn defeat at the hands of the redcoats into victory during this Nation's most important hour, but also will remind us all that our freedom, our vision of justice, and our ideals as embodied in our remarkable Constitution were won by black and white men fighting shoulder to shoulder. Only if we as a society understand this fact—so long ignored in teaching our children—can Americans fully realize our potential as a nation of free men and women of all races, religions, and national origins. Only with a clear and accurate knowledge of our history can we create a Nation of unrivaled justice and opportunity.

Today, Mr. Speaker, our Nation faces hard times once again. The degree of change in our world is extraordinary and is not understood easily by many. Most people don't grow up in traditional two parent families anymore. Their mothers and fathers don't have the luxury of working for the same employer throughout their careers. Violence stalks our streets with a frequency, randomness, and viciousness never before so widespread. In a time of uncertainty and anguish, fear and animosity play a large role in our everyday lives. In response, some easily turn to racism and violence, threatening our future as well as the principal society we have worked so hard to create.

Now, more than ever, an honest understanding of our history is crucial. We must teach our children differently if the easy racism of a period of uncertainty is to be put down.

Accordingly, I ask your support for this one step to fight violence and racism. By building this monument, in this age of television and instant communications, we can convey in a concrete, tangible form, that America's freedom, her unique vision, and the hope she offers to all mankind was created by courageous black soldiers fighting with their white brethren for the independence of America.

Over the 4 years, the Black Patriots Foundation has gained access to an appropriate site on the national Mall, managed a competition resulting in a powerful model, and worked hard to find corporate donors to begin construction. And while it has been a tough road, there is now more support than ever before; clear progress has been made. The Black Patriots Foundation and all those who have worked to see this through, have secured new, concrete commitments from the private sector and have succeeded thus far only through the vision of individuals like Lena Ferguson, who fought for her right to become a member of the Daughter of the American Revolution Chapter in Connecticut, and that of her nephew, Maurice Barboza, who conceived of the idea for the memorial and is the reason we are here today. Indeed, their efforts deserve our gratitude.

Along with so many of our colleagues, I firmly believe this monument is worthy of our continued support. If we as a nation don't accurately understand our own history, we cannot

shape our future. If our children don't know and can't learn through the Black Patriots Memorial that freedom was won by blacks fighting alongside whites, then we cannot teach them that, by working together free of debilitating racism, we can create a nation worthy of our Constitution's vision of freedom and equality.

Mr. Speaker, I urge adoption of the bill.

□ 0120

Mr. ALLARD. Mr. Speaker, further reserving the right to object, I yield to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Speaker, I rise in support of H.R. 2947 to extend the authorization for the construction of the Black Revolutionary War Patriots Memorial and the Women in Military Service for America Memorial. I especially wish to thank the chairman of the subcommittee, Mr. VENTO, and the ranking minority member, Mr. HANSEN for their support of this legislation and the work they and their staffs did to make the extension possible.

During the Revolutionary War, approximately 5,000 African-Americans served our country. This is a little known fact because these individuals have gone virtually unrecognized for over 200 years. It is very important that this memorial be constructed because it will serve as a reminder of the bravery of black African-Americans fought for our Nation's independence. It is time that they are honored, and I want to complement my colleague from Connecticut, Mrs. JOHNSON, for all of her efforts over the years in pursuit of this memorial.

I am also extremely interested in the extension for the Women in Military Service for America Memorial, which I have been working on for some time. This structure, to be located at the entrance of Arlington Cemetery, will serve as a monument to the 1.8 million American women who have faithfully served their country in time of war and whom have not, to date, been adequately credited.

The Women in Military Service Memorial Foundation has met the requirements for site approval and has unanimous design concept approval. Work is in progress on the detailed design and will start shortly on the construction documents. A substantial investment in the project has already been made.

Mr. Speaker, completion of this project is vital because a comprehensive record of the accomplishments of our military women throughout the Nation's history has never before been assembled. Through the computerized data base being compiled, and with the other exhibits planned, the story of women's contributions to our Nation will at last be made visible to the American public and to visitors from other countries.

It is vital that an extension be granted now so that the established momentum continues and we all keep faith with the women from all eras so that they get the recognition they've earned and never had. I urge all of my colleagues to support this legislation and extend the authorization for the construction of these memorials.

Mr. ALLARD. Mr. Speaker, further reserving the right to object, there is no opposition on this side.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. PAYNE of Virginia). Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read the bill, as follows:

H.R. 2947

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding section 10(b) of Public Law 99-652, the legislative authority for the Black Revolutionary War Patriots Foundation to establish a commemorative work (as defined by such Public Law) shall expire at the end of the nine year period beginning on the date of enactment of such authority.

COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment in the nature of a substitute; strike all after the enacting clause and insert:

SECTION 1. EXTENSION OF LEGISLATIVE AUTHORITY FOR MEMORIAL ESTABLISHMENT.

(a) IN GENERAL.—The legislative authority for each of the following groups to establish a commemorative work (as defined by Public Law 99-652, as amended) shall expire at the end of the 10-year period beginning on the date of enactment of such authority for the respective commemorative work, notwithstanding the time period limitation specified in section 10(b) of that Public Law:

(1) The Black Revolutionary War Patriots Foundation.

(2) The Women in Military Service for America Memorial Foundation.

(3) The National Peace Garden.

(b) NAME CHANGE.—(1) The Congress finds that the Peace Garden Project, Incorporated, has changed its name to the National Peace Garden.

(2) Any reference in a law, map, regulation, document, paper, or other record of the United States to the entity referred to in paragraph (1) shall be deemed to be a reference to the National Peace Garden.

SEC. 2. COMMEMORATIVE WORKS ACT AMENDMENTS.

(a) DEFINITIONS.—(1) Section 2(c) of the Act entitled "An Act to provide standards for placement of commemorative works on certain Federal lands in the District of Columbia and its environs, and for other purposes" (40 U.S.C. 1002(c)) is amended—

(A) by inserting "plague, inscription," after "memorial,";

(B) by striking out "a person" and inserting in lieu thereof "an individual"; and

(C) by inserting "American" before "history".

(2) Section 2(d) of such Act (40 U.S.C. 1002(d)) is amended by striking "an individual, group or organization" and inserting "a public agency, and an individual, group or organization that is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code, and which is".

(b) AUTHORIZATION.—Section 3 of such Act (40 U.S.C. 1003) is amended as follows:

(1) In subsection (a), by inserting "on Federal lands referred to in section 1(d)" after "established".

(2) By redesignating subsection (b) as subsection (d) and inserting after subsection (a) the following new subsections:

"(b) A military commemorative work may be authorized only to commemorate a war or similar major military conflict or to commemorate any branch of the Armed Forces. No commemorative work commemorating a lesser conflict or a unit of an Armed Force shall be authorized. Commemorative works to a war or similar major military conflict shall not be authorized until at lest 10 years after the officially designated end of the event.

"(c) A commemorative work commemorating an event, individual, or group of individuals, other than a military commemorative work as described in subsection (b) of this section, shall not be authorized until after the 25th anniversary of the event, death of the individual, or death of the last surviving member of the group.".

(c) SPECIFIC CONDITIONS APPLICABLE TO AREAS I AND II.—Section 6 of such Act (40 U.S.C. 1006) is amended to read as follows:

"SPECIFIC CONDITIONS APPLICABLE TO AREA I AND AREA II

"SEC. 6. (a) AREA I.—The Secretary or Administrator (as appropriate) may, after seeking the advice of the National Capital Memorial Commission, recommend the location of a commemorative work in Area I only if the Secretary or Administrator (as appropriate) determines that the subject of the commemorative work is of preeminent historical and lasting significance to the Nation. The Secretary or Administrator (as appropriate) shall notify the National Capital Memorial Commission and the committees of Congress specified in section 3(b) of the recommendation by the Secretary or Administrator (as appropriate) that a commemorative work should be located in Area I. The location of a commemorative work in Area I shall be deemed not authorized, unless, not later than 150 calendar days after such notification, the recommendation is approved by law.

"(b) AREA II.—Commemorative works of subjects of lasting historical significance to the American people may be located in Area II.".

(d) SITE AND DESIGN APPROVAL.—Section 7 of such Act (40 U.S.C. 1007) is amended—

(1) in the matter preceding paragraph (1) of subsection (a), by striking out "commencing construction of the commemorative work" and inserting in lieu thereof "requesting the permit for the construction of the commemorative work";

(2) in paragraph (1) of subsection (a)—

(A) by inserting "the selection of alternative sites and designs for" after "regarding"; and

(B) by striking out the second sentence;

(3) in paragraph (2) of subsection (a), by striking out "and the Secretary or Administrator (as appropriate)"; and

(4) in the matter preceding paragraph (1) of subsection (b), by inserting "(but not limited by)" after "guided by".

(e) CRITERIA FOR ISSUANCE OF CONSTRUCTION PERMIT.—(1) Section 8(a)(3) of such Act (40 U.S.C. 1008(a)(3)) is amended by striking out "contracts for construction and drawings" and inserting in lieu thereof "contract documents for construction".

(2) Section 8 of such Act (40 U.S.C. 1008) is amended by adding at the end the following:

"(c)(1) The Secretary or the Administrator may suspend any activity under the authority of this Act with respect to the establishment of a commemorative work if the Secretary or Administrator determines that—

"(A) fundraising efforts with respect to the commemorative work have misrepresented an affiliation with the commemorative work or the United States; or

"(B) the percentage of funds raised that is disbursed for administrative expenses and fundraising fees is unreasonable or excessive or otherwise violates fund raising standards established by the Secretary or Administrator.

"(2) The person shall be required to submit to the Secretary or Administrator an annual report of operations prepared by an independent certified public accountant, paid for by the person authorized to construct the commemorative work.

"(3) The person authorized to construct a commemorative work shall require in all fundraising contracts that the fundraiser make its books and records with respect to the commemorative work fully available to the Secretary or Administrator and the Comptroller General of the United States for a period of not less than five years after the establishment of the commemorative work.".

(f) TEMPORARY SITE DESIGNATION.—Section 9(a) of such Act (40 U.S.C. 1009(a)) is amended by striking out "he may designate such a site on lands administered by him" and inserting in lieu thereof "a site may be designated on lands administered by the Secretary".

(g) MISCELLANEOUS PROVISIONS.—(1) Section 10(d) if such Act (40 U.S.C. 1010(d)) is amended to read as follows:

"(d) The Secretary and the Administrator shall develop appropriate regulations or standards to carry out this Act.".

(2) Section 10(e) of such Act (40 U.S.C. 1010(e)) is amended to read as follows:

"(e) This Act shall apply to all commemorative works authorized by Congress before, on, or after the date of enactment of this subsection.".

(h) SHORT TITLE.—Such Act is amended by adding at the end the following new section:

"SHORT TITLE

"SEC. 11. This Act may be cited as the 'Commemorative Works Act'.".

Mr. VENTO (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The Speaker pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The committee amendment in the nature of a substitute was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title of the bill was amended so as to read: "A bill to amend the Commemorative Works Act, and for other purposes.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. VENTO. 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 Minnesota?

There was no objection.

AMENDING THE EVERGLADES NATIONAL PARK PROTECTION AND EXPANSION ACT OF 1989

Mr. VENTO. Mr. Speaker, I ask unanimous consent that the Committee on Natural Resources be discharged from further consideration of the bill (H.R. 3617) to amend the Everglades National Park Protection and Expansion Act of 1989, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

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

Mr. ALLARD. Mr. Speaker, reserving the right to object, I yield to the gentleman from Minnesota [Mr. VENTO] to explain the bill.

Mr. VENTO. Mr. Speaker, this bill authorizes the Secretary of the Interior to use funds appropriated pursuant to the 1989 Everglades Expansion Act (Public Law 101–229) for flood control in the Rocky Glades agricultural area, frog pond and 8½-square-mile area to provide Federal assistance to the State of Florida for acquisition of these lands. The text of this bill was contained in H.R. 2620 which was approved by the House of Representatives on November 15, 1993.

The 1989 act authorized the transfer of funds from the National Park Service to the U.S. Army Corps of Engineers for constructing flood control and water modification projects in the three named areas. Studies now show that acquiring these lands and flooding them to restore the natural water flows to the Everglades National Park and Florida Bay would be the most beneficial in terms of the overall park restoration efforts. Approximately $17.4 million remains unobligated of the approximately $22.7 million that had been appropriated to the National Park Service for the purposes of the 1989 act. The State of Florida, the South Florida Water Management District, and Dade County have agreed to form a partnership to provide funding for a large part of the proposed land acquisition. Authorizing the use of already appropriated funds to assist in the effort will provide needed funds to ensure that the land acquisition process can go forward and provides the Secretary the ability to require that the lands thus acquired will be managed for the benefit of the park.

Since the enactment of the 1989 legislation, the Everglades and Florida Bay have experienced significant decline. The lack of water flow to and through the park, as well as the nature of that flow, has caused severe deterioration of the indigenous plant and animal life in the park and the bay. A field hearing held in the Florida Keys in July 1993 highlighted the urgent need to mitigate the severe damage. Restoring the natural flows through the Everglades to Florida Bay is a priority both for the preservation of this unique resource and for those economically dependent upon a healthy Everglades ecosystem.

The bill stipulates that the Federal contribution may not exceed 25 percent of the total cost of the land acquisition, and requires that the lands so acquired must be managed for the restoration of natural water flows to the park or Florida Bay. The Federal Government will neither acquire the land directly nor hold title to the property, but the Federal interest is protected by the provisions ensuring that these lands will be managed for the benefit of the park and Florida Bay.

I participated in the field hearing in July and was impressed by the willingness of all parties—local, State, and Federal agencies as well as interested business persons and private citizens—to work together to restore the Everglades ecosystem. The participation of the entire Florida delegation has been critical in this effort, particularly in seeking this authorization. Their persistence and hard work certainly speaks to the importance of a healthy Everglades to Florida's environment and economy. I support authorizing the reprogramming of these funds, and I urge my colleagues support of this positive first step in restoring the Everglades ecosystem.

Mr. ALLARD. Mr. Speaker, further reserving the right to object, this particular piece of legislation passed the House before. We have no objections on our side.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the bill, as follows:

H.R. 3617

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 104 of the Everglades National Park Protection and Expansion Act of 1989 (16 U.S.C. 410r–8) is hereby amended by adding at the end thereof the following new subsection:

"(k)(1) Notwithstanding any other provision of this Act, the Secretary is authorized to use funds appropriated pursuant to this Act, including any available funds appropriated to the National Park Service for construction in the Department of the Interior and Related Agencies Appropriations Acts for fiscal years 1991 through 1994 for project modifications by the Army Corps of Engineers, in such amounts as determined by the Secretary, to provide Federal assistance to

the State of Florida (including political subdivisions of the State) for acquisition of lands described in paragraph (4).

"(2) With respect to any lands acquired pursuant to this subsection, the Secretary may provide not more than 25 percent of the total cost of such acquisition.

"(3) All funds made available pursuant to this subsection shall be transferred to the State of Florida or a political subdivision of the State, subject to an agreement that any lands acquired with such funds will be managed in perpetuity for the restoration of natural flows to the park or Florida Bay.

"(4) The lands referred to in paragraph (1) are those lands or interests therein adjacent to, or affecting the restoration of natural water flows to, the park or Florida Bay which are located east of the park and known as the Frog Pond, Rocky Glades Agricultural Area, and the Eight-and-One-Half Square-Mile Area.".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WEST VIRGINIA RIVERS CONSERVATION ACT OF 1993

Mr. VENTO. Mr. Speaker, I ask unanimous consent for the immediate consideration in the House of the bill (H.R. 3252) to provide for the conservation, management, or study of certain rivers, parks, trails, and historic sites, and for other purposes.

The Clerk read the title of the bill.

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

Mr. ALLARD. Mr. Speaker, reserving the right to object, I yield to the gentleman from Minnesota [Mr. VENTO] to explain the bill.

Mr. VENTO. Mr. Speaker, H.R. 3252 is an omnibus measure addressing a number of matters related to several national conservation systems.

It includes provisions similar to separate bills introduced by the gentleman from West Virginia [Mr. RAHALL], the gentleman from Utah [Mr. HANSEN], the gentleman from Pennsylvania [Mr. MCDADE], the gentleman from Virginia [Mr. BOUCHER], the gentleman from Massachusetts [Mr. MARKEY], the gentleman from California [Mr. BERMAN], the gentleman from Illinois [Mr. DURBIN], the gentleman from Virginia [Mr. BATEMAN], and the gentleman from California [Mr. GALLEGLY].

Most of these provisions are similar to ones passed by the House in the last Congress but which were not enacted into law. They would make a number of revisions in the boundaries of certain National Park System units, designate or require study of areas for inclusion in the National Wild and Scenic Rivers, National Trails, and National Park Systems, and address several other matters related to these systems, including the naming of a visitors center at the Channel Islands National Park after our former colleague from California, Robert Lagomarsino. At hearings held on the provisions, the administration has expressed its support, and the provisions deserve approval by the House.

For the RECORD, I will insert a more detailed description of the several titles of H.R. 3252, and I urge the passage of the bill.

WEST VIRGINIA PROVISIONS

Title I of H.R. 3252 is similar to H.R. 1584, introduced by Mr. RAHALL. It would modify the boundaries of the New River Gorge National River, the Gauley River National Recreation Area, and the Bluestone National Scenic Area, all in West Virginia.

It would also designate a segment of the New River as a component of the National Wild and Scenic Rivers System—to be managed as a scenic river—and require a study of a segment of the Elk River, also in West Virginia, for possible future addition to that system or alternative National Park System designation. In addition, the title has a number of other provisions related to management of these West Virginia areas.

WESTERN TRAIL PROVISIONS

Section 201 is based on H.R. 1872, introduced by our ranking subcommittee member, Mr. HANSEN. It would authorize a study of the Great Western Trail for potential addition to the National Trails System. The Great Western Scenic Trail is actually a system of trails approximately 3,100 miles in length and extending from the Arizona-Mexico border to the Idaho-Montana-Canada border. At the subcommittee hearing on this bill on June 22, the Forest Service testified in support of the bill with two recommended amendments. The Forest Service recommended that the language authorizing motorized use along the trail be deleted from the bill. The issue of motorized use should be addressed in the study process and not in the legislation. This is consistent with previous National Trail Study bills including the American Discovery Trail Study passed by Congress last year. The Forest Service also recommended that the bill not designate the trail administrator. This is another issue which should be addressed in the trail study process. The bill is silent on the trail administrator but does direct the Secretary of Agriculture to study the trail in consultation with the Department of the Interior.

DELAWARE WATER GAP PROVISIONS

Section 301 would extend beyond July 31, 1993, the National Park Service's authority to collect and retain fees for use of Route 209, which runs through the park, by commercial vehicles. This legislation was originally enacted 10 years ago as a way of restricting the then-numerous trucks passing through the park. The National Park Service erected toll booths to collect fees and uses the fees to pay for staffing those booths. I strongly believe that all extraneous commercial traffic should be eliminated from Delaware Water Gap National Recreation Area as quickly as possible and support the approach embodied in this legislation as a way of doing that. Section 301 extends the authorization for 7 years and includes a provision that the fee charged reflect the costs for collecting them, but not to exceed $25. Finally, section 301 deletes from the boundary of Delaware Water Gap National Recreational Area some 350 acres—28 miles of railroad right-of-way that were administratively added. This particular provision is identical to one adopted by the committee and passed in the House last year. I do not believe it is appropriate for the National Park Service to be in the railroad business, nor do I believe that so-called minor boundary adjustments should be used in this way.

CUMBERLAND GAP PROVISIONS

Section 302 removes the prohibition on using appropriated funds to purchase land in the Cumberland Gap National Historical Park and is similar to H.R. 2297 introduced by Congressman BOUCHER.

Established in 1940, Cumberland Gap National Historical Park preserves and interprets the area of the Appalachian Mountains in Kentucky, Virginia, and Tennessee which provided the door to settlement of the territory west of the Blue Ridge mountains. The park contains over 20,000 acres in the three States and maintains camping and hiking areas, a representative settlement area, and various interpretive programs.

The park has been constrained by the prohibition on the use of appropriated funds to purchase land. In instances where property has become available, separate legislation has been needed to secure authorization for its purchase. Currently, several parcels included in the park's development plan are needed to provide access to trails within the park. Additionally, the park would like authority to purchase an abandoned rail line which would connect the park to a new State park in Virginia.

REVERE BEACH PROVISIONS

Section 303 is identical to the bill H.R. 1739, introduced by our colleague, Mr. MARKEY. It would require a study of Revere Beach, in Massachusetts, for possible inclusion in the National Park System. Two years ago, the subcommittee visited Revere Beach and saw firsthand the local enthusiasm for such action. A similar bill passed the House and Senate last year but was pocket vetoed by then-President Bush after Congress adjourned.

WILLIAM O. DOUGLAS CLASSROOM PROVISIONS

Section 304 is similar to H.R. 1441, introduced by the gentleman from California [Mr. BERMAN]. It would authorize cooperative agreements related to the Santa Monica Mountains National Recreation Area, including a cooperative agreement between the National

Park Service and the William O. Douglas Outdoor Classroom.

LINCOLN CENTER PROVISIONS

Section 305 would authorize the establishment of an Abraham Lincoln Presidential Center at the existing Lincoln Home National Historic Site in Springfield, IL. It is identical to H.R. 2496 as introduced by Representative DURBIN except from the name change to the Abraham Lincoln Presidential Center and with this one change is also identical to the bill which passed the House twice last year.

Springfield is the site of many significant events in the life of the 16th President of the United States. Abraham Lincoln moved to Springfield in 1837 and lived there on and off until departing for the White House in 1861. Springfield was the place where Lincoln married, raised his family, practiced law, campaigned for political office, and is buried.

The current visitors center at the Lincoln Home National Historic Site has no exhibits on Lincoln beyond the furnishings of the home and the storage area for Lincoln items is too small and is not properly insulated. Although there are several Lincoln sites in the National Park System, none of them tell the story of his entire life or his years as President. The center will interpret Lincoln's life and contributions, provide an opportunity to exhibit Lincoln artifacts and documents owned by the National Park Service and the State of Illinois, and orient visitors to other Lincoln-related sites in the Springfield area.

This section is significantly different from the bill as introduced in the 102d Congress. The authorization for a research or library component of the proposed center has been deleted and an authorization ceiling has been put in the bill. Lands owned by the State of Illinois can be acquired only by donation and Lincoln-related artifacts can be purchased only with donated funds. With these changes in cost and scope the bill is a straightforward authorization for a visitors center. The administration supports these revisions.

COLONIAL PARKWAY PROVISIONS

H.R. 3252 also includes provisions related to Colonial National Parkway, in Colonial National Historical Park. These provide for addition of approximately 20 acres adjoining the parkway, through an adjustment of boundaries, and for transfer of an existing sewage disposal system to York County, VA. The National Park Service would be authorized to contribute to the renovation of this sewage system through a cooperative agreement that would also involve reduced payments by the National Park Service.

LAGOMARSINO VISITORS CENTER

Finally, the bill would rename the visitors center in the Channel Islands National Park, as the Robert J. Lagomarsino Visitors Center, as a mark of respect to the many contributions of our former colleague from California, who took a longstanding active interest in this important unit of the National Park System.

Mr. ALLARD. Mr. Speaker, further reserving the right to object, we have no objections on this side.

Mr. Speaker, I withdraw my reservation of objection.

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

Mr. RAHALL. Mr. Speaker, reserving the right to object, I rise in support of H.R. 3252, title I of which is designated as the "West Virginia Rivers Conservation Act of 1993" based on legislation I introduced, H.R. 1584.

The central feature of title I is the establishment of a 14.5-mile Upper New National Scenic River on the segment of the New River that runs from the West Virginia-Virginia State line downstream to the Bluestone Lake in Summers County.

It should be noted that the acreage within the proposed national scenic river is already in Federal ownership, and would continue to be managed as a wildlife management area under the existing lease arrangement between the State of West Virginia and the Federal Government.

At the same time, the protections afforded free-flowing river segments under the Wild and Scenic Rivers Act would be provided.

And it is these protections which are clearly intended to preclude the approval of a right-of-way across this river segment for the purpose of constructing a 765 kv powerline.

I would also note that this legislation is the product of a grass roots effort in southeastern West Virginia.

On April 22, 1992, citizens from the counties of Monroe, Summers, and Mercer gathered at a place along the New River known as Shanklins Ferry.

We gathered there on that day in April 1992 to set in motion a chain of events aimed at leading to the designation of this segment of the New River under the Wild and Scenic Rivers Act.

At the time, I observed that it has been said that West Virginia only prospers when something is removed from the State, be it our coal or our timber.

And this, before the advent of new regulations, has left us with a grim legacy. A legacy of scarred landscapes, polluted waters, abandoned mines, and abandoned coal miners.

But this effort, this legislation, represents a new era.

Because this legislation is about more than whether or not a powerline should be built across the New River. And it is about more than protecting the river itself.

It is about the people of southern West Virginia taking back control of the land.

It is about controlling our destinies. And, it is about maintaining our culture and our heritage.

In my view, that day in April 1992 represented one of those rare moments when history itself seemed to hold its breath.

And so on this day I want to recognize all of those people who have worked so hard on behalf of this legislation.

I would also commend the chairman of the Subcommittee on National Parks, and Public Lands, BRUCE VENTO, for his diligence on behalf of this bill. I urge its approval by the House.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the bill, as follows:

H.R. 3252

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

TITLE I—RIVERS

SEC. 101. SHORT TITLE.

This title may be cited as the "West Virginia Rivers Conservation Act of 1993".

SEC. 102. NEW RIVER GORGE NATIONAL RIVER.

Section 1101 of the National Parks and Recreation Act of 1978 (16 U.S.C. 460m–15) is amended by striking out "NERI–80,023, dated January 1987" and inserting "NERI–80,028, dated January 1993".

SEC. 103. GAULEY RIVER NATIONAL RECREATION AREA.

Section 201(b) of the West Virginia National Interest River Conservation Act of 1987 (16 U.S.C. 460ww(b)) is amended by striking out "NRA–GR/20,000A and dated July 1987" and inserting "GARI–80,001 and dated January 1993".

SEC. 104. BLUESTONE NATIONAL SCENIC RIVER.

Section 3(a)(65) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(a)(65)) is amended by striking out "WSR–BLU/20,000, and dated January 1987" and inserting "BLUE–80,004, and dated January 1993".

SEC. 105. DESIGNATION OF UPPER NEW RIVER, WEST VIRGINIA.

Section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(a)) is amended by adding the following new paragraph at the end:

"( ) UPPER NEW RIVER, WEST VIRGINIA.—(A) The segment in Summers County, West Virginia, from the West Virginia-Virginia State line downstream for approximately 14.5 miles as depicted on the boundary map entitled 'Upper New Wild and Scenic River', numbered UPNE 80,000 and dated July 1993; to be administered by the Secretary of the Interior as a scenic river.

"(B) The acreage limitation set forth in subsection (b) shall not apply to the segment designated under this paragraph. Nothing in this Act shall preclude the improvement of any existing road or right-of-way within the boundaries of the segment designated under this paragraph.

"(C) Jurisdiction over all lands and improvements on such lands owned by the United States within the boundaries of the segment designated under this paragraph is hereby transferred without reimbursement to the administrative jurisdiction of the Secretary of the Interior, subject to the lease in effect on the date of enactment of this paragraph (or renewed thereafter) between the

United States and the State of West Virginia with respect to the Bluestone Wildlife Management Area.

"(D) Nothing in this Act shall affect the management by the State of West Virginia of hunting and fishing within the segment designated under this paragraph. Nothing in this Act shall affect or impair the management by the State of West Virginia of other wildlife activities in the Bluestone Wildlife Management Area to the extent permitted in the lease agreement as in effect on the date of enactment of this paragraph, and if the State of West Virginia so requests, the Secretary shall renew such lease agreement with the same terms and conditions as contained in such lease agreement on the date of enactment of this paragraph under which such State management shall be continued pursuant to such renewal. If requested to do so by the State of West Virginia, or as provided in such lease agreement, the Secretary may terminate or modify the lease and assume administrative authority over all or part of the areas concerned.

"(E) Nothing in the designation of the segment referred to in this paragraph shall affect or impair the management of the Bluestone project or the authority of any department, agency, or instrumentality of the United States to carry out the project purposes of that project.".

SEC. 106. DESIGNATION OF ELK RIVER AS A STUDY RIVER.

The Secretary of the Interior shall conduct a study of the segment of the Elk River, West Virginia, that is reflected on the Webster Springs Quadrangle (West Virginia) 7.5 minute series topographic map, U.S. Geological Survey, to determine its eligibility and suitability as either—

(1) a component of the national wild and scenic rivers system,

(2) a unit of the National Park System as a national river, or

(3) a unit of the National Park System as a national recreation area.

The Secretary shall submit a report containing the results of such study to the Committee on Natural Resources of the United States House of Representatives and to the Committee on Energy and Natural Resources of the United States Senate within 3 years after the enactment of this Act. Nothing in this section shall affect or impair the management of the Sutton project or the authority of any department, agency, or instrumentality of the United States to carry out the project purposes of that project as of the date of enactment of this section. In conducting the study authorized by this section, the Secretary shall consult with the West Virginia Division of Tourism and Parks and the West Virginia Division of Environmental Protection.

SEC. 107. CONSOLIDATED MANAGEMENT.

In order to achieve the maximum economy and efficiency of operations in the administration of the segment of the New River designated pursuant to section 205, the Secretary of the Interior shall consolidate offices and personnel administering such segment with offices and personnel administering the New River Gorge National River, the Gauley River National Recreation Area, and the Bluestone National Scenic River to the extent practicable, and shall utilize facilities of the New River Gorge National River to the extent practicable.

SEC. 108. MISCELLANEOUS PROVISIONS.

(a) NEW RIVER CONFORMING AMENDMENTS.—Title XI of the National Parks and Recreation Act of 1978 (16 U.S.C. 460m–15 and following) is amended by adding the following new section at the end thereof:

"SEC. 1117. APPLICABLE PROVISIONS OF OTHER LAW.

"(a) COOPERATIVE AGREEMENTS.—The provisions of section 202(e)(1) of the West Virginia National Interest River Conservation Act of 1987 (16 U.S.C. 460ww–1(e)(1)) shall apply to the New River Gorge National River in the same manner and to the same extent as such provisions apply to the Gauley River National Recreation Area.

"(b) REMNANT LANDS.—The provisions of the second sentence of section 203(a) of the West Virginia National Interest River Conservation Act of 1987 (16 U.S.C. 460ww–2(a)) shall apply to tracts of land partially within the boundaries of the New River Gorge National River in the same manner and to the same extent as such provisions apply to tracts of land only partially within the Gauley River National Recreation Area.".

(b) BLUESTONE RIVER CONFORMING AMENDMENTS.—Section 3(a)(65) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(a)(65)) is amended by striking "leases" in the fifth sentence and inserting in lieu thereof "the lease" and in the seventh sentence by striking "such management may be continued pursuant to renewal of such lease agreement. If requested to do so by the State of West Virginia, the Secretary may terminate such leases and assume administrative authority over the areas concerned." and inserting in lieu thereof the following: "if the State of West Virginia so requests, the Secretary shall renew such lease agreement with the same terms and conditions as contained in such lease agreement on the date of enactment of this paragraph under which such State management shall be continued pursuant to such renewal. If requested to do so by the State of West Virginia, or as provided in such lease agreement, the Secretary may terminate or modify the lease and assume administrative authority over all or part of the areas concerned.".

SEC. 109. GAULEY ACCESS.

Section 202(e) of the West Virginia National Interest River Conservation Act of 1987 (16 U.S.C. 460ww–1(e)) is amended by adding the following new paragraph at the end thereof:

"(4) ACCESS TO RIVER.—Within 90 days after the date of enactment of this subsection, the Secretary shall submit a report to the Committee on Natural Resources of the House of Representatives and to the Committee on Energy and Natural Resources of the Senate setting forth a plan to provide river access for noncommercial recreational users within the Gauley River National Recreation Area. The plan shall provide that such access shall utilize existing public roads and rights-of-way to the maximum extent feasible and shall be limited to providing access for such noncommercial users.".

SEC. 110. VISITOR CENTER.

The Secretary of the Interior is authorized to construct a visitor center and such other related facilities as may be deemed necessary to facilitate visitor understanding and enjoyment of the New River Gorge National River and the Gauley River National Recreation Area in the vicinity of the confluence of the New and Gauley Rivers. Such center and related facilities are authorized to be constructed at a site outside of the boundary of the New River Gorge National River or the Gauley River National Recreation Area unless a suitable site is available within the boundaries of either unit.

SEC. 111. EXTENSION.

For a 5-year period following the date of enactment of this Act, the provisions of the Wild and Scenic Rivers Act applicable to river segments designated for study for potential addition to the wild and scenic rivers system under section 5(b) of that Act shall apply to those segments of the Bluestone and Meadow Rivers which were found eligible in the studies completed by the National Park Service in August 1983 but which were not designated by the West Virginia National Interest River Conservation Act of 1987 as part of the Bluestone National Scenic River or as part of the Gauley River National Recreation Area, as the case may be.

SEC. 112. BLUESTONE RIVER PUBLIC ACCESS.

Section 3(a)(65) of the Wild and Scenic Rivers Act (16 U.S.C 1271 and following) is amended by adding the following at the end thereof: "In order to provide reasonable public access and vehicle parking for public use and enjoyment of the river designated by this paragraph, consistent with the preservation and enhancement of the natural and scenic values of such river, the Secretary may, with the consent of the owner thereof, negotiate a memorandum of understanding or cooperative agreement, or acquire such lands or interests in such lands, or both, as may be necessary to allow public access to the Bluestone River and to provide, outside the boundary of the scenic river, parking and related facilities in the vicinity of the area known as Eads Mill.".

SEC. 113. GAULEY RIVER BOUNDARY MODIFICATION.

Section 205(c) of the West Virginia National Interest River Conservation Act of 1987 (16 U.S.C 460ww–4(c)) is amended by adding the following at the end thereof: "If project construction is not commenced within the time required in such license, or if such license is surrendered at any time, such boundary modification shall cease to have any force and effect.".

TITLE II—TRAILS

SEC. 201. GREAT WESTERN SCENIC TRAIL.

Section 5(c) of the National Trails System Act (16 U.S.C. 1244(c)) is amended by adding at the end the following new paragraph:

"( ) The Great Western Scenic Trail, a system of trails to accommodate a variety of travel users in a corridor of approximately 3,100 miles in length extending from the Arizona-Mexico border to the Idaho-Montana-Canada border, following the approximate route depicted on the map identified as 'Great Western Trail Corridor, 1988', which shall be on file and available for public inspection in the Office of the Chief of the Forest Service, United States Department of Agriculture. The trail study shall be conducted by the Forest Service in consultation with the Department of the Interior. The Secretary of Agriculture shall examine in such study the appropriateness of motorized trail use along the trail.".

TITLE III—PARKS

SEC. 301. PROHIBITION OF COMMERCIAL VEHICLES.

(a) IN GENERAL.—Effective at noon on July 30, 2000, the use of Highway 209 within the Delaware Water Gap National Recreation Area by commercial vehicles, when such use is in no way connected with the operation of the recreation area, is prohibited except pursuant to a permit issued in accordance with regulations promulgated by the Secretary of the Interior. Such regulations shall permit such use only in emergency situations or for access to non-Federal land within or contiguous to the recreation area.

(b) CONFORMING PROVISIONS.—Paragraphs (1) through (3) of the third undesignated paragraph under the heading "ADMINISTRATIVE PROVISIONS" in chapter VII of

title I of Public Law 98-63 (97 Stat. 329), as amended, are repealed effective on the date referred to in subsection (a) of this section. Pending such effective date, the Secretary of the Interior shall collect and utilize a commercial use fee from commercial vehicles in accordance with such subsections, and authority to so collect and utilize such fees shall continue in effect from the date of the enactment of this Act through July 30, 2000. Such fees shall reflect costs of collection but shall not exceed $25 per vehicle.

(c) BOUNDARY MODIFICATION.—Section 2(a) of the Act of September 1, 1965 (79 Stat. 612; 16 U.S.C. 460o-1(a)), establishing the Delaware Water Gap National Recreation Area is amended by striking "as generally depicted on the drawing entitled 'Proposed Tocks Island National Recreation Area' dated and numbered September 1962, NRA-TI-7100, which drawing is on file" and inserting "as generally depicted on the map entitled 'Delaware Water Gap National Recreation Area' dated November 1991 and numbered DWGNRA-620/80,900A' which shall be on file".

SEC. 302. CUMBERLAND GAP NATIONAL HISTORICAL PARK.

(a) REMOVAL OF RESTRICTIONS.—The first section of the Act of June 11, 1940, entitled "An Act to provide for the establishment of the Cumberland Gap National Historical Park in Tennessee, Kentucky, and Virginia" (54 Stat. 262; 16 U.S.C. 261 and following) is amended by striking out everything after the words "Cumberland Gap National Historical Park" and inserting a period.

(b) USE OF APPROPRIATED FUNDS.—Section 3 of such Act (16 U.S.C. 263) is amended by inserting "or with funds that may be from time to time appropriated for the purpose," after "funds,".

SEC. 303. REVERE BEACH, MASSACHUSETTS.

(a) FINDINGS.—The Congress finds that—

(1) Revere Beach played an important historic role as a public beach and park set aside for public leisure and recreation;

(2) Revere Beach represents a valuable example of the social and cultural aspects of early 20th century American working class history;

(3) original structures and public buildings of Revere Beach remain to be preserved and interpreted;

(4) Revere Beach is located within easy access of a large urban population center and within reach of tourists visiting the historic city of Boston; and

(5) given the interest by organized groups and local and State governments in the preservation of Revere Beach, a coordinated evaluation should be conducted to consider options for preserving the historical, cultural, natural and recreational resources of Revere Beach.

(b) STUDY.—The Secretary of the Interior (hereinafter in this section referred to as the "Secretary") shall conduct a study to identify potential means to preserve and interpret Revere Beach. As part of the study, the Secretary shall propose alternatives for cooperation in the preservation and interpretation of Revere Beach, including providing recommendations on the suitability and feasibility of establishing Revere Beach as a unit of the National Park System.

(c) CONTENTS OF STUDY.—The study of the Secretary shall contain, but not be limited to, findings with respect to—

(1) the role played by Revere Beach in the processes in industrialization, urbanization, and immigration;

(2) the historical, cultural, natural, and outdoor recreational values of Revere Beach;

(3) the types of Federal, State, and local programs that are available to preserve, develop, and make accessible Revere Beach for public use;

(4) the use of, and coordination with, Federal, State, and local programs to manage in the public interest the historical, cultural, natural, and recreational resources of Revere Beach; and

(5) the possible kinds and general intensities of development, including a visitor facility with sufficient space to accommodate exhibits and information regarding the history of Revere Beach, that would be associated with public enjoyment and use of Revere Beach, including general location and anticipated costs.

(d) CONGRESSIONAL REVIEW.—The Secretary shall transmit the study to the Committee on Natural Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate within 12 months after the enactment of this section.

(e) CONSULTATION.—In preparing the study under this section, the Secretary shall consult with the public, representatives of the city of Revere and the Commonwealth of Massachusetts, historians, planners, recreation specialists, and historic preservationists knowledgeable in American History, historic preservation, and architecture. The Secretary shall seek expertise from both local and national organizations.

(f) AUTHORIZATION.—There is authorized to be appropriated $200,000 to carry out this section.

SEC. 304. COOPERATIVE AGREEMENT WITH THE WILLIAM O. DOUGLAS OUTDOOR CLASSROOM.

(a) GENERAL AUTHORITY.—The Secretary of the Interior, acting through the Director of the National Park Service, is authorized to enter into cooperative agreements, as specified in subsection (b), relating to Santa Monica Mountains National Recreation Area (hereafter in this Act referred to as the "recreation area") in accordance with this section.

(b) COOPERATIVE AGREEMENTS.—The cooperative agreements referred to in subsection (a) are as follows:

(1) A cooperative agreement with appropriate organizations or groups in order to promote education concerning the natural and cultural resources of the recreation area and lands adjacent thereto. Any agreement entered into pursuant to this paragraph—

(A) may provide for Federal matching grants of not more than 50 percent of the total cost of providing a program of such education;

(B) shall provide for visits by students or other beneficiaries to federally owned lands within the recreation area;

(C) shall limit the responsibility of the Secretary to providing interpretation services concerning the natural and cultural resources of the recreation area; and

(D) shall provide that the non-Federal party shall be responsible for any cost of carrying out the agreement other than the cost of providing interpretation services under subparagraph (C).

(2) A cooperative agreement under which—

(A) the Secretary agrees to maintain the facilities at 2600 Franklin Canyon Drive in Beverly Hills, California, for a period of 8 fiscal years beginning with the first fiscal year for which funds are appropriated pursuant to this section, and to provide funding for programs of the William O. Douglas Outdoor Classroom or its successors in interest that utilize those facilities during such period; and in return

(B) the William O. Douglas Outdoor Classroom, for itself and any successors in interest with respect to such facilities, agrees that at the end of the term of such agreement all right, title, and interest in and to such facilities will be donated to the United States for addition to and operation as a part of the recreation area.

(c) EXPENDITURE OF FUNDS.—Federal funds may be expended on non-Federal property located within the recreation area pursuant to the cooperative agreement described in subsection (b)(2).

(d) LIMITATIONS.—(1) The Secretary may not enter into the cooperative agreement described in subsection (b)(2) unless and until the Secretary determines that acquisition of the facilities described in such subsection would further the purposes of the recreation area.

(2) This section shall not be construed as authorizing an agreement by the Secretary for reimbursement of expenses incurred by the William O. Douglas Outdoor Classroom or any successor in interest that are not directly related to the use of such facilities for environmental education and interpretation of the resources and values of the recreation area and associated lands and resources.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the 8-year period beginning October 1, 1993, not to exceed $2,000,000 to carry out this section.

SEC. 305. ABRAHAM LINCOLN PRESIDENTIAL CENTER.

The Act entitled "An Act to authorize the Secretary of the Interior to establish the Lincoln Home National Historic Site in the State of Illinois, and for other purposes", approved August 18, 1971 (85 Stat. 347), is amended by adding at the end the following new section:

"SEC. 4. ABRAHAM LINCOLN PRESIDENTIAL CENTER.

"(a) ESTABLISHMENT.—In order to provide for the education, inspiration and benefit of the American people, and to further the interpretation of the life and contributions of Abraham Lincoln and his times, the Secretary of the Interior is authorized to establish at or near the Lincoln Home National Historic Site an interpretive center which shall be known as the Abraham Lincoln Presidential Center (hereafter in this section referred to as the 'center'). The center shall be added to and administered as part of the Lincoln Home National Historic Site. Upon establishment of the center, the boundary of the Lincoln Home National Historic Site is hereby modified to include the center.

"(b) ACQUISITION OF LAND.—For the purposes of this section, the Secretary may acquire land or interests in land near the Lincoln Home National Historic Site by donation, purchase with donated or appropriated funds, or exchange. Lands or interests therein owned by the State of Illinois or any political subdivision thereof may be acquired only by donation.

"(c) CONSTRUCTION, OPERATION, AND MAINTENANCE OF FACILITIES.—In carrying out this section, the Secretary is authorized to construct, operate, and maintain a facility, including an exhibit area, in order to preserve and make available materials related to the life of Abraham Lincoln and to provide interpretive and educational services which communicate the meaning of the life of Abraham Lincoln.

"(d) COOPERATIVE AGREEMENTS.—In carrying out this section, the Secretary may enter into cooperative agreements with (1) appropriate Federal agencies and the State of Illinois, or any political subdivision thereof, for the interpretation of resources at the center,

and (2) with the owners of documents and artifacts of historical or cultural significance as determined by the Secretary.

"(e) DOCUMENTS AND ARTIFACTS.—In carrying out this section, the Secretary may acquire by purchase with donated funds, exchange, loan, or donation documents and artifacts related to the purposes of the center for display at the center.

"(f) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts authorized to be appropriated by section 3, there is authorized to be appropriated not more than $18,000,000 to carry out this section.".

SEC. 306. COLONIAL NATIONAL HISTORICAL PARK.

(a) TRANSFER AND RIGHTS-OF-WAY.—The Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") is authorized to transfer, without reimbursement, to York County, Virginia, that portion of the existing sewage disposal system, including related improvements and structures, owned by the United States and located within the Colonial National Historical Park, together with such rights-of-way as are determined by the Secretary to be necessary to maintain and operate such system.

(b) REPAIR AND REHABILITATION OF SYSTEM.—The Secretary is authorized to enter into a cooperative agreement with York County, Virginia, under which the Secretary will pay a portion, not to exceed $110,000, of the costs of repair and rehabilitation of the sewage disposal system referred to in subsection (a).

(c) FEES AND CHARGES.—In consideration for the rights-of-way granted under subsection (a), and in recognition of the National Park Service's contribution authorized under subsection (b), the cooperative agreement under subsection (b) shall provide for a reduction in, or the elimination of, the amounts charged to the National Park Service for its sewage disposal. The cooperative agreement shall also provide for minimizing the impact of the sewage disposal system on the park and its resources. Such system may not be enlarged or substantially altered without National Park Service concurrence.

(d) EXPANSION.—Notwithstanding the provisions of the Act of June 28, 1938 (52 Stat. 1208; 16 U.S.C. 81b and following) limiting the average width of the Colonial Parkway, the Secretary is authorized to include within the Colonial National Historical Park, and to acquire by purchase, donation, or exchange, lands and interests in lands (with or without improvements) within the areas depicted on the map dated August 1993 and numbered 333/80031A, entitled "Page Landing Addition to Colonial National Historical Park". Such map shall be on file and available for inspection in the offices of the National Park Service at Colonial National Historical Park and in Washington, D.C.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 307. CHANNEL ISLANDS NATIONAL PARK.

(a) DESIGNATION.—The visitors center at the Channel Islands National Park, California, is designated as the "Robert J. Lagomarsino Visitors Center".

(b) LEGAL REFERENCES.—Any reference in any law, regulation, document, record, map, or other paper of the United States to the visitors center referred to in subsection (a) is deemed to be a reference to the "Robert J. Lagomarsino Visitors Center".

COMMITTEE AMENDMENTS

The SPEAKER pro tempore. The Clerk will report the committee amendments:

The Clerk read as follows:

Committee Amendments: Page 4, beginning on line 22, strike "from the Webster-Randolph County line to Centralia in Braxton County" and insert "there is reflected on the Webster Springs Quadrangle (West Virginia) 7.5 minute series topographic map, U.S. Geological Survey".

Page 7, line 12, strike "or as provided in such lease agreement,".

Page 11, line 19, strike "Subsections" and insert "Paragraphs".

Page 12, line 16, strike the single closing quotation mark.

Mr. VENTO (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendments be considered as read and printed in the RECORD.

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

There was no objection.

The SPEAKER pro tempore. The question is on the committee amendments.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on H.R. 3617 and H.R. 3252, the bills just passed.

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

There was no objection.

COAST GUARD AUTHORIZATION ACT OF 1993

Mr. STUDDS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2150) to authorize appropriations for fiscal year 1994 for the United States Coast Guard, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Senate amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Coast Guard Authorization Act of 1993".

TITLE I—AUTHORIZATIONS

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Funds are authorized to be appropriated for necessary expenses of the Coast Guard for fiscal year 1994, as follows:

(1) For the operation and maintenance of the Coast Guard, $2,612,552,200, of which $25,000,000 shall be derived from the Oil Spill Liability Trust Fund, and of which $35,000,000 shall be expended from the Boat Safety Account.

(2) For the acquisition, construction, rebuilding, and improvement of aids to navigation, shore and offshore facilities, vessels, and aircraft, including equipment related thereto, $417,996,500, to remain available until expended, of which $23,030,000 shall be derived from the Oil Spill Liability Trust Fund to carry out the purposes of section 1012(a)(5) of the Oil Pollution Act of 1990.

(3) For research, development, test, and evaluation of technologies, materials, and human factors directly relating to improving the performance of the Coast Guard's mission in support of search and rescue, aids to navigation, marine safety, marine environmental protection, enforcement of laws and treaties, ice operations, and defense readiness, $25,000,000, to remain available until expended, of which $4,457,000 shall be derived from the Oil Spill Liability Trust Fund.

(4) For retired pay (including the payment of obligations otherwise chargeable to lapsed appropriations for this purpose), payments under the Retired Serviceman's Family Protection and Survivor Benefit Plans, and payments for medical care of retired personnel and their dependents under chapter 55 of title 10, United States Code, $548,774,000.

(5) For alteration or removal of bridges over navigable waters of the United States constituting obstructions to navigation associated with the Bridge Alteration Program, $12,940,000 to remain available until expended.

(6) For environmental compliance and restoration at Coast Guard facilities, $23,057,000, to remain available until expended.

SEC. 102. AUTHORIZED LEVELS OF MILITARY STRENGTH AND MILITARY TRAINING.

(a) AUTHORIZED MILITARY STRENGTH LEVEL.—The Coast Guard is authorized an end-of-year strength for active duty personnel of 39,138 as of September 30, 1994. The authorized strength does not include members of the Ready Reserve called to active duty for special or emergency augmentation of regular Coast Guard forces for periods of 180 days or less.

(b) AUTHORIZED LEVEL OF MILITARY TRAINING.—For fiscal year 1994, the Coast Guard is authorized average military training student loads as follows:

(1) For recruit and special training, 1,986 student years.

(2) For flight training, 114 student years.

(3) For professional training in military and civilian institutions, 338 student years.

(4) For officer acquisition, 955 student years.

TITLE II—PERSONNEL MANAGEMENT IMPROVEMENT

SEC. 201. CEILING ON OFFICER CORPS.

Subsection (a) of section 42 of title 14, United States Code, is amended by striking "6,000" and inserting "6,200".

SEC. 202. VOLUNTEER SERVICES.

Section 93 of title 14, United States Code, is amended by—

(1) striking "and" at the end of paragraph (r);

(2) striking the period at the end of paragraph (s) and inserting a comma; and

(3) adding at the end the following new subsection:

"(t) Notwithstanding any other law, enter into cooperative agreements with States, local governments, nongovernmental organizations, and individuals, to accept and utilize voluntary services for the maintenance and improvement of natural and historic resources on, or to benefit natural and historic research on, Coast Guard facilities.

Subject to the requirement that—

(1) the cooperative agreements shall each provide for the parties to contribute funds or

services on a matching basis to defray the costs of such programs, projects, and activities under the agreement; and

"(2) a person providing voluntary services under this subsection shall not be considered a Federal employee except for purposes of chapter 81 of title 5, United States Code, with respect to compensation for work-related injuries, and chapter 171 of title 28, United States Code, with respect to tort claims; and".

SEC. 203. RESERVE RETENTION BOARDS.

Section 741 of title 14, United States Code, is amended—

(1) in subsection (a) in the first sentence by striking "and are not on active duty and not on an approved list of selectees for promotion to the next higher grade" and inserting the following: ", except those officers who—

"(1) are on extended active duty;

"(2) are on a list of selectees for promotion;

"(3) will complete 30 years total commissioned service by June 30th following the date that the retention board is convened; or

"(4) have reached age 59 by the date on which the retention board is convened";

(2) in subsection (a) by moving the second sentence so as to begin—

(A) immediately below paragraph (4) (as added by paragraph (1) of this section); and

(B) flush with the left margin of the material preceding paragraph (1);

(3) by designating the third sentence of subsection (a) as subsection (b) by—

(A) inserting "(b)" before "This board shall—"; and

(B) moving the third sentence so as to begin immediately below the second sentence of subsection (a); and

(4) by redesignating the last 2 subsections as subsections (c) and (d), respectively.

SEC. 204. CONTINUITY OF GRADE OF ADMIRALS AND VICE ADMIRALS.

(a) Section 46(a) of title 14, United States Code, is amended to read as follows:

"(a) A Commandant who is not reappointed shall be retired with the grade of admiral at the expiration of the appointed term, except as provided in subsection 51(d) of this title.".

(b)(1) Section 47 of title 14, United States Code, is amended—

(A) in the heading by striking "; retirement";

(B) in subsection (a) by—

(i) striking "(a)" at the beginning thereof, and

(ii) striking the last sentence and inserting the following: "The appointment and grade of a Vice Commandant shall be effective on the date the officer assumes that duty, and shall terminate on the date the officer is detached from that duty, except as provided in subsection 51(d) of this title."; and

(C) by striking subsections (b), (c), and (d).

(2) The table of sections at the beginning of chapter 3 of title 14, United States Code, is amended by striking the item relating to section 47 and inserting the following:

"47. Vice Commandant: assignment.".

(c) Section 50(b) of title 14, United States Code, is amended by striking the last sentence and inserting "The appointment and grade of an area commander shall be effective on the date the officer assumes that duty, and shall terminate on the date the officer is detached from that duty, except as provided in subsection 51(d) of this title.".

(d) Section 51 of title 14, United States Code, is amended by adding at the end the following new subsection:

"(d) An officer serving in the grade of admiral or vice admiral shall continue to hold that grade—

"(1) while being processed for physical disability retirement, beginning on the day of the processing and ending on the day that officer is retired, but not for more than 180 days; and

"(2) while awaiting retirement, beginning on the day that officer is relieved from the position of Commandant, Vice Commandant, Area Commander, or Chief of Staff and ending on the day before the officer's retirement, but not for more than 60 days.".

SEC. 205. CHIEF OF STAFF.

(a) Section 41a(b) of title 14, United States Code, is amended by striking ", except that the rear admiral serving as Chief of Staff shall be the senior rear admiral for all purposes other than pay" at the end of the second sentence.

(b)(1) Title 14, United States Code, is amended by inserting after section 50 the following new section:

"§ 50a. Chief of Staff.

"(a) The President may appoint, by and with the advice and consent of the Senate, a Chief of Staff of the Coast Guard who shall rank next after the area commanders and who shall perform duties as prescribed by the Commandant. The Chief of Staff shall be appointed from the officers on the active duty promotion list serving above the grade of captain. The Commandant shall make recommendations for the appointment.

"(b) The Chief of Staff shall have the grade of vice admiral with the pay and allowances of that grade. The appointment and grade of the Chief of Staff shall be effective on the date the officer assumes that duty, and shall terminate on the date the officer is detached from that duty, except as provided in section 51(d) of this title.".

(2) The table of sections at the beginning of chapter 3 of title 14, United States Code, is amended by inserting after the item relating to section 50 the following:

"50a. Chief of Staff".

(c) Section 51 of title 14, United States Code, is amended—

(1) in subsection (a) by striking "as Commander, Atlantic Area, or Commander, Pacific Area" and inserting "in the grade of vice admiral"; and

(2) in subsection (b) by striking "as Commander, Atlantic Area, or Commander, Pacific Area" and inserting "in the grade of vice admiral".

(d) Section 290 of title 14, United States Code, is amended—

(1) in subsection (a) by striking "or in the position of Chief of Staff" in the second sentence;

(2) in subsection (f)(1) by striking "Chief of Staff or"; and

(3) in subsection (f)(2) by striking "Chief of Staff or".

TITLE III—MISCELLANEOUS COAST GUARD PROVISIONS

SEC. 301. NORTH ATLANTIC ROUTES.

Sections 3 and 5 of the Act of June 25, 1936 (49 Stat. 1922, 46 App. U.S.C. 738b and 738d), are repealed.

SEC. 302. COAST GUARD FAMILY HOUSING.

(a) IN GENERAL.—Chapter 17 of title 14, United States Code, is amended by adding at the end the following new section:

"§ 670. Procurement authority for family housing

"(a) The Secretary is authorized—

"(1) to acquire, subject to the availability of appropriations sufficient to cover its full obligations, real property or interests therein by purchase, lease for a term not to exceed 5 years, or otherwise, for use as Coast Guard family housing units, including the acquisition of condominium units, which may include the obligation to pay maintenance, repair, and other condominium-relate fees; and

"(2) to dispose of by sale, lease, or otherwise, any real property or interest therein used for Coast Guard family housing units for adequate consideration.

"(b)(1) For the purposes of this section, a multiyear contract is a contract to lease Coast Guard family housing units for at least one, but not more than 5, fiscal years.

"(2) The Secretary may enter into multiyear contracts under subsection (a) of this section whenever the Coast Guard finds that—

"(A) the use of a contract will promote the efficiency of the Coast Guard family housing program and will result in reduced total costs under the contract; and

"(B) there are realistic estimates of both the cost of the contract and the anticipated cost avoidance through the use of a multiyear contract.

"(3) A multiyear contract authorized under subsection (a) of this section shall contain cancellation and termination provisions to the extent necessary to protect the best interests of the United States, and may include consideration of both recurring and nonrecurring costs. The contract may provide for a cancellation payment to be made. Amounts that were originally obligated for the cost of the contract may be used for cancellation or termination costs.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 17, United States Code, is amended by adding at the end the following:

"670. Procurement authority for family housing.".

SEC. 303. AIR STATION CAPE COD IMPROVEMENTS.

(a) IN GENERAL.—Chapter 17 of title 14, United States Code, is amended by adding after section 670 (as added by section 302 of this Act) the following new section:

"§ 671. Air Station Cape Cod improvements

"The Secretary may expend funds for the repair, improvement, restoration, or replacement of those federally or nonfederally owned support buildings, including appurtenances, which are on leased or permitted real property constituting Coast Guard Air Station Cape Cod, located on Massachusetts Military Reservation, Cape Cod, Massachusetts.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 17, United States Code, is amended by adding after the item relating to section 670 (as added by section 302 of this Act) the following:

"671. Air Station Cape Code improvements.".

SEC. 304. LONG-TERM LEASE AUTHORITY FOR AIDS TO NAVIGATION.

(a) Chapter 17 of title 14, United States Code, is amended by adding after section 671 (as added by section 303 of this Act) the following new section:

"§ 672. Long-term lease authority for navigation and communications systems sites

"(a) The Secretary is authorized, subject to the availability of appropriations, to enter into lease agreements to acquire real property or interests therein for a term not to exceed 20 years, inclusive of any automatic renewal clauses, for aids to navigation (hereafter in this section referred to as 'ATON') sites, vessel traffic service (hereafter in this section referred to as 'VTS') sensor sites, or National Distress System

(hereafter in this section referred to as 'NDS') high level antenna sites. These lease agreements shall include cancellation and termination provisions to the extent necessary to protect the best interests of the United States. Cancellation payment provisions may include consideration of both recurring and nonrecurring costs associated with the real property interests under the contract. These lease agreements may provide for a cancellation payment to be made. Amounts that were originally obligated for the cost of the contract may be used for cancellation or termination costs.

"(b) The Secretary may enter into multiyear lease agreements under subsection (a) of this section whenever the Secretary finds that—

"(1) the use of such a lease agreement will promote the efficiency of the ATON, VTS, or NDS programs and will result in reduced total costs under the agreement;

"(2) the minimum need for the real property or interest therein to be leased is expected to remain substantially unchanged during the contemplated lease period; and

"(3) the estimates of both the cost of the lease and the anticipated cost avoidance through the use of a multiyear lease are realistic.".

(b) The table of sections at the beginning of chapter 17 of title 14, United States Code, is amended by adding after the item relating to section 671 (as added by section 303 of this Act) the following:

"672. Long-term lease authority for navigation and communications systems sites.".

SEC. 305. AUTHORITY FOR EDUCATIONAL RESEARCH GRANTS.

(a) IN GENERAL.—Chapter 9 of title 14, United States Code, is amended by adding at the end the following new section:

"§ 196. Participation in Federal, State, or other educational research grants

"Notwithstanding any other provision of law, the United States Coast Guard Academy may compete for and accept Federal, State, or other educational research grants, subject to the following limitations:

"(1) No award may be accepted for the acquisition or construction of facilities.

"(2) No award may be accepted for the routine functions of the Academy.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 9 of title 14, United States Code, is amended by adding at the end the following:

"196. Participation in Federal, State, or other educational research grants.".

SEC. 306. PREPOSITIONED OIL SPILL CLEANUP EQUIPMENT.

The Secretary of Transportation is authorized to expend out of amounts appropriated for acquisition, construction, and improvement for fiscal year 1994—

(1) $890,000 to acquire and preposition oil spill response equipment at Port Arthur, Texas, and

(2) $890,000 to acquire and preposition oil spill response equipment at Helena, Arkansas, subject to the Secretary determining that adequate storage and maintenance facilities are available.

SEC. 307. SHORE FACILITIES IMPROVEMENTS AT COAST GUARD STATION LITTLE CREEK, VIRGINIA.

(a) The Secretary of Transportation, subject to the availability of appropriations, may at Coast Guard Station Little Creek, Virginia—

(1) construct a 2-story station building with operational, administrative, and living spaces;

(2) construct a 180-foot long pier for Coast Guard patrol boats;

(3) construct a boat ramp; and

(4) strengthen a waterfront bulkhead.

(b) Funds necessary to carry out this section are authorized to be appropriated for fiscal years 1994.

SEC. 308. OIL SPILL TRAINING SIMULATOR.

The Secretary of Transportation is authorized to expend out of the amounts appropriated for acquisition, construction, and improvement not more than $1,250,000 to the Maritime College of the State of New York to purchase a marine oil spill management simulator.

SEC. 309. TECHNICAL CLARIFICATION.

Section 4283B of the Revised Statutes (46 App. U.S.C. 183c) is amended by striking "any court" in clause (2) and inserting in lieu thereof "court".

SEC. 310. OIL SPILL PREVENTION AND RESPONSE TECHNOLOGY TEST AND EVALUATION PROGRAM.

(a) Not later than 6 months after the date of enactment of this Act, the Secretary of Transportation shall establish a program to evaluate the technological feasibility and environmental benefits of having tank vessels carry oil spill prevention and response technology. To implement the program the Secretary shall—

(1) publish in the Federal Register an invitation for submission of proposals including plans and procedures for testing; and

(2) review and evaluate technology using, to the maximum extent possible, existing evaluation and performance standards.

(b) The Secretary shall, to the maximum extent possible, incorporate in the program established in subsection (a), the results of existing studies and evaluations of oil spill prevention and response technology carried on tank vessels.

(c) Not later than 2 years after the date of the enactment of this Act, the Secretary shall evaluate the results of the program established in subsection (a) and submit a report to Congress with recommendations on the feasibility and environmental benefits of, and appropriate equipment and utilization standards for, requiring tank vessels to carry oil spill prevention and response equipment.

(d) Not later than 6 months after the date of the enactment of this Act, the Secretary shall evaluate and report to the Congress on the feasibility of using segregated ballast tanks for emergency transfer of cargo and storage of recovered oil.

SEC. 311. UNMANNED SEAGOING BARGES.

Section 3302 of title 46, United States Code, is amended by adding at the end the following:

"(m) A seagoing barge is not subject to inspection under section 3301(6) of this title if the vessel is unmanned and does not carry—

"(1) a hazardous material as cargo; or

"(2) a flammable or combustible liquid, including oil, in bulk.".

SEC. 312. PROHIBITION ON DECOMMISSIONING ICEBREAKER MACKINAW.

(a) The Secretary of Transportation may not decommission the Coast Guard cutter MACKINAW before December 31, 1994.

(b) There is authorized to be appropriated to the Secretary of Transportation $1,600,000 for fiscal year 1994, to remain available until expended, for operations and maintenance of the Coast Guard cutter MACKINAW.

SEC. 313. LOWER COLUMBIA RIVER MARINE FIRE AND SAFETY ACTIVITIES.

The Secretary of Transportation is authorized to expend out of the amounts appropriated for the Coast Guard for fiscal year 1994 not more than $421,700, and for fiscal year 1995 not more than $358,300, for the lower Columbia River marine, fire, oil, and toxic spill response communications, training, equipment, and program administration activities conducted by the Marine Fire and Safety Association.

SEC. 314. CASS RIVER.

Subtitle II of title 46, United States Code, relating only to vessel inspection and manning, shall not apply to a vessel operating on the date of enactment of this Act on the Cass River above the dam at Frankenmuth, Michigan (locally known as the Hubinger Dam) which is inspected and licensed by the State of Michigan to carry passengers.

SEC. 315. SENSE OF THE CONGRESS REGARDING FUNDING FOR COAST GUARD.

It is the sense of the Congress that in appropriating amounts for the Coast Guard, the Congress should appropriate amounts adequate to enable the Coast Guard to carry out all extraordinary functions and duties the Coast Guard is required to undertake in addition to its normal functions established by law.

SEC. 316. COOPERATIVE AGREEMENT AUTHORITY.

Section 93 of title 14, United States Code, as amended by section 202 of this Act, is further amended by adding at the end the following new subsection:

"(u) enter into cooperative agreements with other Government agencies and the National Academy of Sciences.".

SEC. 317. REGIONAL FISHERIES LAW ENFORCEMENT TRAINING CENTERS.

(a) GULF OF MEXICO.—The Coast Guard shall establish a Gulf of Mexico Regional Fisheries Law Enforcement Training Center in the Eighth Coast Guard District in Southeastern Louisiana.

(b) SOUTHEAST ATLANTIC.—The Coast Guard shall establish a Southeast Regional Fisheries Law Enforcement Training Center in the Seventh Coast Guard District in Charleston, South Carolina.

(c) PURPOSE.—The purpose of the regional fisheries law enforcement training centers shall be to increase the skills and training of Coast Guard fisheries law enforcement personnel and to ensure that such training considers and meets the unique and complex needs and demands of the fisheries of the Gulf of Mexico and the Southeast United States.

SEC. 318. NATIONAL SAFE BOATING WEEK.

(a) The Act of June 4, 1958 (36 U.S.C. 161) is amended by striking "week commencing on the first Sunday in June" and inserting "the seven day period ending on the last Friday before Memorial Day".

(b) This section is effective January 1, 1995.

SEC. 319. LOS ANGELES-LONG BEACH VESSEL TRAFFIC SERVICE.

The Coast Guard is authorized to provide personnel support for the interim vessel traffic information service in the Ports of Los Angeles and Long Beach operated on behalf of the State of California by the Marine Exchange of Los Angeles-Long Beach Harbors, Inc., a California nonprofit corporation (hereinafter referred to as "Marine Exchange"). The Coast Guard shall be reimbursed for all costs associated with providing such personnel in accordance with a reimbursable agreement between the Coast Guard and the State of California. Amounts received by the Coast Guard as reimbursements for its costs shall be credited to the appropriation for operating expenses of the Coast Guard. The United States Government

assumes no liability for any act or omission of any officer, director, employee, or representative of the Marine Exchange or of the State of California, arising out of the operation of the vessel traffic information service by the Marine Exchange, and the Coast Guard shall have the same protections and limitations on such liability as are afforded to the Marine Exchange under California law.

SEC. 320. FINANCIAL RESPONSIBILITY FOR NONPERFORMANCE.

Section 3(b) of Public Law 89-777 (46 App. U.S.C. 817e(b)) is amended by striking "and such bond or other security shall be in an amount paid equal to the estimated total revenue for the particular transportation." and inserting a period.

SEC. 321. FISHING AND FISH TENDER VESSELS.

(a) In this section, "fish tender vessel", "fishing vessel", and "tank vessel" have the meanings given those terms under section 2101 of Title 46, United States Code.

(b) A fishing vessel or fish tender vessel of not more than 750 gross tons, when engaged only in the fishing industry, shall not be deemed to be a tank vessel for the purposes of any law.

(c)(1) This section does not affect the authority of the Secretary of Transportation under chapter 33 of title 46, United States Code, to regulate the operation of the vessels listed in subsection (b) to ensure the safe carriage of oil and hazardous substances.

(2) This section does not affect the requirement for fish tender vessels engaged in the Aleutian trade to comply with chapters 33, 45, 51, 81, and 87 of title 46, United States Code, as provided in the Aleutian Trade Act of 1990 (Pub. L. 101-595).

SEC. 322. OIL SPILL RECOVERY OPERATIONS.

(a) Section 8104 of title 46, United States Code, is amended—

(1) in subsection (g), by striking "a vessel used only to respond to a discharge of oil or a hazardous substance,"; and

(2) by adding a new subsection to read as follows:

"(p) On a vessel used only to respond to a discharge of oil or a hazardous substance, the licensed individuals and crewmembers may be divided into at least two watches when the vessel is engaged in an operation less than 12 hours in duration.".

(b) Section 8301 of title 46, United States Code, is amended by adding a new subsection to read as follows:

"(e) A vessel used only to respond to a discharge of oil or a hazardous substance shall have—

"(1) two licensed mates when the vessel is engaged in an operation over 12 hours in duration;

"(2) one licensed mate when the vessel is engaged in an operation less than 12 hours in duration; and

"(3) if the vessel is more than 200 gross tons, a licensed engineer when the vessel is operating.".

SEC. 323. LIMITATIONS ON PERFORMANCE OF LONGSHORE WORK BY ALIEN CREWMEMBERS—ALASKA EXCEPTION.

(a) ALASKA EXCEPTION.—Section 258 of the Immigration and Nationality Act (8 U.S.C. 1288) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection:

"(d) STATE OF ALASKA EXCEPTION.—(1) Subsection (a) shall not apply to a particular activity of longshore work at a particular location in the State of Alaska if an employer of alien crewman has filed an attestation with the Secretary of Labor at least 30 days before the date of the first performance of the activity (or anytime up to 24 hours before the first performance of the activity, upon a showing that the employer could not have reasonably anticipated the need to file an attestation for that location at that time) setting forth facts and evidence to show that—

"(A) the employer will make a bona fide request for United States longshore workers who are qualified and available in sufficient numbers to perform the activity at the particular time and location from the parties to whom notice has been provided under clauses (ii) and (iii) of subparagraph (D), except that—

"(i) wherever two or more contract stevedoring companies have signed a joint collective bargaining agreement with a single labor organization described in subparagraph (D)(i), the employer may request longshore workers from only one of such contract stevedoring companies, and

"(ii) a request for longshore workers to an operator of a private dock may be made only for longshore work to be performed at that dock and only if the operator meets the requirements of section 32 of the Longshoremen's and Harbor Workers' Compensation Act (33 U.S.C. 932);

"(B) the employer will employ all those United States longshore workers made available in response to the request made pursuant to subparagraph (A) who are qualified and available in sufficient numbers and who are needed to perform the longshore activity at the particular time and location;

"(C) the use of alien crewmembers for such activity is not intended or designed to influence an election of a bargaining representative for workers in the State of Alaska; and

"(D) notice of the attestation has been provided by the employer to—

"(i) labor organizations which have been recognized as exclusive bargaining representatives of United States longshore workers within the meaning of the National Labor Relations Act and which make available or intend to make available workers to the particular location where the longshore work is to be performed,

"(ii) contract stevedoring companies which employ or intend to employ United States longshore workers at that location, and

"(iii) operators of private docks at which the employer will use longshore workers.

"(2)(A) An employer filing an attestation under paragraph (1) who seeks to use alien crewmen to perform longshore work shall be responsible while the attestation is valid to make bona fide requests for United States longshore workers under paragraph (1)(A) and to employ United States longshore workers, as provided in paragraph (1)(B), before using alien crewmen to perform the activity or activities specified in the attestation, except that an employer shall not be required to request longshore workers from a party if that party has notified the employer in writing that it does not intend to make available United States longshore workers to the location at which the longshore work is to be performed.

"(B) If a party that has provided such notice subsequently notifies the employer in writing that it is prepared to make available United States longshore workers who are qualified and available in sufficient numbers to perform the longshore activity to the location at which the longshore work is to be performed, then the employer's obligations to that party under subparagraphs (A) and (B) of paragraph (1) shall begin 60 days following the issuance of such notice.

"(3)(A) In no case shall an employer filing an attestation be required—

"(i) to hire less than a full work unit of United States longshore workers needed to perform the longshore activity;

"(ii) to provide overnight accommodations for the longshore workers while employed; or

"(iii) to provide transportation to the place of work, except where—

"(I) surface transportation is available;

"(II) such transportation may be safely accomplished;

"(III) travel time to the vessel does not exceed one-half hour each way; and

"(IV) travel distance to the vessel from the point of embarkation does not exceed 5 miles.

"(B) In the cases of Wide Bay, Alaska, and Klawock/Craig, Alaska, the travel times and travel distances specified in subclauses (III) and (IV) of subparagraph (A) shall be extended to 45 minutes and 7½ miles, respectively, unless the party responding to the request for longshore workers agrees to the lesser time and distance limitations specified in those subclauses.

"(4) Subject to subparagraphs (A) through (D) of subsection (c)(4), attestations filed under paragraph (1) of this subsection shall—

"(A) expire at the end of the 1-year period beginning on the date the employer anticipates the longshore work to begin, as specified in the attestation filed with the Secretary of Labor, and

"(B) apply to aliens arriving in the United States during such 1-year period if the owner, agent, consignee, master, or commanding officer states in each list under section 251 that it continues to comply with the conditions in the attestation.

"(5)(A) Except as otherwise provided by subparagraph (B), subsection (c)(3) and subparagraphs (A) through (E) of subsection (c)(4) shall apply to attestations filed under this subsection.

"(B) The use of alien crewmen to perform longshore work in Alaska consisting of the use of an automated self-unloading conveyor belt or vacuum-actuated system on a vessel shall be governed by the provisions of subsection (c).

"(6) For purposes of this subsection—

"(A) the term 'contract stevedoring companies' means those stevedoring companies licensed to do business in the State of Alaska that meet the requirements of section 32 of the Longshoremen's and Harbor Workers' Compensation Act (33 U.S.C. 932); and

"(B) the term 'employer' includes any agent or representative designated by the employer; and

"(C) the terms 'qualified' and 'available in sufficient numbers' shall be defined by reference to industry standards in the State of Alaska, including safety considerations."

(b) CONFORMING AMENDMENTS.—

(1) Section 258(a) (8 U.S.C. 1288(a)) is amended by striking "subsection (c) or subsection (d)" and inserting "subsection (c), (d), or (e)".

(2) Section 258(c)(4)(A) (8 U.S.C. 1288(c)(4)(A)) is amended by inserting "or subsection (d)(1)" after "paragraph (1)" each of the two places it appears.

(3) Section 258(c) (8 U.S.C. 1288(c)) is amended by adding at the end the following new paragraph:

"(5) Except as provided in paragraph (5) of subsection (d), this subsection shall not apply to longshore work performed in the State of Alaska.".

(c) IMPLEMENTATION—(1) The Secretary of Labor shall prescribe such regulations as may be necessary to carry out this section.

(2) Attestations filed pursuant to section 258(c) (8 U.S.C. 1288(c)) with the Secretary of Labor before the date of enactment of this Act shall remain valid until 60 days after the date of issuance of final regulations by the Secretary under this section.

SEC. 324. CAPE COD LIGHTHOUSE PLANNING AND DESIGN STUDIES.

(a) COMPLETION OF STUDIES.—

(1) PLANNING.—Not later than 6 months after the date of enactment of this Act, the Secretary of Transportation and the Secretary of the Interior shall complete the necessary planning studies, including selection of a relocation site, identified in the Coast Guard's strategy document for relocation of the Cape Cod Lighthouse (popularly known as the "Highland Light Station"), located in North Truro, Massachusetts.

(2) DESIGN.—Not later than 18 months after the date of enactment of this Act, the Secretary of Transportation shall complete the design studies identified in the Coast Guard's strategy document for relocation of the Cape Cod Lighthouse.

(b) USE OF AMOUNTS FOR STUDIES.—Of amounts appropriated under the authority of this Act of acquisition, construction, rebuilding, and improvement, the Secretary of Transportation may use up to $600,000 for conducting the studies required under subsection (a).

SEC. 325. WASHINGTON STATE LIGHTHOUSES.

(a) AUTHORITY TO TRANSFER.—

(1) IN GENERAL.—The Secretary may convey by any appropriate means to the Washington State Parks and Recreation Commission all right, title, and interest of the United States in and to property comprising 1 or more of the Cape Disappointment Lighthouse, North Head Lighthouse, and Point Wilson Lighthouse.

(2) IDENTIFICATION OF PROPERTY.—The Secretary may identify, describe, and determine property conveyed pursuant to this section.

(b) TERMS AND CONDITIONS.—

(1) IN GENERAL.—The conveyance of property pursuant to subsection (a) shall be made—

(A) without the payment of consideration; and

(B) subject to such terms and conditions as the Secretary may consider appropriate.

(2) REVERSIONARY INTEREST.—In addition to any term or condition established pursuant to paragraph (1), any conveyance of property comprising Cape Disappointment Lighthouse, North Head Lighthouse, or Point Wilson Lighthouse pursuant to this section shall be subject to the condition that all right, title, and interest in and to the property so conveyed shall immediately revert to the United States if the property, or any part thereof—

(A) ceases to be used as a center for public benefit for the interpretation and preservation of maritime history;

(B) ceases to be maintained in a manner that ensures its present or future use as a Coast Guard aid to navigation; or

(C) ceases to be maintained in a manner consistent with the provisions of the National Historic Preservation Act of 1966 (16 U.S.C. 470 et seq.).

(3) REQUIRED CONDITIONS.—Any conveyance of property pursuant to this section shall be made subject to such conditions as the Secretary considers to be necessary to assure that—

(A) the lights, antennas, and associated equipment located on the property conveyed, which are active aids to navigation, shall continue to be operated and maintained by the United States;

(B) the Washington State Parks and Recreation Commission may not interfere or allow interference in any manner with such aids to navigation without express written permission from the Secretary of Transportation;

(C) there is reserved to the United States the right to relocate, replace, or add any aids to navigation or make any changes on any portion of such property as may be necessary for navigation purposes;

(D) the United States shall have the right, at any time, to enter such property without notice for the purpose of maintaining aids to navigation;

(E) the United States shall have an easement of access to such property for the purpose of maintaining the aids to navigation in use on the property; and

(F) the property shall be rehabilitated and maintained by the owner in accordance with the provisions of the National Historic Preservation Act of 1966 (16 U.S.C. 470 et seq.).

(4) MAINTENANCE OF CERTAIN EQUIPMENT NOT REQUIRED.—The Washington State Parks and Recreation Commission shall not have any obligation to maintain any active aid to navigation equipment on property conveyed pursuant to this section.

(c) DEFINITIONS.—For purposes of this section, the term—

(1) "Cape Disappointment Lighthouse" means the Coast Guard lighthouse located at Fort Canby State Park, Washington, including—

(A) the lighthouse, excluding any lantern or lens that is the personal property of the Coast Guard; and

(B) such land as may be necessary to enable the Washington State Parks and Recreation Commission to operate at that lighthouse a center for public benefit for the interpretation and preservation of the maritime history;

(2) "North Head Lighthouse" means the Coast Guard lighthouse located at Fort Canby State Park, Washington, including—

(A) the lighthouse, excluding any lantern or lens that is the personal property of the Coast Guard;

(B) ancillary buildings; and

(C) such land as may be necessary to enable the Washington State Parks and Recreation Commission to operate at that lighthouse a center for public benefit for the interpretation and preservation of maritime history;

(3) "Point Wilson Lighthouse" means the Coast Guard lighthouse located at Fort Worden State Park, Washington, including—

(A) the lighthouse, excluding any lantern or lens that is the personal property of the Coast Guard;

(B) 2 ancillary buildings; and

(C) such land as may be necessary to enable the Washington State Parks and Recreation Commission to operate at that lighthouse a center for public benefit for the interpretation and preservation of maritime history; and

(4) "Secretary" means the Secretary of Transportation.

SEC. 326. HERON NECK LIGHTHOUSE.

(a) AUTHORITY TO TRANSFER.—

(1) IN GENERAL.—The Secretary of Transportation shall convey by any appropriate means to the Island Institute, Rockland, Maine, all right, title, and interest of the United States in and to property comprising the Heron Neck Lighthouse.

(2) IDENTIFICATION OF PROPERTY.—The Secretary may identify, describe, and determine property conveyed pursuant to this subsection.

(b) TERMS AND CONDITIONS.—

(1) IN GENERAL.—The conveyance of property pursuant to subsection (a) shall be made—

(A) without payment of consideration; and

(B) subject to such terms and conditions as the Secretary may consider appropriate.

(2) USE OF PROPERTY.—The property conveyed pursuant to subsection (a) may be used for educational, historic, recreational, and cultural programs open to and for the benefit of the general public. Theme displays, museums, gift shops, open exhibits, meeting rooms, and an office and quarters for personnel in connection with security and administration of the property are expressly authorized. Other uses not inconsistent with the foregoing uses are permitted unless the Secretary shall reasonably determine that such uses are incompatible with the historic nature of the property or with other provisions of this section.

(3) REVISIONARY INTEREST.—In addition to any term or condition established pursuant to paragraph (1), any conveyance of property comprising the Heron Neck Lighthouse pursuant to subsection (a) shall be subject to the condition that all right, title, and interest in and to the property so conveyed shall immediately revert to the United States if the property, or any part thereof—

(A) ceases to be used as a nonprofit center for educational, historic, recreational, and cultural programs open to and for the benefit of the general public;

(B) ceases to be maintained in a manner that ensures its present or future use as a Coast Guard aid to navigation; or

(C) ceases to be maintained in a manner consistent with the provisions of the National Historic Preservation Act of 1966 (U.S.C. 40 et seq.).

(3) REQUIRED CONDITIONS.—Any conveyance of property pursuant to this section shall be made subject to such conditions as the Secretary considers to be necessary to assure that—

(A) the light, antennas, sound signal, and associated lighthouse equipment located on the property conveyed, which are active aids to navigation, shall continue to be operated and maintained by the United States Government for as long as they are needed for this purpose;

(B) the Island Institute may not interfere or allow interference in any manner with such aids to navigation without express written permission from the Secretary;

(C) there is reserved to the United States the right to relocate, replace, or add any aids to navigation or make any changes on any property as may be necessary for navigation purposes;

(D) the United States shall have the right, at any time, to enter such property without notice for the purpose of maintaining aids to navigation; and

(E) the United States shall have an easement of access to such property for the purpose of maintaining the aids to navigation in use on the property.

(4) MAINTENANCE OBLIGATION.—The Island Institute shall not have any obligation to maintain any active aid to navigation equipment on property conveyed pursuant to subsection (a).

(c) PROPERTY TO BE MAINTAINED IN ACCORDANCE WITH CERTAIN LAWS.—The Island Institute shall maintain the Heron Neck Lighthouse in accordance with the Provisions of the National Historic Preservation Act of 1966 (16 U.S.C. et seq.) and other applicable laws.

(d) DEFINITIONS.—For purposes of this section, the term "Heron Neck Lighthouse"

means the Coast Guard lighthouse located on Green Island, Vinalhaven, Maine, including—

(1) the attached keeper's dwelling, ancillary buildings, and associated fog signal, and boat ramp; and

(2) such land as may be necessary to enable the Island Institute to operate at that lighthouse a nonprofit center for public benefit.

SEC. 327. BURNT COAT HARBOR LIGHTHOUSE.

(a) AUTHORITY TO TRANSFER.—

(1) IN GENERAL.—The Secretary of Transportation shall convey by any appropriate means to the Town of Swan's Island, Swans Island, Maine, all right, title, and interest of the United States in and to property comprising the Burnt Coat Harbor Lighthouse.

(2) IDENTIFICATION OF PROPERTY.—The Secretary may identify, describe, and determine property conveyed pursuant to this subsection.

(b) TERMS AND CONDITIONS.—

(1) IN GENERAL.—The conveyance of property pursuant to subsection (a) shall be made—

(A) without payment of consideration; and

(B) subject to such terms and conditions as the Secretary may consider appropriate.

(2) USE OF PROPERTY.—The property conveyed pursuant to subsection (a) may be used for educational, historic, recreational, and cultural programs open to and for the benefit of the general public. Theme displays, museums, gift shops, open exhibits, meeting rooms, and an office and quarters for personnel in connection with security and administration of the property are expressly authorized. Other uses not inconsistent with the foregoing uses are permitted unless the Secretary shall reasonably determine that such uses are incompatible with the historic nature of the property or with other provisions of this section.

(3) REVERSIONARY INTEREST.—In addition to any term or condition established pursuant to paragraph (1), any conveyance of property comprising the Heron Neck Lighthouse pursuant to subsection (a) shall be subject to the condition that all right, title, and interest in and to the property so conveyed shall immediately revert to the United States if the property, or any part thereof—

(A) ceases to be used as a nonprofit center for public benefit for the interpretation and preservation of the material culture of the United States Coast Guard and the maritime history of the State of Maine;

(B) ceases to be maintained in a manner that ensures its present or future use as a Coast Guard aid to navigation; or

(C) ceases to be maintained in a manner consistent with the provisions of the National Historic Preservation Act of 1966 (U.S.C. 470 et seq.).

(4) REQUIRED CONDITIONS.—Any conveyance of property pursuant to this section shall be made subject to such conditions as the Secretary considers to be necessary to assure that—

(A) the light, antennas, sound signal, and associated lighthouse equipment located on the property conveyed, which are active aids to navigation, shall continue to be operated and maintained by the United States Government for as long as they are needed for this purpose;

(B) the Town of Swan's Island may not interfere or allow interference in any manner with such aids to navigation without express written permission from the Secretary;

(C) there is reserved to the United States the right to relocate, replace, or add any aids to navigation or make any changes on any property as may be necessary for navigation purposes;

(D) the United States shall have the right, at any time, to enter such property without notice for the purpose of maintaining aids to navigation; and

(E) the United States shall have an easement of access to such property for the purpose of maintaining the aids to navigation in use on the property.

(4) MAINTENANCE OBLIGATION.—The Town of Swan's Island shall not have any obligation to maintain any active aid to navigation equipment on property conveyed pursuant to subsection (a).

(c) PROPERTY TO BE MAINTAINED IN ACCORDANCE WITH CERTAIN LAWS.—The Town of Swan's Island shall maintain the Burnt Coat Harbor Lighthouse in accordance with the Provisions of the National Historic Preservation Act of 1966 (16 U.S.C. et seq.) and other applicable laws.

(d) DEFINITIONS.—For purposes of this section, the term "Burnt Coat Harbor Lighthouse" means the Coast Guard lighthouse located on Swans Island, Maine, including the keeper's dwelling, oil house, bell tower and such lands as may be necessary to enable the Swan's Island Educational Society to operate at the lighthouse a nonprofit center for public benefit.

TITLE IV—EMPLOYMENT AND DISCHARGE

SEC. 401. SHIPPING ARTICLES AGREEMENTS.

Section 10302 of title 46, United States Code, is amended—

(1) by amending subsection (a) to read as follows:

"(a) The owner, charterer, managing operator, master, or individual in charge shall make a shipping agreement in writing with each seaman before the seaman commences employment."; and

(2) by adding at the end the following new subsections:

"(c) Each shipping agreement must be signed by the master or individual in charge or a representative of the owner, charterer, or managing operator, and by each seaman employed.

"(d) The owner, charterer, managing operator, master, or individual in charge shall maintain the shipping agreement and make the shipping agreement available to the seaman.".

SEC. 402. FORM OF AGREEMENTS.

Section 10304 of title 46, United States Code, is amended by striking "Shipping commissioner's signature or initials" from the form.

SEC. 403. MANNER OF SIGNING AGREEMENTS.

Section 10305 of title 46, United States Code, is amended—

(1) in subsection (a)(2), by striking "a shipping commissioner" and inserting in lieu thereof "the master or individual in charge";

(2) by striking "(a)"; and

(3) by striking subsections (b) and (c).

SEC. 404. EXHIBITING MERCHANT MARINE MARINERS' DOCUMENTS.

Section 10306 of title 46, United States Code, is amended by striking "shipping commissioner" and inserting in lieu thereof "master or individual in charge".

SEC. 405. REPEAL OF PENALTY FOR FAILURE TO POST AGREEMENT.

Section 10307 of title 46, United States Code, is amended by striking the last sentence.

SEC. 406. REPEAL OF PENALTY RELATING TO ENGAGING SEAMEN OUTSIDE UNITED STATES.

Section 10308 of title 46, United States Code, is amended by striking "(a)" and by striking subsection (b).

SEC. 407. REPEAL OF PENALTY RELATING TO ENGAGING REPLACEMENT SEAMEN; APPLICATION OF REQUIREMENTS.

Section 10309 of title 46, United States Code, is amended by striking subsection (b) and redesignating subsection (c) as subsection (b).

SEC. 408. ACCOUNTING OF WAGES AND DEDUCTIONS AT PAYOFF OR DISCHARGE.

Section 10310 of title 46, United States Code, is amended by striking "or a shipping commissioner" in the first sentence and by striking the last sentence.

SEC. 409. CERTIFICATES OF DISCHARGE.

Section 10311 of title 46, United States Code, is amended—

(1) in subsection (a), by striking "shipping commissioner" and inserting in lieu thereof "master or individual in charge";

(2) in subsection (b), by striking the last sentence and inserting in lieu thereof "The certificate shall be signed by the master and the seaman.";

(3) in subsection (d)(1), by striking "Secretary" and inserting in lieu thereof "owner, charterer, managing operator, master, or individual in charge"; and

(4) in subsection (d)(2), by striking "at a cost prescribed by regulation" and inserting in lieu thereof "at the request of the seaman".

SEC. 410. SETTLEMENTS ON DISCHARGE.

Section 10312 of title 46, United States Code, is amended to read as follows:

"§ 10312. Settlements on discharge

"When discharge and settlement are completed, the master, individual in charge, or owner and each seaman shall sign the agreement required by section 10302 of this title.".

SEC. 411. RECORDS OF SEAMEN.

Section 10320 of title 46, United States Code, is amended to read as follows:

"§ 10320. Records of seamen

"The Secretary shall prescribe regulations requiring vessel owners to maintain records of seamen on matters of engagement, discharge, and service. A vessel owner shall make these records available to the seaman and the Coast Guard on request.".

SEC. 412. GENERAL PENALTY.

Section 10321 of title 46, United States Code, is amended to read as follows:

"§ 10321. General penalty

"(a) A person violating any provision of this chapter or a regulation prescribed under this chapter is liable to the United States Government for a civil penalty of not more than $5,000.

"(b) The vessel is liable in rem for any penalty assessed under this section.".

SEC. 413. SHIPPING ARTICLES AGREEMENTS.

Section 10502 of title 46, United States Code, is amended—

(1) by amending subsection (a) to read as follows:

"(a) The owner, charterer, managing operator, master, or individual in charge shall make a shipping agreement in writing with each seaman before the seaman commences employment.".

(2) by adding at the end the following new subsections:

"(d) Each shipping agreement must be signed by the master or individual in charge or a representative of the owner, charterer, or managing operator, and by each seaman employed.

"(e) The owner, charterer, managing operator, master, or individual in charge shall maintain the shipping agreement and make the shipping agreement available to the seaman.

"(f) The Secretary shall prescribe regulations requiring shipping companies to maintain records of seamen on matters of engagement, discharge, and service. The shipping companies shall make these records available to the seaman and the Coast Guard on request.".

SEC. 414. ADVANCES.

Section 10505 of title 46, United States Code, is amended—

(1) in subsection (a)(2), by striking "$100" and inserting in lieu thereof "$5,000"; and

(2) in subsection (b), by striking "$500" and inserting in lieu thereof "$5,000".

SEC. 415. DUTIES OF SHIPPING COMMISSIONERS.

(a) REPEAL.—Section 10507 of title 46, United States Code, is repealed.

(b) CONFORMING AMENDMENT.—The analysis at the beginning of chapter 105 of title 46, United States Code, is amended by striking the item relating to section 10507.

SEC. 416. GENERAL PENALTIES.

Section 10508(b) is amended by striking "$20" and inserting in lieu thereof "not more than $5,000".

SEC. 417. GENERAL REPORT REQUIREMENT.

Section 10103(a) of title 46, United States Code, is amended—

(1) by striking "without a shipping commissioner being present"; and

(2) by inserting "to the vessel owner" immediately after "shall submit reports".

SEC. 418. PROCEDURES OF MASTERS REGARDING SEAMAN'S EFFECTS.

Section 10703 of title 46, United States Code, is amended—

(1) in subsection (a), by striking "by regulations prescribed by the Secretary" and inserting in lieu thereof "in section 10706 of this title";

(2) in subsection (b), by striking "as prescribed by regulations" and inserting in lieu thereof "to a district court of the United States"; and

(3) in subsection (c), by striking "subsection (a) of this section" and inserting in lieu thereof "section 10706 of this title".

SEC. 419. SEAMEN DYING IN UNITED STATES.

Section 10706 of title 46, United States Code, is amended by striking at the end "as provided by regulations prescribed by the Secretary." and inserting in lieu thereof "to a district court of the United States within one week of the seaman's death. If the seaman's death occurs at sea, such money, property, or wages shall be delivered to a district court of a consular officer within one week of the vessel's arrival at the first port call after the seaman's death.".

SEC. 420. DELIVERY TO DISTRICT COURT.

(a) REPEAL.—Section 10707 of title 46, United States Code, is repealed.

(b) AMENDMENT TO CHAPTER ANALYSIS.—The analysis at the beginning of chapter 107 of title 46, United States Code, is amended by striking the item relating to section 10707.

SEC. 421. DISPOSAL OF FORFEITURES.

Section 11505 of title 46, United States Code, is amended—

(1) in subsection (a), by striking the last sentence and inserting in lieu thereof "The balance shall be transferred to the appropriate district court of the United States when the voyage is completed."; and

(2) in subsection (b), by striking the first sentence.

SEC. 422. CONFORMING AMENDMENTS.

(a) DUTIES OF MASTERS.—Section 10702(b) of title 46, United States Code, is amended by striking "a shipping commissioner" and inserting in lieu thereof "the consular officer or court clerk".

(b) COMPLAINTS OF UNFITNESS.—Section 10902(b) of title 46, United States Code, is amended—

(1) in paragraph (1)—

(A) by inserting "Secretary," immediately after "The complaint may be made to the";

(B) by striking "Coast Guard shipping commissioner,"; and

(2) in paragraphs (2) and (3), by striking "The officer, commissioner," each place it appears and inserting in lieu thereof "The Secretary, officer,".

(c) SHIPPING COMMISSIONER DESIGNATIONS AND DUTIES.—(1) Section 10102 of title 46, United States Code, is repealed.

(2) The analysis at the beginning of chapter 101 is amended by striking the item relating to section 10102.

TITLE V—PASSENGER VESSEL SAFETY

SEC. 501. SHORT TITLE.

This title may be cited as the "Passenger Vessel Safety Act of 1993".

SEC. 502. PASSENGER.

Section 2101(21) of title 46, United States Code, is amended to read as follows:

"(21) 'passenger'—

"(A) means an individual carried on the vessel except—

"(i) the owner or an individual representative of the owner or, in the case of a vessel under charter, an individual charter or individual representative of the charterer;

"(ii) the master; or

"(iii) a member of the crew engaged in the business of the vessel who has not contributed consideration for carriage and who is paid for on board services.

"(B) on an offshore supply vessel, means an individual carried on the vessel except—

"(i) an individual included in clause (i), (ii), or (iii) of subparagraph (A) of this paragraph;

"(ii) an employee of the owner, or of a subcontractor to the owner, engaged in the business of the owner;

"(iii) an employee of the charterer, or of a subcontractor to the charterer, engaged in the business of the charterer; or

"(iv) an individual employed in a phase of exploration, exploitation, or production of offshore mineral or energy resources served by the vessel.

"(C) on a fishing vessel, fish processing vessel, or fish tender vessel, means an individual carried on the vessel except—

"(i) an individual included in clause (i), (ii), or (iii) of subparagraph (A) of this paragraph;

"(ii) a managing operator;

"(iii) an employee of the owner, or of a subcontractor to the owner, engaged in the business of the owner;

"(iv) an employee of the charterer, or of a subcontractor to the charterer, engaged in the business of the charterer;

"(v) an observer or sea sampler on board the vessel pursuant to a requirement of State or Federal law.

"(D) on a sailing school vessel, means an individual carried on the vessel except—

"(i) an individual included in clause (i), (ii), or (iii) of subparagraph (A) of this paragraph;

"(ii) an employee of the owner of the vessel engaged in the business of the owner, except when the vessel is operating under a demise charter;

"(iii) an employee of the demise charterer of the vessel engaged in the business of the demise charterer; or

"(iv) a sailing school instructor or sailing school student.".

SEC. 503. PASSENGER VESSEL.

Section 2101(22) of title 46, United States Code, is amended to read as follows:

"(22) 'passenger vessel' means a vessel of at least 100 gross tons—

"(A) carrying more than 12 passengers, including at least one passenger for hire;

"(B) that is chartered and carrying more than 12 passengers; or

"(C) that is a submersible vessel carrying at least one passenger for hire.".

SEC. 504. SMALL PASSENGER VESSEL.

Section 2101(35) of title 46, United States Code, is amended to read as follows:

"(35) 'small passenger vessel' means a vessel of less than 100 gross tons—

"(A) carrying more than 6 passengers, including at least one passenger for hire;

"(B) that is chartered with the crew provided or specified by the owner or the owner's representative and carrying more than 6 passengers;

"(C) that is chartered with no crew provided or specified by the owner or the owner's representative and carrying more than 12 passengers; or

"(D) that is a submersible vessel carrying at least one passenger for hire.".

SEC. 505. UNINSPECTED PASSENGER VESSEL.

Section 2101(42) of title 46, United States Code, is amended to read as follows:

"(42) 'uninspected passenger vessel' means an uninspected vessel—

"(A) of at least 100 gross tons—

"(i) carrying not more than 12 passengers, including at least one passenger for hire; or

"(ii) that is chartered with the crew provided or specified by the owner or the owner's representative and carrying not more than 12 passengers; and

"(B) of less than 100 gross tons—

"(i) carrying not more than 6 passengers, including at least one passenger for hire; or

"(ii) that is chartered with the crew provided or specified by the owner or the owner's representative and carrying not more than 6 passengers.".

SEC. 506. PASSENGER FOR HIRE.

Section 2101 of title 46, United States Code, is amended by inserting between paragraphs (21) and (22) a new paragraph (21a) to read as follows:

"(21a) 'passenger for hire' means a passenger for whom consideration is contributed as a 'condition of carriage on the vessel, whether directly or indirectly flowing to the owner, charterer, operator, agent, or any other person having an interest in the vessel.".

SEC. 507. CONSIDERATION.

Section 2101 of title 46, United States Code, is amended by inserting between paragraphs (5) and (6) a new paragraph (5a) to read as follows:

"(5a) 'consideration' means an economic benefit, inducement, right, or profit including pecuniary payment accruing to an individual, person, or entity, but not including a voluntary sharing of the actual expenses of the voyage, by monetary contribution or donation of fuel, food, beverage, or other supplies.".

SEC. 508. OFFSHORE SUPPLY VESSEL.

Section 2101(19) of title 46, United States Code, is amended by inserting "individuals in addition to the crew," immediately after "supplies," and by striking everything after "resources" to the period at the end.

SEC. 509. SAILING SCHOOL VESSEL.

Section 2101(30) of title 46, United States Code, is amended in subparagraph (B) by striking "at least 6" and substituting "more than 6".

SEC. 510. SUBMERSIBLE VESSEL.

Section 2101 of title 46, United States Code, is amended by inserting between paragraphs

(37) and (38) a new paragraph (37a) to read as follows:

"(37a) 'submersible vessel' means a vessel that is capable of operating below the surface of the water.".

SEC. 511. GENERAL PROVISION.

(a) Section 2113 of title 46, United States Code, is amended to read as follows:

"§2113. Authority to exempt certain vessels

"If the Secretary decides that the application of a provision of part B, C, F, or G of this subtitle is not necessary in performing the mission of the vessel engaged in excursions or an oceanographic research vessel, or not necessary for the safe operation of certain vessels carrying passengers, the Secretary by regulation may—

"(1) for a vessel issue a special permit specifying the conditions of operation and equipment;

"(2) exempt an oceanographic research vessel from that provision under conditions the Secretary may specify;

"(3) establish different operating and equipment requirements for vessels defined in section 2101(42)(A) of this title;

"(4) establish different structural fire protection, manning, operating, and equipment requirements for vessels of at least 100 gross tons but less than 300 gross tons carrying not more than 150 passengers on domestic voyages if the owner of the vessel—

"(A) make application for inspection to the Coast Guard within 6 months of the date of enactment of the Passenger Vessel Safety Act of 1993; and

"(B) provides satisfactory documentation that the vessel was chartered at least once within the previous 12 months prior to the date of enactment of that Act; and

"(5) establish different structural fire protection, manning, operating, and equipment requirements for former public vessels of the United States of at least 100 gross tons but less than 500 gross tons, carrying not more than 150 passengers on domestic voyages, if the owner of the vessel—

"(A) makes application for inspection to the Coast Guard within 6 months of the date of enactment of the Passenger Vessel Safety Act of 1993; and

"(B) provides satisfactory documentation that the vessel was chartered at least once within the previous 12 months prior to the date of enactment of that Act.".

(b) Section 4105 of title 46, United States Code is amended—

(1) by inserting "(a)" before the text; and

(2) by adding a new subsection (b) to read as follows:

"(b) Within twenty-four months of the date of enactment of this subsection, the Secretary shall, by regulation, require certain additional equipment which may include liferafts or other lifesaving equipment, construction standards, or specify additional operating standards for those uninspected passenger vessels defined in section 2101(42)(A) of this title.".

SEC. 512. EQUIPMENT AND STANDARDS FOR CERTAIN PASSENGER VESSELS.

(a) Section 3306 of title 46, United States Code, is amended by adding at the end of the following new subsections:

"(h) The Secretary shall establish appropriate structural fire protection, manning, operating, and equipment requirements for vessels of at least 100 gross tons but less than 300 gross tons carrying not more than 150 passengers on domestic voyages, which meet the eligibility criteria of section 2113(4) of this title.

"(i) The Secretary shall establish appropriate structural fire protection, manning, operating, and equipment requirements for former public vessels of the United States of at least 100 gross tons but less than 500 gross tons carrying not more than 150 passengers on domestic voyages, which meet the eligibility criteria of section 2113(5) of this title."

(b) The Secretary of Transportation shall, within twenty-four months of the date of enactment of this Act, prescribe regulations establishing the structural fire protection, manning, operating, and equipment requirements for vessels which meet the requirements of subsections (h) and (i) of section 3306 of title 46, United States Code, as amended by this Act.

(c) Before the Secretary of Transportation prescribes regulations under subsections (h) and (i) of section 3306 of title 46, United States Code, as amended by this Act, the Secretary may prescribe the route, service, manning, and equipment for those vessels based on existing passenger vessel and small passenger vessel regulations.

SEC. 513. APPLICABILITY DATE FOR REVISED REGULATIONS.

(a) APPLICABILITY DATE FOR CERTAIN CHARTERED VESSELS.—Revised regulations governing small passenger vessels and passenger vessels (as the definitions of those terms in section 2101 of title 46, United States Code, are amended by this Act) shall not, before the date that is 6 months after the date of enactment of this Act, apply to such vessels when chartered with no crew provided.

(b) EXTENSION OF PERIOD.—The Secretary of the department in which the Coast Guard is operating shall extend for up to 30 additional months or until issuance of a certificate of inspection, whichever occurs first, the period of inapplicability specified in subsection (a) if the owner of the vessel concerned carries out the provisions of subsection (c) to the satisfaction of the Secretary.

(c) CONDITIONS FOR EXTENSION.—To receive an extension authorized by subsection (b), the owner of the vessel shall—

(1) make application for inspection with the Coast Guard within 6 months after the date of enactment of this Act;

(2) make the vessel available for examination by the Coast Guard prior to the carriage of passengers;

(3)(A) correct especially any hazardous conditions involving the vessel's structure, electrical system, and machinery installation, such as (i) grossly inadequate, missing, unsound, or severely deteriorated frames or major structural members; (ii) wiring systems or electrical appliances without proper grounding or overcurrent protection; and (iii) significant fuel or exhaust system leaks;

(B) equip the vessel with lifesaving and fire fighting equipment, or the portable equivalent, required for the route and number of persons carried; and

(C) verify through stability tests, calculations, or other practical means (which may include a history of safe operations) that the vessel's stability is satisfactory for the size, route, and number of passengers; and

(4) develop a work plan approved by the Coast Guard to complete in a good faith effort all requirements necessary for issuance of a certificate of inspection as soon as practicable.

(d) OPERATION OF VESSEL DURING EXTENSION PERIOD.—The owner of a vessel receiving an extension under this section shall operate the vessel under the conditions of route, service, number of passengers, manning, and equipment as may be prescribed by the Coast Guard for the extension period.

TITLE VI—DOCUMENTATION OF VESSELS

SEC. 601 DOCUMENTATION OF VESSELS

(a) Notwithstanding section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), the Act of June 19, 1886 (46 App. U.S.C. 289), and section 12106 of title 46, United States Code, the Secretary of Transportation may issue certificates of documentation with a coastwise endorsement for the following vessels:

(1) ABORIGINAL (United States official number 9421).

(2) AFTERSAIL (United States official number 689427).

(3) ALEXANDRIA (United States official number 586490).

(4) AMANDA (Michigan registration number MC–1125–FR).

(5) ARBITRAGE II (United States official number 962861).

(6) ARIEL (United States official number 954762).

(7) BRANDARIS (former United States official number 263174).

(8) COMPASS ROSE (United States official number 695865).

(9) DIXIE (United States official number 513159).

(10) ELISSA (United States official number 697285).

(11) EMERALD PRINCESS (former United States official number 530095).

(12) ENTERPRISE (United States official number 692956).

(13) EUROPA STAR (former United States official number 588270).

(14) EUROPA SUN (former United States official number 596656).

(15) GAZELA OF PHILADELPHIA (Pennsylvania registration number PA-4339-AF).

(16) GUSTO (United States official number 624951).

(17) GRAY (Connecticut registration number CT-5944-AJ).

(18) GRIZZLY PROCESSOR (Canadian offical number 369183).

(19) GYPSY COWBOY (United States official number 550771).

(20) IMPATIENT LADY (United States official number 553952).

(21) INTREPID DRAGON II (United States official number 548109).

(22) ISLAND GIRL (United States official number 674840).

(23) JULIET (Michigan registration number MC-1669-LM).

(24) KALENA (Hawaii registration number HA-1923-D).

(25) LAURISA (United States official number 924052).

(26) LIBBY ROSE (United States official number 236976).

(27) LISERON (United States official number 971339).

(28) MARINE STAR (United States official number 248329).

(29) MARINER (United States official number 285452).

(30) MARY B (Kentucky registration number KY-0098-HX).

(31) MOONSHINE (United States official number 974226).

(32) MYSTIQUE (United States official number 921194).

(33) NORTHERN LIGHT (United States official number 237510).

(34) PAI NUI (Hawaii registration number HA-6949-D).

(35) PANDACEA (United States official number 665892).

(36) PELCIAN (United States official number 234959).

(37) PLAY PRETTY (United States official number 975346).

(38) PRINCE OF TIDES II (United States official number 903858).

(39) RANGOON RUBY (Hawaii registration number HA-5636-B).

(40) RBOAT (United States official number 563955).

(41) SABLE (Massachusetts registration number MS-1841-AM).

(42) SERENA (United States official number 965317).

(43) SHILOH (United States official number 902675).

(44) SIDEWINDER (United States official number 991719).

(45) SWELL DANCER (United States official number 622046).

(46) TESSA (United States official number 675130).

(47) TOP DUCK (United States official number 990973).

(48) VIKING (United States official number 286080).

(49) WHIT CON TIKI (United States official number 663823).

(b) Notwithstanding section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883) or any other law restricting a foreign-flag vessel from operating in the coastwise trade, the foreign-flag vessel H851 may engage in the coastwise trade to transport an offshore drilling platform jacket from a place near Aransas Pass, Texas, to a site on the Outer Contiental Shelf known as Viosca Knoll 989.

(c) Notwithstanding section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), the Act of June 19, 1886, (46 App. U.S.C. 289), and sections 12106 and 12107 of title 46, United States Code, the Secretary of Transportation may issue certificates of documentation with a coastwise and Great Lakes endorsement for the vessels LADY CHARL II (United States official number 541399) and LINETTE (United States official number 654318).

(d) Notwithstanding section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), the Act of June 19, 1886, (46 App. U.S.C. 289), and section 12106 of title 46, United States Code, the Secretary of Transportation may issue a certificate of documentation with a coastwise endorsement for the vessel M/V TWIN DRILL (Panama official number 8536-PEXT-2) if--

(1) the vessel undergoes a major conversion (as defined in section 2101 of title 46, United States Code) in a United States shipyard;

(2) the cost of the major conversion is more than three times the purchase value of the vessel before the major conversion;

(3) the major conversion is completed and the vessel is documented under chapter 121 of title 46, United States Code, with a coastwise endorsement before June 30, 1995;

(4) the person documenting the vessel contracts with a United States shipyard to construct an additional vessel of equal or greater capacity within 12 months of the date of enactment of this Act, for delivery within 36 months of the date of such contract; and

(5) the additional vessel is documented under chapter 121 of title 446, United States Code, immediately after it is constructed.

(e) Notwithstanding sections 12106 and 12108 of title 46, United States Code, the Act of June 19, 1886 (46 App. U.S.C. 289), and section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), the Secretary of Transportation may issue a certificate of documentation with a coastwise and fishery endorsement for the vessel REEL CLASS (Hawaii registration number HA-6566-E).

(f) Notwithstanding section 12108 of title 46, United States Code, the Secretary of Transportation may issue a certificate of documentation with a fishery endorsement for the vessel DA WARRIOR (United States official number 962231).

(g) Notwithstanding any other law or any agreement with the United States Government, the vessels UST ATLANTIC (United States official number 601437) and UST PACIFIC (United States official number 613131) may be sold to a person that is not a citizen of the United States and transferred to or placed under a foreign registry.

(h) Notwithstanding any other law, the vessel AMY CHOUEST (United States official number 995631) is deemed to be less than 500 gross tons, as mesaured under chapter 145 of title 46, United States Code, for purposes of the maritime laws of the United States.

(i) Notwithstanding section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), the Act of June 19, 1886 (46 App. U.S.C. 289), and section 12106 of title 46, United States Code, the Secretary of Transportation may issue a certificate of documentation for the following vessels:

(1) PRINCESS XANADU OF MONACO (United States official number 660847).

(2) INSPIRATION (United States official number 277099).

(3) VENUS (United States official number 547419).

(4) LATER (United States official number 615732).

(5) MATCH MAKER (United States official number 908725).

TITLE VII—MISCELLANEOUS FISHERY PROVISIONS

SEC. 701. GOVERNING INTERNATIONAL FISHERIES AGREEMENT.

The Agreement between the Government of the United States of America and the Government of the Russian Federation on Mutual Fisheries Relations which ws entered into on May 31, 1988, and which expired by its terms on October 28, 1993, may be brought into force again for the United States through an exchange of notes between the United States of America and the Russian Federation and may remain in force and effect on the part of the United States until May 1, 1994, and may be amended or extended by a subsequent agreement to which section 203 of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1823) applies.

SEC. 702. SHRIMP TRAWL FISHERY.

Section 304(g)(6)(B) of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1854(g)(6)(B)) is amended by striking "January 1, 1994" and inserting "April 1, 1994".

SEC. 703. INTERNATIONAL FISHERY CONSERVATION IN THE CENTRAL BERING SEA.

It is the sense of the Congress that—

(1) the United States should take appropriate measures to conserve the resources of the Doughnut Hole, a small enclave of international waters in the central Bering Sea, encircled by the Exclusive Economic Zones of the United States and the Russian Federation;

(2) the United States should continue its pursuit of an international agreement, consistent with its rights as a coastal state, to ensure proper management for future commercial viability of these natural resources;

(3) the United States, working closely with the Russian Federation should, in accordance with international law and through multilateral consultations or through other means, promote effective international programs for the implementation and enforcement of regulations of the fisheries by those nations that fish in the Doughnut Hole;

(4) the United States nonetheless should be mindful of its management responsibility in this regard and of its rights in accordance with international law to fully utilize the stock within its own exclusive economic zone;

(5) the United States should accept as an urgent duty the need to conserve for future generations the Aleutian Basin pollock stock and should carry out that duty by taking all necessary measures, in accordance with international law; and

(6) the United States should foster further multilateral cooperation leading to international consensus on management of the Doughnut Hole resources through the fullest use of diplomatic channels and appropriate domestic and international law and should explore all other available options and means for conservation and management of these living marine resources.

SEC. 704. NOAA FACILITIES IN KODIAK.

(a) Notwithstanding any other provision of law, the Secretary of Commerce may enter into an agreement with the University of Alaska under which the University may contract for the engineering and design specifications of a facility on Near Island in Kodiak, Alaska, that meets the long-term space needs of National Oceanic and Atmospheric Administration personnel currently located in Alaska.

(b) The Secretary may transfer available funds to the University of Alaska to pay for such engineering and design work if additional funds in an equal or greater amount are made available from non-federal sources for such work.

TITLE VIII—ATLANTIC COASTAL FISHERIES

SEC. 801. SHORT TITLE.

This title may be cited as the "Atlantic Coastal Fisheries Cooperative Management Act".

SEC. 802. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds the following:

(1) Coastal fishery resources that migrate, or are widely distributed, across the jurisdictional boundaries of two or more of the Atlantic States and of the Federal Government are of substantial commercial and recreational importance and economic benefit to the Atlantic coastal region and the Nation.

(2) Increased fishing pressure, environmental pollution, and the loss and alteration of habitat have reduced severely certain Atlantic coastal fishery resources.

(3) Because no single governmental entity has exclusive management authority for Atlantic coastal fishery resources, harvesting of such resources is frequently subject to disparate, inconsistent, and intermittent State and Federal regulation that has been detrimental to the conservation and sustainable use of such resources and to the interests of fishermen and the Nation as a whole.

(4) The responsibility for managing Atlantic coastal fisheries rests with the States, which carry out a cooperative program of fishery oversight and management through the Atlantic States Marine Fisheries Commission. It is the responsibility of the Federal Government to support such cooperative interstate management of coastal fishery resources.

(5) The failure by one or more Atlantic States to fully implement a coastal fishery management plan can affect the status of Atlantic coastal fisheries, and can discourage other States from fully implementing coastal fishery management plans.

(6) It is in the national interest to provide for more effective Atlantic State fishery resource conservation and management.

(b) PURPOSE.—The purpose of this title is to support and encourage the development, implementation, and enforcement of effective interstate conservation and management of Atlantic coastal fishery resources.

SEC. 803. DEFINITIONS.

In this title, the following definitions apply:

(1) The term "coastal fishery management plan" means a plan for managing a coastal fishery resource, or an amendment to such plan, prepared and adopted by the Commission, that—

(A) contains information regarding the status of the resource and related fisheries;

(B) specifies conservation and management actions to be taken by the States; and

(C) recommends actions to be taken by the Secretary in the exclusive economic zone to conserve and manage the fishery.

(2) The term "coastal fishery resource" means any fishery, any species of fish, or any stock of fish that moves among, or is broadly distributed across, waters under the jurisdiction of two or more States or waters under the jurisdiction of one or more States and the exclusive economic zone.

(3) The term "Commission" means the Atlantic States Marine Fisheries Commission established under the interstate compact consented to and approved by the Congress in Public Laws 77–539 and 81–721.

(4) The term "conservation" means the restoring, rebuilding, and maintaining of any coastal fishery resource and the marine environment, in order to assure the availability of coastal fishery resources on a long-term basis.

(5) The term "Councils" means Regional Fishery Management Councils established under section 302 of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1852).

(6) The term "exclusive economic zone" means the exclusive economic zone of the United States established by Proclamation Number 5030, dated March 10, 1983. For the purposes of this title, the inner boundary of that zone is a line coterminous with the seaward boundary of each of the coastal States, and the outer boundary of that zone is a line drawn in such a manner that each point on it is 200 nautical miles from the baseline from which the territorial sea is measured.

(7) The term "fish" means finfish, mollusks, crustaceans, and all other forms of marine animal life other than marine mammals and birds.

(8) The term "fishery" means—

(A) one or more stocks of fish that can be treated as a unit for purposes of conservation and management and that are identified on the basis of geographical, scientific, technical, commercial, recreational, or economic characteristics; or

(B) any fishing for such stocks.

(9) The term "fishing" means—

(A) the catching, taking, or harvesting of fish;

(B) the attempted catching, taking, or harvesting of fish;

(C) any other activity that can be reasonably expected to result in the catching, taking, or harvesting of fish; or

(D) any operations at sea in support of, or in preparation for, any activity described in subparagraphs (A) through (C).

Such term does not include any scientific research activity or the catching, taking, or harvesting of fish in an aquaculture operation.

(10) The term "implement and enforce" means to enact and implement laws or regulations as required to conform with the provisions of a coastal fishery management plan and to assure compliance with such laws or regulations by persons participating in a fishery that is subject to such plan.

(11) The term "person" means any individual (whether or not a citizen or national of the United States), any corporation, partnership, association, or other entity (whether or not organized or existing under the laws of any State), and any Federal, State, local, or foreign government or any entity of any such government.

(12) The term "Secretary" means the Secretary of Commerce.

(13) The term "State" means Maine, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, North Carolina, South Carolina, Georgia, Florida, the District of Columbia, or the Potomac River Fisheries Commission.

SEC. 804. STATE-FEDERAL COOPERATION IN ATLANTIC COASTAL FISHERY MANAGEMENT.

(A) FEDERAL SUPPORT FOR STATE COASTAL FISHERIES PROGRAMS.—The Secretary in cooperation with the Secretary of the Interior shall develop and implement a program to support the interstate fishery management efforts of the Commission. The program shall include activities to support and enhance State cooperation in collection, management, and analysis of fishery data; law enforcement; habitat conservation; fishery research, including biological and socioeconomic research; and fishery management planning.

(b) FEDERAL REGULATION IN EXCLUSIVE ECONOMIC ZONE.—(1) In the absence of an approved and implemented fishery management plan under the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.), and after consultation with the appropriate Councils, the Secretary may implement regulations to govern fishing in the exclusive economic zone that are—

(A) necessary to support the effective implementation of a coastal fishery management plan; and

(B) consistent with the national standards set forth in section 301 of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1851).

The regulations may include measures recommended by the Commission to the Secretary that are necessary to support the provisions of the coastal fishery management plan. Regulations issued by the Secretary to implement an approved fishery management plan prepared by the appropriate Councils or the Secretary under the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.) shall supersede any conflicting regulations issued by the Secretary under this subsection.

(2) The provisions of sections 307, 308, 309, 310, and 311 of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1857, 1858, 1859, 1860, and 1861) regarding prohibited acts, civil penalties, criminal offenses, civil forfeitures, and enforcement shall apply with respect to regulations issued under this subsection as if such regulations were issued under the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.).

SEC. 805. STATE IMPLEMENTATION OF COASTAL FISHERY MANAGEMENT PLANS.

(a) COASTAL FISHERY MANAGEMENT PLANS.—(1) The Commission shall prepare and adopt coastal fishery management plans to provide for the conservation of coastal fishery resources. In preparing a coastal fishery management plan for a fishery that is located in both State waters and the exclusive economic zone, the Commission shall consult with appropriate Councils to determine areas where such coastal fishery management plan may complement Council fishery management plans. The coastal fishery management plan shall specify the requirements necessary for States to be in compliance with the plan. Upon adoption of a coastal fishery management plan, the Commission shall identify each State that is required to implement and enforce that plan.

(2) Within 1 year after the date of enactment of this Act, the Commission shall establish standards and procedures to govern the preparation of coastal fishery management plans under this title, including standards and procedures to ensure that—

(A) such plans promote the conservation of fish stocks throughout their ranges and are based on the best scientific information available; and

(B) the Commission provides adequate opportunity for public participation in the plan preparation process, including at least four public hearings and procedures for the submission of written comments to the Commission.

(b) STATE IMPLEMENTATION AND ENFORCEMENT.—(1) Each State identified under subsection (a) with respect to a coastal fishery management plan shall implement and enforce the measures of such plan within the time frame established in the plan.

(2) Within 90 days after the date of enactment of this Act, the Commission shall establish a schedule of time frames within which States shall implement and enforce the measures of coastal fishery management plans in existence before such date of enactment. No such time frame shall exceed 12 months after the date on which the schedule is adopted.

(c) COMMISSION MONITORING OF STATE IMPLEMENTATION AND ENFORCEMENT.—The Commission shall, at least annually, review each State's implementation and enforcement of coastal fishery management plans for the purpose of determining whether such State is effectively implementing and enforcing each such plan. Upon completion of such reviews, the Commission shall report the results of the reviews to the Secretaries.

SEC. 806. STATE NONCOMPLIANCE WITH COASTAL FISHERY MANAGEMENT PLANS.

(a) NONCOMPLIANCE DETERMINATION.—The Commission shall determine that a State is not in compliance with the provisions of a coastal fishery management plan if it finds that the State has not implemented and enforced such plan within the time frames established under the plan or under section 805.

(b) NOTIFICATION.—Upon making any determination under subsection (a), the Commission shall within 10 working days notify the Secretaries of such determination. Such notification shall include the reasons for making the determination and an explicit list of actions that the affected State must take to comply with the coastal fishery management plan. The Commission shall provide a copy of the notification to the affected State.

(c) WITHDRAWAL OF NONCOMPLIANCE DETERMINATION.—After making a determination under subsection (a), the Commission shall continue to monitor State implementation and enforcement. Upon finding that a State has complied with the actions required under subsection (b), the Commission shall immediately withdraw its determination of noncompliance. The Commission shall promptly notify the Secretaries of such withdrawal.

SEC. 807. SECRETARIAL ACTION.

(a) SECRETARIAL REVIEW OF COMMISSION DETERMINATION OF NONCOMPLIANCE.—Within

30 days after receiving a notification from the Commission under section 806(b) and after review of the Commission's determination of noncompliance, the Secretary shall make a finding on—

(1) whether the State in question has failed to carry out its responsibility under section 805; and

(2) if so, whether the measures that the State has failed to implement and enforce are necessary for the conservation of the fishery in question.

(b) CONSIDERATION OF COMMENTS.—In making a finding under subsection (a), the Secretary shall—

(A) give careful consideration to the comments of the State that the Commission has determined under section 806(a) is not in compliance with a coastal fishery management plan, and provide such State, upon request, with the opportunity to meet with and present its comments directly to the Secretary; and

(B) solicit and consider the comments of the Commission and the appropriate Councils.

(c) MORATORIUM.—(1) Upon making a finding under subsection (a) that a State has failed to carry out its responsibility under section 805 and that the measures it failed to implement and enforce are necessary for conservation, the Secretary shall declare a moratorium on fishing in the fishery in question within the waters of the noncomplying State. The Secretary shall specify the moratorium's effective date, which shall be any date within 6 months after declaration of the moratorium.

(2) If after a moratorium is declared under paragraph (1) the Secretary is notified by the Commission that the Commission is withdrawing under section 806(c) the determination of noncompliance, the Secretary shall immediately determine whether the State is in compliance with the applicable plan. If so, the moratorium shall be terminated.

(d) IMPLEMENTING REGULATIONS.—The Secretary may issue regulations necessary to implement this section. Such regulations—

(1) may provide for the possession and use of fish which have been produced in an aquaculture operation, subject to applicable State regulations; and

(2) shall allow for retention of fish that are subject to a moratorium declared under this section and unavoidably taken as incidental catch in fisheries directed toward menhaden if—

(A) discarding the retained fish is impracticable;

(B) the retained fish do not constitute a significant portion of the catch of the vessel; and

(C) retention of the fish will not, in the judgment of the Secretary, adversely affect the conservation of the species of fish retained.

(e) PROHIBITED ACTS DURING MORATORIUM.—During the time in which a moratorium under this section is in effect, it is unlawful for any person to—

(1) violate the terms of the moratorium or of any implementing regulation issued under subsection (d);

(2) engage in fishing for any species of fish to which the moratorium applies within the waters of the State subject to the moratorium;

(3) land, attempt to land, or possess fish that are caught, taken, or harvested in violation of the moratorium or of any implementing regulation issued under subsection (d);

(4) fail to return to the water immediately, with a minimum of injury, any fish to which the moratorium applies that are taken incidental to fishing for species other than those to which the moratorium applies, except as provided by regulations issued under subsection (d);

(5) refuse to permit any officer authorized to enforce the provisions of this title to board a fishing vessel subject to such person's control for purposes of conducting any search or inspection in connection with the enforcement of this title;

(6) forcibly assault, resist, oppose, impede, intimidate, or interfere with any such authorized officer in the conduct of any research or inspection under this title;

(7) resist a lawful arrest for any act prohibited by this section;

(8) ship, transport, offer for sale, sell, purchase, import, or have custody, control, or possession of, any fish taken or retained in violation of this title; or

(9) interfere with, delay, or prevent, by any means, the apprehension or arrest of another person, knowing that such other person has committed any act prohibited by this section.

(f) CIVIL AND CRIMINAL PENALTIES.—(1) Any person who commits any act that is unlawful under subsection (e) shall be liable to the United States for a civil penalty as provided by section 308 of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1858).

(2) Any person who commits an act prohibited by paragraph (5), (6), (7), or (9) of subsection (e) is guilty of an offense punishable as provided by section 309(a)(1) and (b) of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1859(a)(1) and (b)).

(g) CIVIL FORFEITURES.—(1) Any vessel (including its gear, equipment, appurtenances, stores, and cargo) used, and any fish (or the fair market value thereof) taken or retained, in any manner, in connection with, or as the result of, the commission of any act that is unlawful under subsection (e), shall be subject to forfeiture to the United States as provided in section 310 of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1860).

(2) Any fish seized pursuant to this title may be disposed of pursuant to the order of a court of competent jurisdiction or, if perishable, in a manner prescribed in regulation.

(h) ENFORCEMENT.—A person authorized by the Secretary or the Secretary of the department in which the Coast Guard is operating may take any action to enforce a moratorium declared under subsection (c) of this section that an officer authorized by the Secretary under section 311(b) of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1861(b)) may take to enforce that Act. The Secretary may, by agreement, on a reimbursable basis or otherwise, utilize the personnel, services, equipment (including aircraft and vessels), and facilities of any other Federal department or agency and of any agency of a State in carrying out that enforcement.

SEC. 808. FINANCIAL ASSISTANCE.

The Secretary and the Secretary of the Interior may provide financial assistance to the Commission and to the States to carry out their respective responsibilities under this title, including—

(1) the preparation, implementation, and enforcement of coastal fishery management plans; and

(2) State activities that are specifically required within such plans.

SEC. 809. AUTHORIZATION OF APPROPRIATIONS.

To carry out the provisions of this title, there are authorized to be appropriated $3,000,000 for fiscal year 1994, $5,000,000 for fiscal year 1995, and $7,000,000 for fiscal year 1996.

SEC. 810. ATLANTIC STRIPED BASS CONSERVATION ACT.

Section 9 of the Atlantic Striped Bass Conservation Act (16 U.S.C. 1851 note) is repealed.

SEC. 811. INTERJURISDICTIONAL FISHERIES ACT OF 1986.

Section 308(c) of the Interjurisdictional Fisheries Act of 1986 (16 U.S.C. 4107(c)) is amended by inserting ", and $600,000 for each of the fiscal years 1994 and 1995," immediately after "and 1993".

TITLE IX—LIBERTY MEMORIAL

SEC. 901. SHORT TITLE.

This title may be cited as the "Liberty Memorial Act of 1993".

SEC. 902. CONVEYANCE VESSELS.

(a) AUTHORITY TO CONVEY.—The Secretary of Transportation may convey without consideration all right, title, and interest of the United States in two vessels described in subsection (b) to any nonprofit organization that operates and maintains a Liberty Ship or Victory Ship as a memorial to merchant mariners.

(b) VESSELS DESCRIBED.—Vessels that may be conveyed under subsection (a) are vessels that—

(1) are in the National Defense Reserve Fleet on the date of the enactment of this Act;

(2) are not less than 4,000 displacement tons;

(3) have no usefulness to the Government; and

(4) are scheduled to be scrapped.

(c) CONDITIONS OF CONVEYANCE.—As a condition of conveying any vessel to an organization under subsection (a), the Secretary of Transportation shall require that before the date of the conveyance, the organization shall enter into an agreement under which the organization shall—

(1) sell the vessel for scrap purposes;

(2) use the proceeds of that scrapping for the purpose of refurbishing and making seaworthy a Liberty Ship or Victory Ship that the organization maintains as a memorial to merchant mariners, to enable the vessel to participate in 1994 in commemorative activities in conjunction with the 50th anniversary of the Normandy invasion; and

(3) return to the United States any proceeds of scrapping carried out pursuant to paragraph (1) that are not used in accordance with paragraph (2).

(d) DEPOSIT OF AMOUNTS RETURNED.—Amounts returned to the United States pursuant to subsection (c)(3) shall be deposited in the Vessel Operations Revolving Fund established under the Act of June 2, 1951 (46 App. U.S.C. 1241a).

(e) DELIVERY OF VESSELS.—The Secretary of transportation shall deliver each vessel conveyed under this section—

(1) at the place where the vessel is located on the date of the approval of the conveyance by the Secretary of Transportation.

(2) in its condition on the date; and

(3) without cost to the Government.

(f) EXPIRATION OF AUTHORITY TO CONVEY.—The authority of the Secretary of Transportation under this section to convey vessels shall expire on the date that is 2 years after the date of enactment of this Act.

Mr. STUDDS (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

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

There was no objection.

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

Mr. YOUNG of Alaska. Mr. Speaker, reserving the right to object, I shall not object, and I yield to the gentleman from Massachusetts [Mr. STUDDS], chairman of the committee, to explain the legislation.

Mr. STUDDS. Mr. Speaker, H.R. 2150 authorizes all the programs of the Coast Guard for fiscal year 1994. The authorization levels are consistent with the administration's request and the amounts appropriated for the Coast Guard for fiscal year 1994. The Coast Guard does an excellent job year round in protecting our shores from marine pollution, rescuing fishermen and sailors at sea, and ensuring the safety of cruiseships and freighters entering U.S. ports. The men and women of the Coast Guard deserve our admiration and support.

Of particular significance, the Coast Guard bill includes the Passenger Vessel Safety Act of 1993. These provisions, requested by the Coast Guard, approved by the Committee on Merchant Marine and Fisheries, and passed by the House, grant the Coast Guard new authority to regulate bareboat vessel charters so that they meet Coast Guard safety regulations. This will promote safety on our waterways.

H.R. 2150 also contains an extension of the mutual fisheries agreement between the United States and Russia, allowing Americans to continue fishing in the Russian Exclusive Economic Zone until a new Governing International Fishery Agreement goes into effect. It also authorizes a one-time only, 3-month extension of the moratorium on Federal regulations to control finfish bycatch in the Gulf of Mexico shrimp trawl fishery. I expect that this extension will provide sufficient time for the National Marine Fisheries Service to complete and present the results of its study on this issue to the Regional Fishery Management Councils in the gulf so that regulations may then be promulgated if necessary. There is no other fishery in the United States where the Federal Government is prohibited from imposing management regulations. There is no reason why this regulatory moratorium should continue after April 1, 1994.

I am also pleased that the bill includes the Atlantic Coastal Fisheries Cooperative Management Act of 1993, a bill I authored. This legislation authorizes a cooperative effort between the States and the Federal Government to ensure that everyone shares the responsibility for conserving and rebuilding Atlantic coastal fisheries. It also makes the States' and Commission's job of managing these fisheries easier by providing money for research and making the resources of the Federal Government available, if needed, to enforce Commission rules. The bill was approved by the Merchant Marine and Fisheries Committee and the House and represents more than 2 year's work by the States, the Commission, fisheries managers, user groups and others interested in the long-term productivity of our coastal fisheries.

H.R. 2150 also authorizes a number of private bills, including waivers of the Jones Act, that the committee has reviewed and approved as warranting these waivers, as well as authorizing the transfer of a limited number of vessels from the National Defense Reserve Fleet to be scrapped, and the proceeds used, by three nonprofit organizations for making three World War II ships seaworthy so they may join the 50th anniversary celebration of the Invasion of Normandy on June 7, 1994.

While I am pleased that adoption of the Senate amendment to H.R. 2150 will enable the committee and Congress to complete action this year on a Coast Guard authorization bill, at the same time I am extremely disappointed that the Senate has seen fit to delete the annual authorizations for the Maritime Administration [MARAD] and the Federal Maritime Commission. This was done, apparently, to placate one member of that body who has concerns about a totally unrelated program, the Cargo Preference Program.

President Clinton has restated his support of the Cargo Preference Program this year, and both the House and State have thoroughly debated and rejected proposals this year to gut that program. My committee's own maritime reform bill, H.R. 2151, which the House approved overwhelmingly on November 3, 1993, maintains support for the Cargo Preference Program while making a few administrative reforms in its operation to ensure that this program operates efficiently and at the lowest possible cost to the American taxpayer.

Finally, I regret that the Senate has deemed it necessary to amend the provision that the House inserted in last year's Coast Guard bill to allow cruise ship passengers who are injured aboard cruise ships to bring suits in States where cruise ship companies are doing business. This provision was added last year to overturn a Supreme Court case that limited where passengers could sue based on the small print on the back of the ticket. Section 309 of this bill again amends section 4283B of the Revised Statutes to clarify that the tort action cannot be brought in just any district court of the United States, but must be filed in a court located in a district in which the vessel owner is doing business, the vessel is operating, or where the passenger boarded the vessel. For this reason, the word "any" has been deleted. We do not intend by this amendment to restore the standard set by the Supreme Court in its 1991 decision, Carnival Cruise Lines versus Shute.

On balance, Mr. Speaker, H.R. 2150, with the Senate amendment, is worthy legislation and deserves the House's approval.

Attached to my statement is a section-by-section analysis of all the provisions in the Coast Guard Authorization Act of 1993.

Mr. Speaker, I include for the RECORD a section-by-section analysis of the bill:

H.R. 2150—SECTION-BY-SECTION ANALYSIS

Section 1. Short title.

This section states that the Act may be cited as the "Coast Guard Authorization Act of 1993".

TITLE I—AUTHORIZATIONS

Section 101. Authorization of appropriations.

This section authorizes the appropriation of approximately $3.6 billion to support Coast Guard activities in Fiscal Year 1994.

Subsection (1) authorizes the appropriation of $2,612,552,200 for operations and maintenance, also called operating expenses. Of this amount $25,000,000 is to be derived from the Oil Spill Liability Trust Fund; and $35,000,000 is to be expended from the Boat Safety Account (as authorized in 26 U.S.C. 9503(c)(4)(A)).

The Operating Expenses (OE) Account provides funding for the operation and maintenance of Coast Guard vessels, aircraft and shore units. This account also funds military and civilian salaries. The OE Account is the largest account in the Coast Guard's budget, accounting for about 70 percent of the total. The Coast Guard's FY 1994 OE request reflects a shift in funding from drug interdiction and search and rescue to marine environmental protection, marine transportation safety, and fisheries law enforcement.

The Coast Guard's $2,609,747,000 request for OE is $51,747,000 over the amount appropriated in FY 1993. This increase results from including the FY 1993 pay raise and an anticipated cost of living adjustment of approximately $37,200,000 in the OE base. The amount authorized in H.R. 2150 for OE, $2,612,552,200, is $54,552,200 over the FY 1993 appropriation and $2,805,200 over the President's request. The $2,805,200 increase reflects $2,750,000 that would be available if the entire $35 million authorized for Coast Guard OE from the Boat Safety Account is appropriated, and $55,200 which is authorized for training personnel of the Lower Columbia River Fire and Safety Association, pursuant to section 315 of this Act. The Committee strongly supports appropriating the entire amount authorized from the Boat Safety Account.

Subsection (2) authorizes the appropriation of $417,996,500 for acquisition, construction, and improvements (AC&I). These funds are to be used for the acquisition, construction, and improvements of aids-to-navigation, shore and offshore facilities, vessels, aircraft and related equipment. Of the amount authorized to be appropriated, $23,030,000 is to be derived from the Oil Spill Liability Trust Fund.

The President's request for AC&I is $74,000,000 over the amount appropriated in FY 1993. Major items in the FY 1994 AC&I request include: (1) $45,000,000 for replacement of coastal buoy tenders; (2) $43,200,000 for continuation of the 210-foot cutter major maintenance availability program; (3) $55,200,000 for the purchase of HH–60 helicopters for Operation Bahamas Turks and Caicos; and (4) $32,000,000 for Vessel Traffic Services.

The amount authorized for AC&I in this bill is $77,996,500 over the FY 1993 appropriation and $3,996,500 over the President's request. This increase reflects the authorization of $1,780,000 for prepositioned oil spill response equipment in Port Arthur, Texas, and Helena, Arkansas (section 306), $1,250,000 for the purchase of an oil spill management simulator for the New York Maritimc College (section 308), $600,000 for the completion of planning and design studies for relocating Cape Cod Lighthouse (section 314), and $366,500 to purchase equipment for the Lower Columbia River Marine Fire and Safety Association (section 315).

Subsection (3) authorizes the appropriation of $25,000,000 for research, development, test, and evaluation, in support of the following areas: search and rescue, aids-to-navigation, marine safety, marine environmental protection, enforcement of laws and treaties, ice operations and defense readiness. Of the amount authorized to be appropriated, $4,457,000 is to be derived from the Oil Spill Liability Trust Fund. The amount reflects a decrease of $2,800,000 from the amount appropriated in fiscal year 1993, and is the same amount requested by the President. Projects to be conducted under this account include improved search and rescue capabilities, development of an advanced Global Positioning System, marine safety research, fire safety technology development, pollution response, and the OPA-90 regional grant program.

Subsection (4) authorizes the appropriation of $548,774,000 for retired and survivor pay and benefits. This is the amount requested by the President.

Subsection (5) authorizes the appropriation of $12,940,000 for the alteration or removal of bridges over navigable waters of the United States constituting obstructions to navigation. This amount reflects a $300,000 increase of the amounts appropriated for this account in FY 1993, and is consistent with the President's request. Under the Truman-Hobbs Act of 1940, the Coast Guard shares, with the bridge owner, the cost of altering railroad and publicly-owned highway bridges which obstruct the movement of maritime traffic. The $12,940,000 requested for this account is intended to continue work on the: (1) Burlington Northern Railroad Bridge, Burlington, Iowa; (2) Sidney Lanier Bridge, Brunswick, Georgia; (3) Florida Avenue Bridge, New Orleans, Louisiana; and (4) CSX-L&N Railroad Bridge, Pascagoula, Mississippi. Funds are also requested to begin design and contract work for bridges in Fort Madison, Iowa, and Chelsea, Massachusetts.

Subsection (6) authorizes the appropriation of $23,057,000 for the Coast Guard's environmental compliance and restoration account. This reflects a $1,100,000 increase over amounts appropriated in FY 1993. This account is used to: (1) identify and clean up contamination from hazardous substances and pollutants; (2) correct other environmental damage that poses an imminent threat to the public; (3) demolish and remove unsafe buildings and structures at former Coast Guard stations; and (4) prevent contamination from hazardous substances at current Coast Guard facilities. Cleanup and remediation projects are planned for Kodiak, Alaska; Traverse City, Michigan; Elizabeth City, North Carolina; and Cape Cod, Massachusetts.

Section 102. Authorized levels of military strength and military training.

This section authorizes an end-of-year (as of September 30, 1994) strength for active duty personnel for the Coast Guard. The authorized strength does not include members of the Ready Reserve called to active duty for special or emergency augmentation of regular Coast Guard forces for periods of 180 days or less.

Subsection (a) authorizes an end-of-year active duty strength for active duty personnel of 39,138. The active duty strength is in accordance with the President's request.

Subsection (b) authorizes the Coast Guard's FY 94 average student training loads as follows:

(1) Recruit and Special Training, 1,986 student years.

(2) Flight training, 114 student years.

(3) Professional training in military and civilian institutions, 338 student years.

(4) For officer acquisition, 955 student years.

The student training loads are in accordance with the President's request.

TITLE II—PERSONNEL MANAGEMENT IMPROVEMENT

Section 201. Ceiling on officer corps.

This section amends section 42(a) of title 14, United States Code, by raising the ceiling for commissioned Coast Guard officers from 6,000 to 6,200. The Coast Guard has been tasked with increased regulatory and enforcement responsibilities in the areas of environmental protection, commercial vessel safety, and drug interdiction. An increase in the number of commissioned officers will provide the Coast Guard with the flexibility to manage its current programs and to meet its increased regulatory responsibilities.

Section 202. Volunteer services.

This section authorizes the Coast Guard to enter into partnership agreements with nonprofit conservation entities (including cooperative agreements with states, local governments, nongovernmental organizations, and individuals) to share the cost and accept volunteer services in support of natural and historic resource management. It is similar to authority granted to other Federal land owning/managing agencies and would provide opportunities to private conservation organizations, groups, and individuals to assist financially, on a matching basis, and furnish services for, programs that maintain and improve natural and historic resources on Coast Guard facilities. For example, this section would enable conservation organizations actively participating in the North American Waterfowl Management Plan to assist the Coast Guard in the restoration and enhancement of waterfowl habitat on Coast Guard property. It would also authorize cooperative partnerships for the protection and restoration of historic lighthouses. Finally, this section states that volunteers shall be considered Federal employees for the purposes of chapter 171 of title 28.

Section 203. Reserve Retention Boards.

This section amends section 741 of title 14, United States Code, by authorizing the Coast Guard to remove certain reserve captains from the promotion list who, because of mandatory retirement requirements, are ineligible for continued service in the Reserves. Current law enables the Secretary to convene boards to consider which Reserve officers in a specified grade will be retained in the Coast Guard Reserve. To be considered by a Reserve Retention Board a Reserve officer must have 18 years or more of service, not be on active duty, and not be selected for promotion. These boards select and recommend a specified number of officers under consideration for retention in an active status whenever the Secretary determines it necessary to reduce the number of Reserve officers in this status. This section will remove Reserve Captains facing mandatory retirement from consideration for retention in the Coast Guard Reserve.

Section 204. Continuity of grade of admirals and vice admirals.

This section amends chapter 3 of title 14, United States Code, relating to the retirement of admirals and vice admirals in the Coast Guard.

Under current law, any officer who serves as Commandant, Vice Commandant, or area commander must, unless reappointed to another position as an admiral or vice admiral, retire the day following the termination of that appointment or risk being retired in the lower permanent grade of rear admiral. Because there is only one admiral in the Coast Guard (the Commandant) and three vice admirals (the Vice Commandant, and the Atlantic and Pacific Area Commanders) there is no provision that allows these officers to keep their current grade between the time they end their final assignment and the official date of their retirement. Currently, each of these officers would revert to the grade of Rear Admiral (0–8) which in the case of the Commandant is two full grades below his last active duty grade, and in the case of the Vice Commandant and the area commanders is one full grade below a vice admiral's last active duty grade. This section will allow these individuals to retain their grade after their final assignment until retirement. This will not be costly because the administrative process for retirement is usually completed within sixty days of an officer's final day on active duty.

Section 205. Chief of Staff.

This section amends section 41a(b) of title 14, United States Code, by authorizing the Coast Guard to establish the position of Chief of Staff at the grade of vice admiral (0–9).

Under current law, the Chief of Staff of the Coast Guard serves as the senior rear admiral (0–8). However, since the formation of that position, the Chief of Staff has taken on the additional duties of strategic planning, Headquarters command and support, procurement management, budget formulation and execution, as well as responsibilities for general policy and management effectiveness for the entire Coast Guard. In performing these tasks, the Chief of Staff reports directly to the Commandant and the Vice Commandant. However, many times the Chief of Staff deals with officers of the same or greater rank. Given the importance of the role, the Committee considers that the position of Chief of Staff should have the rank and authority of vice admiral, commensurate with that of senior field commanders.

TITLE III—MISCELLANEOUS COAST GUARD PROVISIONS

Section 301. North Atlantic Routers.

This section would repeal sections 3 and 5 of the Act of June 25, 1936, to eliminate certain statutory requirements regarding North Atlantic passenger vessel routes and the requirement to publish unnecessary and redundant regulations in the Code of Federal Regulations.

Section 3 of the Act of June 25, 1936, dealt with the International Ice Patrol and set up a scheme for U.S. passenger liners to file routes and report their positions when operating in the North Atlantic Ocean. The statute was intended to help track passenger liners and encourage them to stay on regular routes outside of known ice areas. Section 5 of the 1936 Act provides for the publication of rules and regulations in the Federal Register for the implementation of the provisions of the Act. The regulations are both unnecessary and redundant because, since 1979, all

U.S. flag shipping has been required to report to the Automated Mutual Assistance Vessel Rescue System (AMVER). AMVER is a worldwide computerized database of the location of merchant shipping. This information is accessible from Coast Guard Rescue Coordination Centers and is used to locate and divert merchant vessels to provide assistance to vessels in distress.

Vessels file a sail plan including departure time, projected course, destination, and speed of advance via telex, radio, fax of telephone prior to departure. While underway, vessels provide updates every 48 hours and an arrival message upon reaching their destination. In addition to AMVER, new technology such as satellite communications, accurate electronic position systems, improved radio direction finding equipment, and emergency position indicating radio beacons (EPIRBS) vastly improve the ability of a vessel to alert and provide accurate location information to rescue authorities.

Moreover, the requirement to give notice of regular North Atlantic routes is unnecessary because there are no U.S. flag passenger vessels using those routes. The last U.S. flag passenger line ceased operation in the North Atlantic in 1967.

Section 302. Coast Guard family housing.

This section amends title 14, United States Code, to allow the Coast Guard to enter into long-term leasing agreements for family housing.

This authority would expand the Coast Guard's ability to provide cost-effective housing for its military personnel, particularly in geographic locations that are relatively remote or where short-term leases are unavailable or difficult to obtain because of local housing market pressures.

Section 303. Air Station Cape Cod improvements.

This section amends title 14, United States Code, to allow the Coast Guard to make improvements to support buildings at Air Station Cape Cod that are currently leased from the Commonwealth of Massachusetts.

A majority of the Coast Guard support buildings at Air Station Cape Cod are situated on land owned by the Commonwealth of Massachusetts. The real property and many of the buildings of the facility are being leased or permitted to the Coast Guard. This authorization would provide the Coast Guard greater flexibility in using funds to maintain or renovate facilities located on leased property on the Massachusetts Military Reservation.

Section 304. Long-Term lease authority for aids to navigation.

This section authorizes the Coast Guard to enter into long-term lease agreements for aids to navigation sites. This includes sites for new Vessel Traffic System facilities. It also allows the Coast Guard to lease sites for day markers, navigational ranges, and other traditional short-range aids to navigation.

The authority to enter into long-term leases for these sites would reduce administrative expenses and is budget neutral. The Coast Guard should only exercise this authority when cost savings will result in the long run. Cost estimation procedures specified in OMB guidelines shall be used.

Section 305. Authority for educational research grants.

This section authorizes the Coast Guard Academy to compete on an equal basis with private and state colleges and universities for state, federal, and other educational research grants designed to encourage innovative approaches to education.

This legislative language was necessitated after the Coast Guard Academy competed successfully for a grant, from the U.S. Department of Education, only to have it withdrawn later due to the Academy's lack of explicit authority to receive such a grant. Enactment of this provision would not override state or federal regulations, but would provide statutory authority to receive grants. The Academy may not receive grants or awards involving routine functions of the Academy or acquisition or construction of facilities.

Section 306. Prepositioned oil spill cleanup equipment.

This section authorizes the Coast Guard to preposition oil spill response equipment at Port Arthur, Texas, and at Helena, Arkansas.

The provision authorizes $890,000 for Port Arthur, and $890,000 for the Port of Helena. Additionally, the authorization for Helena, Arkansas, is subject to the Secretary of Transportation's determining that adequate storage and maintenance facilities exist for the equipment.

In 1991, the Secretary of Transportation submitted to Congress the Port Needs Study required under section 4107(b) of OPA–90 (Public Law 101–380, 104 Stat. 514). Section 4107(b) of OPA–90 directed the Secretary to determine which U.S. ports and channels need new, expanded, or improved Vessel Traffic Service Systems (VTS). To complete the study, the Department of Transportation selected 23 waterways or zones having substantial traffic in oil or hazardous materials and some degree of navigational difficulty or congestion. Taken together, these study zones encompass 82 deep-draft ports which load or unload over 80 percent of the total U.S. international and domestic cargo vessel tonnage. After an extensive analysis was conducted, seven zones were selected and determined to have a positive net benefit from VTS. Port Arthur, Texas, ranked second only to New Orleans, Louisiana, on that list. The Committee believes that the analysis conducted to determine the need for additional VTS resources also supports the need for prepositioned oil spill cleanup equipment to respond immediately to an oil spill emergency. For this reason, section 306 of this Act requires that Port Arthur, Texas, be among the sites at which the Coast Guard prepositions oil spill cleanup equipment.

Helena, Arkansas, is located on the Mississippi River. Along with significant amounts of oil, other hazardous materials are transported by barge on this important waterway. This response equipment will provide coverage for a large unprotected, heavily traveled portion of the Mississippi River. The nearest potential supply of prepositioned equipment is approximately three hundred miles away from Helena.

Section 307. Shore facilities improvements at Coast Guard Station Little Creek, Virginia.

This section authorizes such sums as are necessary for facility improvements in Fiscal Years 1994, 1995, and 1996 at Station Little Creek, Virginia. The Coast Guard has indicated it may request funds for the facility improvements in its Fiscal Year 1995 budget request. This section provides the Coast Guard with the authority to begin these repairs in 1994 if funds become available.

Section 308. Oil spill training simulator.

This section authorizes the Secretary of Transportation to expend $1.25 million for the purchase of an oil spill response simulator by the New York Maritime Academy. This simulator would provide state of the art training for students, including Coast Guard personnel and other industry professionals.

Section 309. Technical clarification.

Section 4283B of the Revised Statutes of the United States (46 App. U.S.C. 183c) prohibits any manager, agent, master, or owner of a vessel transporting passengers between ports in the United States or between a port in the United States and a foreign port from placing any limitation in a contract, such as a passenger's ticket, that would (1) relieve the owner, master, or agent of any liability for any loss of life or bodily injury arising from the negligence or fault of the owner or his servants; or (2) lessen, weaken, or avoid the right of any claimant to trail by any court of component jurisdiction on the question of liability for those losses or injury. If a vessel owner includes such a provision in the contract the provision is declared to be against public policy and is, under this section, "null and void and of no effect".

This section of the Revised Statutes is amended by striking the term "any" before the phrase "court of competent jurisdiction" since the term is unnecessary. So long as the civil action is brought in any Article 2 court the rights of the passenger can be protected procedurally. However, simply protecting the procedural and legal rights of the injured is not sufficient to ensure that all of the rights of the injured are guaranteed.

In 1936, the Committee on Merchant Marine and Fisheries amended the Vessel Owners Limitation of Liability statute (P.L. 74–391) to provide increased consumer-passenger protection. In 1936, any clause selecting a forum for suit was unenforceable in Federal court and the 1936 amendment was directed to prevent the inclusion of arbitration clauses to ouster Federal jurisdiction over passengers' personal injury claims. As such, this provision encompassed any conceivable jurisdictional provision preventing a claimant from brining suit for personal injury, a right which is abridged by a clause in a ticket restricting a passenger from bringing a civil action in any district court of the United States.

Last year Congress amended section 4283B of the Revised Statutes to overturn a Supreme Court case that limited where passengers could sue based on the small print of the ticket. Section 309 of this bill again amends section 4283B of the Revised Statutes to clarify that the civil action can't be brought in just *any* district court of the United States, the action must be filed in an appropriate district court including the area in which the vessel owner is doing business, or the vessel is operating out of, or the passenger boarded the vessel. For this reason, H.R. 2150 deleted "any" but did not restore the term to "a" district court as it was worded before last year's amendment. To do so may leave the mistaken interpretation that we intend by this amendment to restore the standard set by the Supreme Court in *Carnival Cruise Lines* v. *Shute* (111 S. Ct. 1522, 113 L. Ed.2d 622, 1991 AMC 1697 (1991)).

Section 309 of H.R. 2150 should not be construed to mean that a vessel owner may enforce a forum selection clause in a passenger ticket. American law generally frowns on contracts of adhesion, contracts where the party with all the bargaining power, usually a powerful business, imposes an unfair provision on individual consumers on a take-it-or-leave-it basis. These forum selection clauses do restrict a passengers ability to bring suit before a court of competent jurisdiction, are contrary to public policy, and should be declared null and void. Today, consumers often purchase refundable or nonrefundable tickets over the phone with a credit card without the opportunity to view all of the terms in

the ticket before making that purchase. Even if the passenger should discover these clauses, they are nonnegotiable between the vessel owner and the passenger. To require a passenger to fly great distances such as from Seattle to Miami just to be present in court is unfair if in fact the passenger went on the cruise out of Los Angeles and not Miami. By adoption of this amendment, the Committee does not intend to reinstate the opinion of the Supreme Court in *Carnival Cruise Lines* v. *Shute*.

It is not the intent of this amendment to allow vessel owners to be sued everywhere. The interest of the vessel owner is adequately protected under the traditional *forum nonconveniens* standards which would allow a vessel owner to be sued in a limited number of places, such as district in which the vessel is operating, the owner is doing business (such as selling tickets), or where the passenger boarded the vessel.

Section 310. Oil Spill Prevention and Response Technology Test and Evaluation Program.

This section requires the Secretary to establish a program to evaluate vessel carried oil spill response technology within 6 months of the date of enactment of this Act. In conducting the program, the Coast Guard shall publish a notice in the Federal Register soliciting proposals on appropriate procedures to evaluate spill response technology. Within 2 years of the date of enactment, the Coast Guard shall report to Congress with recommendations on the feasibility and environmental benefits of having tank vessels carry on board response equipment. Finally, this section requires the Secretary to study the feasibility of using segregated ballast tanks for emergency transfer of cargo or storage of recovered oil and report the findings to Congress within 6 months of enactment.

Section 311. Unmanned seagoing barges.

This section amends the vessel inspection laws in Subtitle II of title 46, United States Code, to exempt certain barges, including barges of the flexifloat design, from inspection as seagoing barges under those laws. Specifically, this exemption covers all seagoing non-self-propelled vessels of at least 100 gross tons making voyages beyond the Boundary Line that are unmanned and that do not carry a hazardous material as cargo, or a flammable or combustible liquid, including oil, in bulk. These vessels are not currently subject to inspection if operating inside the Boundary Line. The Coast Guard believes, based on casualty statistics, that these barges do not pose a significant threat to personnel or the marine environment, and also should not be subject to inspection when operating outside the Boundary Line. Certain of these barges will still be required to undergo classification society inspections every 5 years for issuance of a loadline. The Coast Guard believes that these surveys should be sufficient to maintain hull integrity.

This section eliminates unnecessary regulation on vessels that do not pose a threat to the environment, and allows the Coast Guard to devote the resources used to inspect these vessels to a higher priority. Under this section, the Coast Guard may not reclassify the barges that are exempt from inspection under this section into a category subject to inspection under section 3301 of title 46, United States Code, unless the vessel undergoes a major conversion, or engages in a different type of operation.

Section 312. Prohibition on decommissioning icebreaker *Mackinaw*.

This section prevents the Coast Guard from decommissioning the Coast Guard cutter *Mackinaw* before December 31, 1994. The Secretary of Transportation is authorized $1,600,000 for FY 1994 to continue operation of the *Mackinaw*.

Section 313. Lower Columbia River Marine Fire and Safety activities.

This section authorizes the Secretary of Transportation to expend $421,700 in FY 1994, $358,300 in FY 1995 to support the Lower Columbia River Marine Fire and Safety Association. In FY 1994, $55,200 may be expended from the OE account to train personnel in the Lower Columbia River in oil and hazardous material response. In addition, $366,500 may be expended from the AC&I account to purchase three oil spill response vessels, a skimmer, a recovered oil container, and 20 hand-held radios.

Since 1984, Congress has recognized the unique need for marine fire, safety, and pollution protection on the Columbia River by authorizing and appropriating funds to the Association for training and the purchase of equipment. This section continues that relationship.

Section 314. Cass River.

This section exempts a vessel operating on the date of enactment of this Act on the Cass River above the dam at Frankenmuth, Michigan, from the vessel inspection and manning requirements of Subtitle II of title 46, United States Code. This exemption only applies to vessels which are inspected and licensed by the State of Michigan.

Section 315. Sense of the Congress regarding funding for Coast Guard.

This section states that it is the sense of Congress that Congress should appropriate amounts adequate to enable the Coast Guard to carry out all extraordinary functions and duties the Coast Guard is required to undertake in addition to its normal functions established by law.

Section 316. Cooperative agreement authority.

This section adds a new subsection to section 93 of title 14, United States Code, which authorizes the Coast Guard to enter into cooperative agreements with other Government agencies and the National Academy of Sciences.

Section 317. Regional Fisheries Law Enforcement Training Centers.

This section directs the Coast Guard to establish Regional Fisheries Law Enforcement Training Centers in the Eighth Coast Guard District in Southeast Louisiana for the Gulf of Mexico, and in Charleston, South Carolina, for the Southeast Atlantic. The new training centers are to be modeled after the existing training center in Massachusetts.

Section 318. National Safe Boating Week.

This section changes the dates of National Safe Boating Week from the first week in June to the seven day period ending on the last Friday before Memorial Day. This section takes effect on January 1, 1995.

Section 319. Los Angeles-Long Beach vessel traffic service.

This section authorizes the Coast Guard to provide personnel support to the interim vessel traffic information system for the Ports of Los Angeles and Long Beach operated by the Marine Exchange of Los Angeles-Long Beach Harbors, Inc. The Coast Guard shall be reimbursed for its personnel costs related to the interim vessel traffic system. The United States Government assumes no liability for any act or omission of any officer, director, employee, or representative of the Marine Exchange or of the State of California related to the vessel traffic information system.

Section 320. Financial responsibility for nonperformance.

This section amends section 3(b) of Public Law 89–777. The amendment eliminates the requirement that passenger vessels file dollar-for-dollar revenue bonds. The bonds are filed to ensure financial responsibility for the reimbursement of passenger fares in the event of the cancellation of a voyage.

Pursuant to the authority granted under section 3(a) of Public Law 89–777, the Commission has required bonds of no less than 110 percent of all unearned passenger revenue within two years preceding the application; however, the Federal Maritime Commission (FMC) has put a cap on coverage at $15,000,000. Since the enactment and implementation of Public Law 89–777, all passenger fares have been recovered in the event of vessel operator nonperformance. The FMC feels that clarification of the matter is warranted, and recommends that elimination of the section 3(b) dollar-for-dollar bonding requirement.

Section 321. Fishing and fish tender vessels.

This section states that fishing vessels and fish tender vessels shall not be deemed to be tank vessels, for the purposes of any law, while being utilized in work relating to the fishing industry. The section does not affect the authority of the Secretary of Transportation to regulate such vessel to ensure the safe carriage of oil and hazardous substances. Furthermore, this section does not affect the requirement for fish tender vessels engaged in the Aleutian trade to comply with certain chapters of title 46, United States Code, as provided in the Aleutian Trade Act of 1990 (P.L. 101–595).

Section 322. Oil spill recovery operations.

This section amends section 8104 of title 46, United States Code, to allow the licensed individuals and crewmembers of vessels used only to respond to a discharge of oil or hazardous substance to be divided up into two watches when the vessel is engaged in an operation of less than 12 hours. Current law allows the crews of these vessels to be divided into two watches when on voyages of less than 600 miles.

Section 8301 of title 46, United States Code, is also amended to allow vessels used only to respond to a discharge of oil or hazardous substance to have one licensed mate when the vessel is engaged in operations of less than 12 hours. Current law requires these vessels to carry two licensed mates at all times.

Section 323. Limitations of performance of longshore work by alien crewmembers—Alaska exceptions.

This section amends section 258 of the Immigration and Nationality Act to permit the employment of alien crewmembers to perform longshore work at transshipment locations in Alaska under limited circumstances. The amendment is necessary because U.S. longshore workers are not always available to work on fishing and fish processing vessels in remote areas of Alaska. Before hiring foreign longshore workers, an employer must file an attestation with the Secretary of Labor that U.S. longshore workers have been requested but are not available for hire.

Section 324. Cape Cod Lighthouse planning and design studies.

This section directs the Coast Guard to complete the planning and design studies outlined in its 1992 strategy document to preserve Cape Cod Lighthouse, located in North Truro, Massachusetts. Further, the section authorizes the Secretary of Transportation to expand $600,000 to complete the studies.

Cape Cod Lighthouse (also known as Highland Light Station) was originally built in 1798 and rebuilt in 1857. The oldest lighthouse on Cape Cod, and the first on the continental United States, it is located on land surrounded by the Cape Cod National Seashore and is listed on the National Register of Historic Places. The lighthouse is being seriously threatened by erosion at its present location. At present, the light tower is less than 100 feet from the edge of a cliff. Planning and design must begin soon before further erosion makes moving the lighthouse impossible.

Section 325. Washington State lighthouses.

This section would authorize the transfer of three lighthouses from the Coast Guard to the Washington State Parks and Recreation Commission. The transfers will promote the preservation, maintenance, and public enjoyment of these historic lighthouse properties.

The conveyance of each lighthouse is subject to the condition that the lighthouse will revert to the United States if it ceases to be: (1) a center for public benefit for the interpretation and preservation of maritime history; (2) maintained in a manner that ensures its continued operation as a Coast Guard aid to navigation; and (3) maintained in a manner consistent with the National Historic Preservation Act of 1966. In addition, to ensure that the transfer will not sacrifice the important navigation functions of the lighthouses, the Coast Guard will continue to have access to the lights to oversee the proper operation of their navigational equipment.

Section 326. Heron Neck Lighthouse.

This section would authorize the conveyance of the Heron Neck Lighthouse to the Island Institute, Rockland, Maine. The conveyed property may be used for educational, historic, recreational, and cultural programs open to the general public.

The conveyance of the lighthouse is subject to the condition the lighthouse will revert to the United States is it ceases to be: (1) used as a nonprofit center for educational, historic, recreational, and cultural programs open to and for the benefit of the general public; (2) maintained in a manner that ensures its continued operation as a Coast Guard aid to navigation; and (3) maintained in a manner consistent with the National Historic Preservation Act of 1966. In addition, to ensure that the transfer will not sacrifice the important navigational function of the lighthouse, the Coast Guard will continue to have access to the light to oversee the proper operation of its navigational equipment.

Section 327. Burnt Coat Harbor Lighthouse.

This section would authorize the conveyance of the Burnt Coat Harbor Lighthouse to the Town of Swan's Island, Swans Island, Maine. The conveyed property may be used for educational, historic, recreational, and cultural programs open to the general public.

The conveyance of the lighthouse is subject to the condition the lighthouse will revert to the United States if it ceases to be: (1) used as a nonprofit center for educational, historic, recreational, and cultural programs open to and for the benefit of the general public; (2) maintained in a manner that ensures its continued operation as a Coast Guard aid to navigation; and (3) maintained in a manner consistent with the National Historic Preservation Act of 1966. In addition, to ensure that the transfer will not sacrifice the important navigational function of the lighthouse, the Coast Guard will continue to have access to the light to oversee the proper operation of its navigational equipment.

TITLE IV—EMPLOYMENT AND DISCHARGE

Section 401. Shipping articles agreements.

This section amends section 10302 to require the owner, charterer, managing operator, master or individual in charge of a vessel to make a shipping agreement with each seaman. The agreement must be in writing. Also, a copy of the agreement must be provided to the seaman. These agreements must be made before the seaman is employed.

New Subsection (d) requires the owner, charterer, managing operator, etc., to maintain the shipping agreement and to make copies available to the seaman. The Coast Guard does not intend to stock forms or provide them to the public.

Section 402. Form of agreements.

This section amends section 10304, by striking the words "shipping commissioner's signature of initials" and deleting all reference to shipping commissioners.

Section 403. Manner of signing agreements.

This section amends section 10305 by striking the words "a shipping commissioner." In addition it repeals subsection (b) and (c) which set out the manner of signing the agreement. The essence of section 10305 is review of the agreement by the shipping commissioner. Since there are no longer shipping commissioners, subsections (b) and (c) are unnecessary.

Section 404. Exhibiting merchant mariners' documents.

This section substitutes "master or individual in charge" for "shipping commissioner" in section 10306 which addresses exhibiting merchant mariners' documents. This is merely a technical, conforming amendment directing to whom the seaman is to show the required merchant mariner documents.

Section 405. Repeal of penalty for failure to post agreements.

This section strikes the civil penalty provision in section 10307, which requires the master to post the shipping agreement on the vessel. All civil penalties for violations of chapter 103 will be consolidated into section 10321.

Section 406. Repeal of penalty relating to engaging seamen outside United States.

This section strikes the civil penalty provision in section 10308, which requires the shipping agreement to be signed in front of a consular officer when the seamen is engaged outside the United States. This is a technical amendment made for the same reason stated in the discussion on section 405 above.

Section 407. Repeal of penalty relating to engaging replacement seamen; application of requirements.

This section strikes the civil penalty provision in section 10309, which addresses engaging seamen to replace seamen lost because of desertion or casualty, for the same reason stated above in section 406 above.

Section 408. Accounting of wages and deductions at payoff or discharge.

This section strikes reference to shipping commissioner in the first sentence of section 10310, which provides that an accounting of the seaman's wages be delivered to the seaman at least 48 hours before paying off or discharging the seaman. In addition, it strikes the penalty provision for the same reason stated in Section 406 above.

Section 409. Certificates of discharge.

This section amends section 10311(a) by substituting "matter or individual in charge" for "shipping commissioner." This will require those persons to provide the seaman with a certificate of discharge. This section also strikes "shipping commissioner" from subsection (b). In addition, subsection (d)(1) is amended by requiring the owner and other individuals in charge, instead of the Secretary, to maintain the records of discharge. It also removes the provisions to charge for providing the seaman with a duplicate of the discharge.

Section 410. Settlements of discharge.

This section amends section 10312, which provides the procedures for settlement on the discharge of a seaman. Section 10312 currently provides that the shipping commissioner be a third party to disputes between the vessel master or owner and the seaman. This section repeals those provisions and keeps only the requirement that the agreement be signed by both parties when the discharge and settlement are completed. Since there have been no shipping commissioners for over ten years, disputes have had to be settled by the Federal court system and will continue to be under this section.

Section 411. Records of seamen.

This section amends section 10320 to require vessel owners to maintain seaman's records pursuant to Coast Guard regulations. This section also requires that all the maintained records be made available to both the seaman and the Coast Guard. Under existing section 10320, the Coast Guard maintained these records.

Section 412. General penalty.

This section amends section 10321, the current penalty section, by making the section applicable for all violations of chapter 103 and by increasing the maximum civil penalty assessment from $200 to $5,000, to more accurately reflect modern commercial vessel operations.

Section 413. Shipping articles agreements.

This section sets out the requirements for the agreements in section 10502 for coastwise voyages in the same manner as section 401 of this title provides in section 10302 for foreign and intercoastal voyages.

Section 414. Advances.

This section amends section 10505 which addresses advances by increasing the civil penalty to $5,000.

Section 415. Duties of shipping commissioners.

This section repeals section 10507 which provides for the duties of shipping commissioners. Since there are no longer shipping commissioners, section 10507 is unnecessary.

Section 416. General penalties.

This section amends section 10508 which addresses general penalties, by increasing the civil penalty to "not more than $5,000."

Section 417. General report requirement.

This section amends section 10103, which requires the master who hires or discharges a seaman without a shipping commissioner being present to submit a report to the Coast Guard of the situation involved. This amendment strikes the reference to the shipping commissioner and requires the master to submit the report to the vessel owner.

Section 418. Procedures of masters regarding seaman's effects.

This section amends section 10703, which concerns procedures of Masters upon the death of a seaman, by striking the references to regulations in this section.

Section 419. Seamen dying in the United States.

This section amends section 10706, which requires the master or vessel owner to deliver the deceased seaman's property and wages, as prescribed by regulations. Proposed section 10706 would require the master or vessel owner to deliver them to the U.S.

district court. Under current 10707, which is repealed by this title, the Coast Guard delivers the property to the court.

Section 420. Delivery to district court.

This section repeals section 10707, as the requirement to deliver the deceased seaman's property to a district court would be provided in section 10706.

Section 421. Disposal of forfeitures.

This section amends section 11505, which addresses disposal of forfeitures, by requiring the vessel owner or master to transfer the balance of forfeited wages to the appropriate district court instead of to the Coast Guard as is now the case.

Section 422. Conforming amendments.

This section makes conforming amendments to reflect this title's amendment.

TITLE V—PASSENGER VESSEL SAFETY

Section 501. Short title.

This section provides that the title may be referred to as the "Passenger Vessel Safety Act of 1993".

Section 502. Passenger.

This section amends section 2101(21) of title 46, United States Code by consolidating the multiple definitions of "passenger" into a single, consistent definition. Under the current definitions of "passenger" in paragraphs (A), (B), and (D) of section 2101, an individual carried on a vessel may or may not be a passenger depending on the number of "passengers" on board and the vessel's tonnage. This amendment corrects this problem by eliminating the separate definitions for passengers on "uninspected passenger vessels," "small passenger vessels," and "passenger vessels" and replacing them with a single definition of "passenger." The amendment maintains the exceptions for certain special use vessels such as offshore supply, fishing, and sailing school vessels.

The Committee notes that the general definition of passenger excludes the owner or charterer of a vessel and individual representatives of the owner and charterer from being considered "passengers". This is intended to prevent a group of individuals from entering into a legal agreement to become the owner or charterer of the vessel and to thereby escape the passenger vessel safety laws.

Section 503. Passenger vessel.

This section amends the definition of "passenger vessel" in 46 U.S.C. 2101(22) to make a vessel of at least 100 GT a "passenger vessel" when it carries more than 12 passengers, including one passenger for hire, or when it is being operated under charter and carries more than 12 passengers. Under current law, a "passenger vessel" is defined as a vessel of at least 100 GT carrying at least one passenger for hire. Two purposes are accomplished by this change in the definition of "passenger vessel". First, yachts over 100 GT will be allowed to carry 12 or less passengers and be uninspected. While these vessels will not have to be inspected, they will have to be operated by a Coast Guard licensed mate and meet higher safety standards than a recreational vessel. The removal of inspection requirements on these vessels should not create safety problems because additional safety equipment will be required under section 511.

Second, the new definition will require vessels which are bareboat chartered and carry more than 12 passengers to meet the Coast Guard safety and inspection requirements of "passenger vessels". This change is intended to bring large bareboat chartered vessels under Coast Guard safety regulations. The committee believes that any vessel, whether chartered or not, which carries more than 12 passengers should meet Coast Guard safety standards and undergo inspection to protect the safety of its passengers.

This section also adds the term "submersible vessel" of 100 GT or more, with at least one passenger for hire, to the definition of "passenger vessel". Submersibles are not included in the new category of uninspected passenger vessel over 100 GT because the inherently dangerous nature of submersibles makes Coast Guard inspection necessary. Casualties that would be insignificant on the water surface could be catastrophic or fatal in a submersible.

Section 504. Small passenger vessel.

Section 504 amends the definition of "small passenger vessel" in 46 U.S.C. 2102(22) to include two types of charter agreements in the definition of "small passenger vessel". First, charters with the crew provided or specified by the owner or the owner's representative are defined as "small passenger vessels" if they carry 7 or more passengers. Vessels in this category were considered "small passenger vessels" under existing law, but were not explicitly referenced in the definition. Second, bareboat charters carrying more than 12 passengers are added to the definition. This change will allow groups of 12 or less people to charter vessels and operate them as recreational vessels, while subjecting vessels which carry larger groups of people to Coast Guard's passenger vessel safety regulations.

This section also adds "submersible vessel" of 100 GT or less, with as least one passenger for hire, to the definition of "small passenger vessel." This standard is more stringent that the standard for other small passenger vessels because submersibles are inherently dangerous and the carriage of any paying passenger in a submersible should require Coast Guard safety inspections.

Section 505. Uninspected passenger vessel.

Section 505 amends the definition of "uninspected passenger vessel" in 46 U.S.C. 2101(42). Under this amendment, there will be two types of uninspected passenger vessels depending on whether the vessel is over or under 100 GT. If a vessel is under 100 GT and it carries 6 or less passengers, including one for hire, or if it is chartered with the crew provided or specified and carries 6 or less passengers, it will be classified as an "uninspected passenger vessel". This represents a technical change to the existing definition of "uninspected passenger vessel" which will specifically include vessels chartered with the crew provided or specified in the definition.

If a vessel is over 100 GT and carries 12 or less passengers, including one for hire, or is chartered with the crew provided or specified and carries 12 or less passengers it will also be classified as an "uninspected passenger vessel." This new category of over 100 GT "uninspected passenger vessel" will be subject to different safety and licensing requirements than the under 100 GT category of uninspected vessels. The Coast Guard is directed in section 512 to develop the new over 100 GT standards within 24 months of the date of enactment. Creation of this new category of vessel is necessary to conform to the changes made to the definition of "passenger vessel" in section 503.

Section 506. Passenger for Hire.

This section amends 46 U.S.C. 2101 by adding a new paragraph (21a) to define the term "passenger for hire." Although the term "passenger for hire" has been used in the definitions of "passenger vessel" and "small passenger vessel," it has never been defined in title 46. A "passenger for hire" must contribute "consideration" as a condition of carriage on a vessel which must flow directly or indirectly to the owner, charterer, operator, agent, or other person having an interest in the vessel. "Consideration" is defined in the following section.

Section 507. Consideration.

Section 507 amends 46 U.S.C. 2101 by adding a new paragraph (5a) to define the term "consideration." Although the word "consideration" is used in the existing definition of "passenger" in paragraph (21) of section 2101, it has not been previously defined by statute. Various interpretations have been used by government and industry personnel, which has caused confusion for vessel owners. H.R. 2150 clarifies the scope of the term to include an economic benefit, inducement, right, or profit including payment of money accruing to an individual, person, or entity. Voluntary sharing of the actual expenses of the voyage including donations of fuel, food, beverages, bait, or other supplies would not be included in the meaning of consideration.

The Committee intends that the following examples would not constitute an exchange of consideration between passenger and owner. If a vessel carried passengers who were employees of the vessel owner and the purpose of the carriage is for the morale of the employees, then the employees would not be passengers for hire. Similarly, the carriage of business clients or associations for entertainment purposes would generally not be considered carriage of passengers for hire.

Section 508. Offshore supply vessel.

Section 508 amends the definitions of "offshore supply vessel" in 46 U.S.C. 2101(19) by adding "individuals in addition to the crew" as something regularly carried on an offshore supply vessel. It also deletes the statement that an offshore supply vessel "is not a small passenger vessel." Under the existing definition of "offshore supply vessel," if the vessel also meets the definition "small passenger vessel" then it had to be considered a "small passenger vessel" and must have been regulated as such. By deleting this phrase, the Coast Guard will no longer be required to consider a vessel carrying individuals employed in the offshore mineral, and oil and gas industry as a small passenger vessel. As a result, the Coast Guard will be able to treat these vessels the same as other offshore mineral and energy vessels. Because offshore crew boats operating in the mineral and oil industry are very different from passenger vessels, the Coast Guard has had problems trying to regulate them together.

Section 509. Sailing school vessel.

Section 509 amends the definition of "sailing school vessel" in 46 U.S.C. 2102(30) substituting "more than 6" for "at least 6". This change parallels the amendment made in section 504 of this legislation to the definition of "small passenger vessel".

Section 510. Submersible vessel.

Section 510 amends 46 U.S.C. 2101 by adding a new paragraph (37a) to define "submersible vessel". This proposal distinguishes submersible from surface vessels for purposes of the passenger vessel laws, by making submersibles subject to inspection if even one passenger is for hire. If a vessel can submerge and operate under the water, it is considered a "submersible vessel".

Section 511. General provision.

Section 511 amends sections 2113 and 4105 of title 46, U.S.C., to give the Coast Guard additional flexibility in regulating the new category of "uninspected passenger vessels" of at least 100 gross tons carrying not more than 12 passengers.

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Subsection (a) amends 46 U.S.C. 2113 to allow the Coast Guard flexibility in the establishment of requirements for this new over 100 GT category of uninspected vessel for the purpose of setting loadlines for domestic voyages and the protection of shipboard personnel.

Subsection (a) maintains the present authority of the Coast Guard to issue excursion permits. In this regard, the Committee notes that the requirements in sections 503 and 504 that vessels under bareboat charter be limited to 12 or fewer passengers in order to be considered recreational vessels could impact the use of vessels in motion picture and television production because those vessels often carry more than 12 passengers. The Committee encourages the Coast Guard to waive the inspection and manning requirements and to utilize its authority under 46 U.S.C. 2113(1) to expeditiously issue excursion permits for recreational vessels used in motion picture and television production.

This subsection further amends section 2311 of title 46, United States Code to allow the Coast Guard to establish different structural fire protection, manning, operating, and equipment requirements for: (1) vessels of at least 100 gross tons but less than 300 gross tons, carrying not more than 150 passengers on domestic voyages; and (2) former public vessels at least 100 gross tons but less than 500 gross tons, carrying not more than 150 passengers. Vessels are only eligible for certification in these categories if the owner makes application for inspection to the Coast Guard within 6 months of the date of enactment and can document that the vessel was chartered within the previous year.

Subsection (b) directs the Coast Guard to establish, by regulation, certain additional safety equipment requirements for the new category of large uninspected passenger vessel. The Committee understands the Coast Guard's intent to consult with the affected industry in issuing these regulations and to use, to the extent possible, existing industry standards (such as the American Boat and Yacht Council's standards) and appropriate portions of the Coast Guard's existing regulations for uninspected passenger vessels under 100 GT. Areas that may be considered for regulation include construction materials, construction standards, watertight subdivision, watertight closures, loadline assignment, stability, structural fire protection, and firefighting and lifesaving equipment. The Committee encourages the Coast Guard, to the extent that safety is not compromised, to harmonize these additional equipment requirements with European and international standards to avoid creating trade barriers for American-built vessels.

Section 512. Equipment and standards for certain passenger vessels.

This section amends section 3306 of title 46, United States Code, to allow the Secretary of Transportation to establish appropriate structural fire protection, manning, operating, and equipment requirements for: (1) vessels of at least 100 gross tons but less than 300 gross tons carrying not more than 150 passengers on domestic voyages; and (2) public vessels of at least 100 gross tons but less than 500 gross tons carrying not more than 150 passengers on domestic voyages. The Secretary shall promulgate regulations to implement this section within 24 months of the date of enactment. Before the promulgation of these regulations, the Secretary shall use existing regulations for small passenger and passenger vessels to prescribe the route, service, manning, and equipment for these vessels.

Section 513. Applicability date for revised regulations.

This section states that revised regulations for passenger and small passenger vessels shall not apply to bareboat chartered vessels within 6 months of the date of enactment. The Secretary shall extend this period for up to 30 additional months, or until the vessel is issued a certificate of inspection, whichever is later. This extension is contingent on the owner of the vessel: (1) making application for inspection within 6 months of the date of enactment; (2) making the vessel available for examination by the Coast Guard; and (3) correcting any especially hazardous conditions, equipping the vessel with lifesaving and fire fighting equipment, conducting a stability test, and developing a work plan approved by the Coast Guard. The owner of a vessel receiving an extension under this section shall operate the vessel under conditions prescribed by the Coast Guard.

TITLE VI—DOCUMENTATION OF VESSELS

Section 27 of the Merchant Marine Act, 1920 (popularly known as the Jones Act, 46 App. U.S.C. 883) provides that only vessels built in the United States and owned by a citizen of the United States may transport merchandise in the coastwise trade of the United States. The Act also provides that a vessel that has acquired the right to engage in the coastwise trade and is later sold to a foreign owner or is placed under foreign registry may not engage in the coastwise trade.

Chapter 121 of Title 46, United States Code, prohibits foreign-built, -owned, and -documented vessels from engaging in the U.S. coastwise or Great Lakes trades or fisheries of the United States.,

When the facts surrounding any particular vessel implicate one or more of these statutory prohibitions, the Coast Guard may not issue a document granting coastwise or Great Lakes trading or U.S. fisheries privileges. A vessel may acquire these privileges through special legislation authorizing the Coast Guard to issue the necessary documentation. In the past, the Committee has approved special legislation when the owners of particular vessels have demonstrated extenuating circumstances meriting such action.

Section 601(a) authorizes 49 vessels to be issued certificates of documentation with coastwise endorsements. Some of these vessels were originally U.S.-flag vessels but were transferred to foreign ownership at some point in their chain of title. Other vessels were foreign built and are otherwise prohibited from engaging in the coastwise trade.

Section 601(b) grants a foreign-flag launch barge a one-time waiver of section 27 in order to transport an offshore drilling platform jacket to a place on the Outer Continental Shelf.

Section 601(c) authorizes two vessels to be issued certificates of documentation with coastwise and Great Lakes endorsements.

Section 601(d) authorizes the M/V TWIN DRILL (Panama official number 8536-PEXT-2) to be issued a certificate of documentation with a coastwise endorsement if—

(1) the vessel undergoes a major conversion in a U.S. shipyard;

(2) the cost of the major conversion is more than three times the purchase value of the vessel before the major conversion;

(3) the major conversion is completed and the vessel is documented with a coastwise endorsement before June 30, 1995;

(4) the person documenting the vessel contracts with a U.S. shipyard to construct an additional vessel of equal or greater capacity within twelve months of the date of enactment of this Act, for delivery within 36 months of the date of such contract; and

(5) the additional vessel is documented as a U.S. vessel immediately after it is constructed.

Section 601(e) authorizes a vessel to be issued a certificate of documentation with a coastwise and fishery endorsement.

Section 601(f) authorizes a vessel to be issued a certificate of documentation with a fishery endorsement.

Section 601(g) authorizes the foreign transfer of the vessels U.S.T. *Atlantic* (United States official number 601437), and U.S.T. *Pacific* (United States official number 613131), notwithstanding any other law.

Section 601(h) authorizes the vessel *Amy Chouest* United States official number 995631) to be deemed less than 500 gross tons, as measured under chapter 145 of title 46, United States Code, for purposes of the maritime laws of the United States.

Section 601(i) authorizes five vessels to be issued certificates of documentation with coastwise endorsements.

TITLE VII—MISCELLANEOUS FISHERY PROVISIONS

Section 701. Governing international fisheries agreement.

This section authorizes the extension of a mutual fisheries agreement between the United States and the Russian Federation until May 1, 1994.

Section 702. Shrimp trawl fishery.

This section authorizes the extension of the moratorium on federal regulations to control finfish bycatch in the Shrimp trawl fishery in the Gulf of Mexico. The moratorium is extended until April 1, 1994. After that date, regulations to control bycatch could be promulgated.

Section 703. International fishery conservation in the central Bearing Sea.

This section asserts that it is the sense of the Congress that the U.S. should continue the pursuit of an international agreement to ensure cooperative management and conservation of the natural resources of the Doughnut Hole in the Central Bering Sea.

Section 704. NOAA facilities in Kodiak.

This section states that the Secretary of Commerce may enter into an agreement with the University of Alaska to contract for the engineering and design specifications of a facility on Near Island in Kodiak, Alaska.

TITLE VIII—ATLANTIC COASTAL FISHERIES

Section 801. Short title.

This title may be cited as the "Atlantic Coastal Fisheries Cooperative Management Act".

Section 802. Findings and purposes.

This section outlines the findings and purposes of the bill.

Section 803. Definitions.

This section defines the terms used in the bill, including "coastal fishery management plan", "conservation", and "implement and enforce".

Section 804. State-Federal cooperation in Atlantic coastal fishery management.

This section directs the Secretary of Commerce, in cooperation with the Secretary of the Interior, to develop and implement a program to support the interstate fishery management efforts of the Atlantic States Marine Fisheries Commission (Commission). It also authorizes the Secretary, in the absence of an approved federal fishery management plan, to promulgate regulations to support the effective implementation of the Commission's coastal fishery management plans.

Section 805. State implementation of coastal fishery management plans.

This section directs the Commission to prepare and adopt coastal fishery management plans to provide for the conservation of coastal fishery resources. The Commission shall also establish standards and procedures to govern the preparation of such plans and ensure adequate public participation in plan development.

States are required to implement and enforce new plans within the time frame specified in the plan. Existing plans must be implemented and enforced within 15 months of the date of the enactment of this title. The Commission shall, at least annually, review each State's implementation and enforcement of the Commission's plans.

Section 806. State noncompliance with coastal fishery management plans.

If the Commission determines that a State has not implemented a coastal fishery plan within the required time frame, the Commission shall notify the Secretaries of Commerce and the Interior of this lack of compliance. Upon finding that a State has come into compliance, the Commission shall notify the Secretaries of this fact.

Section 807. Secretarial Action

Upon notification by the Commission that a State is not in compliance with a coastal fishery management plan, the Secretary of Commerce shall review the Commission's finding. If the Secretary finds that a State is not in compliance, the Secretary shall declare a moratorium on fishing for that species in that State's waters. Upon notification that a State has come into compliance, the Secretary shall immediately review the Commission's finding and terminate the moratorium.

This section also authorizes the Secretary of Commerce to promulgate the regulations necessary to implement this section and describes the activities which are prohibited during a moratorium. Finally, it describes the civil and criminal penalties and civil forfeitures that apply under this title.

Section 808. Financial assistance.

This section authorizes the Secretaries of Commerce and the Interior to provide financial assistance to the Commission and the States to carry out their respective responsibilities under this title.

Section 809. Authorization of appropriations.

This section authorizes appropriations of $3,000,000 for fiscal year 1994, $5,000,000 for fiscal year 1995, and $7,000,000 for fiscal year 1996.

Section 810. Atlantic Striped Bass Conservation Act.

This section repeals Section 9 of the Atlantic Striped Bass Conservation Act.

Section 811. Interjurisdictional Fisheries Act of 1986.

This section amends the Interjurisdictional Fisheries Act of 1986 by inserting an additional authorization of $600,000 for each of the fiscal years 1994 and 1995.

TITLE IX—LIBERTY MEMORIAL

Section 901. Short title.

Section 901 is the title of the bill, the "Liberty Ship Memorial Act of 1993".

Section 902. Conveyance vessels.

Subsection (a) authorizes the Secretary of Transportation (Secretary) to convey all rights, title, and interest of the United States in two vessels to a nonprofit organization that operates and maintains a Liberty or Victory ship as a merchant marine memorial.

Subsection (b) requires the vessels conveyed to be of no use to the Government and in the National Defense Reserve Fleet on the date the Act is enacted. It also requires that the vessels be of at least 4,000 displacement tons and designated by MARAD for scrapping.

Subsection (c) sets conditions for conveying the vessels. It requires the nonprofit organizations to sell the vessels for scrapping and to use the proceeds to refurbish the Liberty and Victory ships to make them seaworthy so that they may participate in the 50th Anniversary commemorative reenactment of the Invasion of Normandy in June 1994. The bill also requires all proceeds not used for that purpose to be returned to the United State Government.

Subsection (d) names the Vessel Operations Revolving Fund established by the Act of June 2, 1951 (65 Stat. 59; 46 App. U.S.C. 1241a) as the depository of funds returned to the Government.

Subsection (e) directs the Secretary to deliver each vessel in its present condition without cost to the Government on the conveyance date.

Subsection (f) provides that the Secretary's authority to convey vessels expires two years from the date the Act is enacted.

Mr. YOUNG of Alaska. Mr. Speaker, further reserving the right to object, I yield to the gentlewoman from Maryland [Mrs. BENTLEY].

Mrs. BENTLEY. Mr. Speaker, I rise in strong support of the conference report. The Coast Guard Authorization Act of 1993 is an important piece of legislation which is a culmination of many hours of difficult negotiations between House and Senate leaders and staffs in both bodies.

Included in the legislation is language authorizing the transfer of obsolete mothball vessels to three maritime organizations each of which operates a historic World War II Liberty or Victory ship.

This noncontroversial language is important to many American veterans across the country and I want to thank the Merchant Marine and Fisheries Committee leadership—Chairman STUDDS, Representatives FIELDS, LIPINSKI, BATEMAN, TAUZIN, and COBLE—for their direct involvement in making it possible for these ships to be part of the Normandy '94 flotilla to commemorate the 50th anniversary of "D-Day" on June 6, 1994. Both the majority and minority staffs of the Merchant Marine and Fisheries Committee worked unceasingly to make certain that the Liberty ship memorial bill make it through both Houses either as a freestanding bill or part of the Coast Guard authorization.

On behalf of the SS *John W. Brown*, SS *Jeremiah O'Brien*, and SS *Lane Victory*, I again want to thank everyone involved.

Mr. YOUNG of Alaska. Mrs. Speaker, further reserving the right to object, I rise in support of H.R. 2150 and urge its adoption by the House.

This bill, as amended by the Senate, is the result of a long discussion among Senate and House members. It is not a perfect bill. There are provisions that some House Members would like to see changed. There are things not included which should be. Nevertheless, on balance, it is a bill that I believe we should pass.

Title I of the bill authorizes appropriations for the U.S. Coast Guard. I want to take this opportunity to thank Admiral Kime, Commandant of the Coast Guard, for his help in moving the bill. I understand that this is likely to be the last Coast Guard authorization bill to move before he retires, and I think he deserves the gratitude of the Congress for his many years of distinguished service.

Titles II, III, and IV contain a number of miscellaneous provisions affecting the Coast Guard, including one which will relieve commercial fishermen from certain paperwork burdens resulting from Coast Guard regulations.

Title V contains the revised text of the Passenger Vessel Safety Act, which is designed to improve safety on previously uninspected passenger vessels.

Title VI contains a variety of maritime provisions reported by the House Merchant Marine and Fisheries Committee.

Title VII contains several fisheries provisions, including the texts of H.R. 3509 and House Concurrent Resolution 135, both of which have been reported by the committee.

Title VIII includes the text of H.R. 2134, which has previously passed the house.

Title IX is the text of H.R. 58, which the House approved this weekend.

Finally, Mr. Speaker, I want to say a few words about language that was not included by the Senate.

The House has gone on record on several occasions regarding the need to grant veteran's status for certain World War II merchant mariners. Mr. FIELDS has introduced H.R. 44, which I cosponsored along with 236 other members. The Senate has refused to act on this bill.

Although the text of the bill is not included here, as we all hoped, I have been assured that a strong effort will be made to correct this problem by either legislative or administrative action. I support this effort.

In my opinion, these Americans who served their country so loyally at great risk to life and limb, deserve to be recognized as veterans. None of us should rest until this status is granted to them.

Mr. Speaker, on balance this is a bill that deserves to be passed. I urge the House to do so.

Mr. TAUZIN. Mr. Speaker, I join the chairman of the Merchant Marine and Fisheries Committee to urge the House to concur in the amendments adopted by the Senate to the Coast Guard Authorization Act of 1993. This Act is the result of a great deal of cooperation, effort, and real dedication on the part of my colleagues on the House Committee on Merchant Marine and Fisheries. I want to thank our chairman, the Honorable GERRY STUDDS

of Massachusetts, for his support of this legislation and his willingness to bring all the affected members together on some very difficult issues. I want to especially thank our ranking minority member, the Honorable JACK FIELDS of Texas, for his untiring efforts on behalf of the men and women of the U.S. Coast guard and the U.S. merchant marine. The Honorable HOWARD COBLE deserves special thanks. Mr. COBLE, as a former Coast Guard member brings a personal concern for the men and women who serve our country with such courage and dignity.

Mr. Speaker, the Subcommittee on Coast Guard and Navigation fully authorized the essential programs of the Coast Guard, but unfortunately the Coast Guard 1994 fiscal year appropriation is far lower than what we have authorized. The Coast Guard presented our committee with an extremely lean budget, and we made further cuts in that budget. However, I know that the Coast Guard will get the job done. They will save lives, insure safe navigation for our ships, respond to oilspills, interdict and rescue illegal immigrants in the Caribbean, inspect passenger vessels to prevent loss of life, and carry out the long list of missions that Congress has given them.

One of the most important safety bills which congress will be enacting this year is the Passenger Vessel Safety Act of 1993. I am truly proud of our subcommittee for its efforts in proposing and adopting this important legislation. I know it will be the cornerstone of the Coast Guard's efforts to insure safety for the many members of the general public participating in our growing passenger vessel industry.

At present, many vessels used for party cruises are not inspected and certificated by the Coast Guard because of a legal loophole called the bare boat charter. The use of the bare boat charter agreement by a vessel makes it nearly impossible for the Coast Guard to inspect and insure the safety of the passengers aboard that vessel. The Passenger Vessel Safety Act requires that vessels carrying more than 12 passengers, whether bare boat chartered or not, be inspected and obtain a certificate from the Coast Guard showing that they meet certain safety standards. They will be subject to fire safety and life saving standards and also standards for hull construction, stability, manning, electrical wiring, and machinery installation. The bill gives these vessels a sufficient opportunity to come into compliance and gives the Coast Guard the discretion to allow vessels some limited additional time to comply where the vessel owner has made a good faith effort.

This bill contains many important provisions to the Coast Guard and to the general public. Our members have worked hard to achieve consensus while maintaining very stringent standards for public safety. The Senate amendments are worthy of our consideration and adoption. I urge the House to concur in the amendments adopted by the Senate.

Mr. COBLE. Mr. Speaker, I am pleased to rise in support of H.R. 2150, the Coast Guard Authorization Act for fiscal year 1994.

As the ranking Republican member of the Merchant Marine and Fisheries Subcommittee on Coast Guard and Navigation, I support the Coast Guard authorization sections of H.R. 2150 as well as the title which incorporates the Passenger Vessel Safety Act.

I also want to state my strong disappointment in the Senate for not including an amendment which was added to the House version of the Coast Guard authorization bill. This amendment would have granted veteran status to certain members of the U.S. merchant marine who served during World War II. These individuals would have merely been given a military discharge, a flag when they die, and the option to be buried in a veterans cemetery. The cost of this small recognition would have been very small, and I believe these individuals deserve this honor.

As many of you know, the Coast Guard provides our Nation with one of the best values in the Federal budget. The Coast Guard is a multimission agency with roles in marine environmental protection, maritime law enforcement, and maritime safety. All the Coast Guard, missions, whether directed toward rescuing distressed mariners, interdicting drug smugglers, opening frozen rivers to commerce, or conducting port security operations, contribute directly to the Nation's economic social, environmental, and military security.

I hope that my colleagues took time to read and see last summer's press reports about the Coast Guard's tireless efforts to assist and rescue people who were caught in the terrible Midwest floods. The floods strongly illustrate that the Coast Guard helps to protect all parts of our country, not just coastal United States.

The Passenger Vessel Safety Act, which was approved by the Coast Guard and Navigation Subcommittee on March 31 and passed by the full House on June 9, provides for the increased protection of passengers on commercial vessels by closing loopholes in our current law which have allowed some passenger vessel operations to avoid having their vessels inspected by the Coast Guard. Every American who boards a commercial vessel, whether it be for an extended vacation or a dinner cruise, should be assured that his safety will be protected.

While this issue is not addressed in this particular bill, I would also like to state my strong concerns about the Appropriation Committee's fiscal year 1994 funding levels for the Coast Guard Reserve. Over the next year, the Coast Guard will have to reduce the number of reservists from 10,500 to 8,000. I am very concerned about such a large cut.

Unlike the other military reserves, the Coast Guard Reserve is extensively used during peacetime emergencies. Reserve units were very important in the cleanup of the *Exxon Valdez* oil spill in Alaska, the emergency operations after hurricane Hugo in North and South Carolina, and last summer's Midwest floods. While I am a strong supporter of reducing unnecessary government spending, I fear that a 2,500-person reduction may hamper the Coast Guard in carrying out its vital missions. I have also heard rumors that the administration may call for even further cuts in the Coast Guard Reserve during a fiscal year 1995. I fear that any further reductions could cripple this important organization.

I urge my colleagues to vote in favor of this legislation which will authorize the Coast Guard in fiscal year 1994 and protect the lives of the thousands of Americans who enjoy our Nation's rivers, lakes, and coastal waters.

Mr. YOUNG of Alaska. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

A motion to reconsider was laid on the table.

FRIENDSHIP ACT

Mr. HAMILTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3000) for reform in emerging new democracies and support and help for improved partnership with Russia, Ukraine, and other New Independent States of the former Soviet Union, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLES.

This Act may be cited as the "Act For Reform In Emerging New Democracies and Support and Help for Improved Partnership with Russia, Ukraine, and Other New Independent States" or as the "FRIENDSHIP Act".

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short titles.
Sec. 2. Table of contents.
Sec. 3. Definition.

TITLE I—POLICY OF FRIENDSHIP AND COOPERATION

Sec. 101. Statement of purpose.
Sec. 102. Findings.
Sec. 103. Statutory provisions that have been applicable to the Soviet Union.

TITLE II—TRADE AND BUSINESS RELATIONS

Sec. 201. Policy under Export Administration Act.
Sec. 202. Representation of countries of Eastern Europe and the Independent States of the former Soviet Union in legal commercial transactions.
Sec. 203. Procedures regarding transfers of certain Department of Defense-funded items.
Sec. 204. Soviet slave labor.

TITLE III—CULTURAL, EDUCATIONAL, AND OTHER EXCHANGE PROGRAMS

Sec. 301. Mutual Educational and Cultural Exchange Act of 1961.
Sec. 302. Soviet-Eastern European research and training.
Sec. 303. Fascell Fellowship Act.
Sec. 304. Board for International Broadcasting Act.
Sec. 305. Scholarship programs for developing countries.
Sec. 306. Report on Soviet participants in certain exchange programs.

TITLE IV—ARMS CONTROL

Sec. 401. Arms Control and Disarmament Act.
Sec. 402. Arms Export Control Act.
Sec. 403. Annual reports on arms control matters.
Sec. 404. United States/Soviet direct communication link.

TITLE V—DIPLOMATIC RELATIONS

Sec. 501. Personnel levels and limitations.
Sec. 502. Other provisions related to operation of embassies and consulates.
Sec. 503. Foreign Service Buildings Act.

TITLE VI—OCEANS AND THE ENVIRONMENT
Sec. 601. Arctic Research and Policy Act.
Sec. 602. Fur seal management.
Sec. 603. Global climate protection.
TITLE VII—REGIONAL AND GENERAL DIPLOMATIC ISSUES
Sec. 701. United Nations assessments.
Sec. 702. Soviet occupation of Afghanistan.
Sec. 703. Angola.
Sec. 704. Self determination of the people from the Baltic States.
Sec. 705. Obsolete references in Foreign Assistance Act.
Sec. 706. Review of United States policy toward the Soviet Union.
TITLE VIII—INTERNAL SECURITY; WORLDWIDE COMMUNIST CONSPIRACY
Sec. 801. Civil defense.
Sec. 802. Report on Soviet press manipulation in the United States.
Sec. 803. Subversive Activities Control Act.
Sec. 804. Report on Soviet and international communist behavior.
TITLE IX—MISCELLANEOUS
Sec. 901. Ballistic missile tests near Hawaii.
Sec. 902. Nondelivery of international mail.
Sec. 903. State-sponsored harassment of religious groups.
Sec. 904. Murder of Major Arthur Nicholson.
Sec. 905. Monument to honor victims of communism.

SEC. 3. DEFINITION.

As used in this Act (including the amendments made by this Act), the terms "independent states of the former Soviet Union" and "independent states" have the meaning given those terms by section 3 of the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992 (22 U.S.C. 5801).

TITLE I—POLICY OF FRIENDSHIP AND COOPERATION

SEC. 101. STATEMENT OF PURPOSE.

The purpose of this Act is to amend or repeal numerous statutory provisions that restrict or otherwise impede normal relations between the United States and the Russian Federation, Ukraine, and the other independent states of the former Soviet Union. All of the statutory provisions amended or repealed by this Act were relevant and appropriate at the time of enactment, but with the end of the Cold War, they have become obsolete. It is not the purpose of this Act to rewrite or erase history, or to forget those who suffered in the past from the injustices or repression of communist regimes in the Soviet Union, but rather to update United States law to reflect changed international circumstances and to demonstrate for reformers and democrats in the independent states of the former Soviet Union the resolve of the people of the United States to support the process of democratic and economic reform and to conduct business with those states in a new spirit of friendship and cooperation.

SEC. 102. FINDINGS.

The Congress finds and declares as follows:

(1) The Vancouver Declaration issued by President Clinton and President Yeltsin in April 1993 marked a new milestone in the development of the spirit of cooperation and partnership between the United States and Russia. The Congress affirms its support for the principles contained in the Vancouver Declaration.

(2) The Vancouver Declaration underscored that—

(A) a dynamic and effective partnership between the United States and Russia is vital to the success of Russia's historic transformation;

(B) the rapid integration of Russia into the community of democratic nations and the world economy is important to the national interest of the United States; and

(C) cooperation between the United States and Russia is essential to the peaceful resolution of international conflicts and the promotion of democratic values, the protection of human rights, and the solution of global problems such as environmental pollution, terrorism, and narcotics trafficking.

(3) The Congress enacted the FREEDOM Support Act (Public Law 102–511), as well as other legislation such as the Soviet Nuclear Threat Reduction Act of 1991 (title II of Public Law 102–228) and the Former Soviet Union Demilitarization Act of 1992 (title XIV of Public Law 102–484), to help meet the historic opportunities and challenges presented by the transformation that has taken place, and is continuing to take place, in what once was the Soviet Union.

(4) The process of reform in Russia, Ukraine, and the other independent states of the former Soviet Union is ongoing. The holding of a referendum in Russia on April 25, 1993, that was free and fair, and that reflected the support of the Russian people for the process of continued and strengthened democratic and economic reform, represents an important and encouraging hallmark in this ongoing process.

(5) There remain in force many United States laws that are relics of the Cold War, and repeals or revisions of these provisions can play an important role in efforts to foster and strengthen the bonds of trust and friendship, as well as mutually beneficial trade and economic relations, between the United States and Russia, the United States and Ukraine, and the United States and the other independent states of the former Soviet Union.

SEC. 103. STATUTORY PROVISIONS THAT HAVE BEEN APPLICABLE TO THE SOVIET UNION.

(a) IN GENERAL.—There are numerous statutory provisions that were enacted in the context of United States relations with a country, the Soviet Union, that are fundamentally different from the relations that now exist between the United States and Russia, between the United States and Ukraine, and between the United States and the other independent states of the former Soviet Union.

(b) EXTENT OF SUCH PROVISIONS.—Many of the provisions referred to in subsection (a) imposed limitations specifically with respect to the Soviet Union, and its constituent republics, or utilized language that reflected the tension that existed between the United States and the Soviet Union at the time of their enactment. Other such provisions did not refer specifically to the Soviet Union, but nonetheless were directed (or may be construed as having been directed) against the Soviet Union on the basis of the relations that formerly existed between the United States and the Soviet Union, particularly in its role as the leading communist country.

(c) FINDINGS AND AFFIRMATION.—The Congress finds and affirms that provisions such as those described in this section, including—

(1) section 216 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 4316),

(2) sections 136 and 804 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (Public Law 99–93),

(3) section 1222 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100–204; 101 Stat. 1411),

(4) the Multilateral Export Control Enhancement Amendments Act (50 U.S.C. 2410 note, et seq.),

(5) the joint resolution providing for the designation of "Captive Nations Week" (Public Law 86–90),

(6) the Communist Control Act of 1954 (Public Law 83–637),

(7) provisions in the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), including sections 101(a)(40), 101(e)(3), and 313(a)(3),

(8) section 2 of the joint resolution entitled "A joint resolution to promote peace and stability in the Middle East", approved March 9, 1957 (Public Law 85–7), and

(9) section 43 of the Bretton Woods Agreements Act (22 U.S.C. 286aa),

should not be construed as being directed against Russia, Ukraine, or the other independent states of the former Soviet Union, connoting an adversarial relationship between the United States and the independent states, or signifying or implying in any manner unfriendliness toward the independent states.

TITLE II—TRADE AND BUSINESS RELATIONS

SEC. 201. POLICY UNDER EXPORT ADMINISTRATION ACT.

(a) CONFORMING AMENDMENTS.—Section 2 of the Export Administration Act of 1979 (50 U.S.C. App. 2401) is amended—

(1) by striking paragraph (11); and

(2) by redesignating paragraphs (12) and (13) as paragraphs (11) and (12), respectively.

(b) POLICY REGARDING KAL.—

(1) The Congress finds that—

(A) President Yeltsin should be commended for meeting personally with representatives of the families of the victims of the shootdown of Korean Airlines (KAL) Flight 7;

(B) President Yeltsin's Government has met on two separate occasions with United States Government and family members to answer questions associated with the shootdown and has arranged for the families to interview Russians involved in the incident or the search and rescue operations that followed;

(C) President Yeltsin's Government has also cooperated fully with the International Civil Aviation Organization (ICAO) to allow it to complete its investigation of the incident and has provided numerous materials requested by the ICAO, including radar data and so-called "black boxes", the digital flight data and cockpit voice recorders from the flight;

(D) the Export Administration Act of 1979 continues to state that the United States should continue to object to exceptions to the International Control List for the Union of Soviet Socialist Republics in light of the KAL tragedy, even though the "no exceptions" policy was rescinded by President Bush in 1990;

(E) the Government of the United States is seeking compensation from the Russian Government on behalf of the families of the KAL victims, and the Congress expects the Administration to continue to pursue issues related to the shootdown, including that of compensation, with officials at the highest level of the Russian Government; and

(F) in view of the cooperation provided by President Yeltsin and his government regarding the KAL incident and these other developments, it is appropriate to remove such language from the Export Administration Act of 1979.

(2) Section 3(15) of the Export Administration Act of 1979 (50 U.S.C. App. 2402(15)) is repealed.

SEC. 202. REPRESENTATION OF COUNTRIES OF EASTERN EUROPE AND THE INDEPENDENT STATES OF THE FORMER SOVIET UNION IN LEGAL COMMERCIAL TRANSACTIONS.

Section 951(e) of title 18, United States Code, is amended by striking "the Soviet Union" and all that follows through "or Cuba" and inserting "Cuba or any other country that the President determines (and so reports to the Congress) poses a threat to the national security interest of the United States for purposes of this section".

SEC. 203. PROCEDURES REGARDING TRANSFERS OF CERTAIN DEPARTMENT OF DEFENSE-FUNDED ITEMS.

(a) LIMITATION ON CERTAIN MILITARY TECHNOLOGY TRANSFERS.—(1) Section 223 of the National Defense Authorization Act for Fiscal

Years 1988 and 1989 (10 U.S.C. 2431 note) is amended to read as follows:

"SEC. 223. LIMITATION ON TRANSFER OF CERTAIN MILITARY TECHNOLOGY TO INDEPENDENT STATES OF THE FORMER SOVIET UNION.

"Military technology developed with funds appropriated or otherwise made available for the Ballistic Missile Defense Program may not be transferred (or made available for transfer) to Russia or any other independent state of the former Soviet Union by the United States (or with the consent of the United States) unless the President determines, and certifies to the Congress at least 15 days prior to any such transfer, that such transfer is in the national interest of the United States and is to be made for the purpose of maintaining peace.".

(2) Section 6 of that Act is amended by amending the item in the table of contents relating to section 223 to read as follows:

"Sec. 223. Limitation on transfer of certain military technology to independent states of the former Soviet Union.".

(b) REPEAL OF OBSOLETE PROVISION.—Section 709 of the Department of Defense Appropriations Authorization Act, 1975 (50 U.S.C. App. 2403–1) is repealed.

SEC. 204. SOVIET SLAVE LABOR.

(a) REPEAL.—Section 1906 of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 1307 note) is repealed.

(b) CONFORMING AMENDMENT.—Section 1(b) of that Act is amended by striking the item in the table of contents relating to section 1906.

TITLE III—CULTURAL, EDUCATIONAL, AND OTHER EXCHANGE PROGRAMS

SEC. 301. MUTUAL EDUCATIONAL AND CULTURAL EXCHANGE ACT OF 1961.

The Mutual Educational and Cultural Exchange Act of 1961 is amended—

(1) in section 112(a)(8) (22 U.S.C. 2460(a)(8)), by striking "Soviet Union" both places it occurs and inserting "independent states of the former Soviet Union"; and

(2) in section 113 (22 U.S.C. 2461)—

(A) by amending the section caption to read "EXCHANGES BETWEEN THE UNITED STATES AND THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.—";

(B) by striking "an agreement with the Union of Soviet Socialist Republics" and inserting "agreements with the independent states of the former Soviet Union";

(C) by striking "made by the Soviet Union" and inserting "made by the independent states";

(D) by striking "and the Soviet Union" and inserting "and the independent states"; and

(E) by striking "by Soviet citizens in the United States" and inserting "in the United States by citizens of the independent states".

SEC. 302. SOVIET-EASTERN EUROPEAN RESEARCH AND TRAINING.

The Soviet-Eastern European Research and Training Act of 1983 (22 U.S.C. 4501–4508) is amended—

(1) by amending the title heading to read "**TITLE VIII—RESEARCH AND TRAINING FOR EASTERN EUROPE AND THE INDEPENDENT STATES OF THE FORMER SOVIET UNION**";

(2) in section 801, by striking "Soviet-Eastern European Research and Training" and inserting "Research and Training for Eastern Europe and the Independent States of the Former Soviet Union";

(3) in paragraphs (1), (2), and (3)(E) of section 802, by striking "Soviet Union and Eastern European countries" and inserting "countries of Eastern Europe and the independent states of the former Soviet Union";

(4) in section 803(2), by striking "Soviet-Eastern European Studies Advisory Committee" and inserting "Advisory Committee for Studies of Eastern Europe and the Independent States of the Former Soviet Union";

(5) in section 804—

(A) in the section heading by striking "THE SOVIET-EASTERN EUROPEAN STUDIES";

(B) in subsection (a), by striking "Soviet-Eastern European Studies Advisory Committee" and inserting "Advisory Committee for Studies of Eastern Europe and the Independent States of the Former Soviet Union"; and

(C) in subsection (d), by striking "Soviet and Eastern European countries" and inserting "the countries of Eastern Europe and the independent states of the former Soviet Union"; and

(6) in section 805(b)—

(A) in paragraphs (2)(A), (2)(B), and (6), by striking "Soviet and Eastern European studies" and inserting "studies on the countries of Eastern Europe and the independent states of the former Soviet Union";

(B) in paragraphs (3)(A) and (3)(B), by striking "fields of Soviet and Eastern European studies and related studies" and inserting "independent states of the former Soviet Union and the countries of Eastern Europe and related fields";

(C) in paragraph (3)(A) by striking "the Soviet Union and Eastern European countries" and inserting "those states and countries";

(D) in paragraph (4)—

(i) by striking "Union of Soviet Socialist Republics" the first place it appears and inserting "independent states of the former Soviet Union", and

(ii) by striking "the Union of Soviet Socialist Republics and Eastern European countries" and inserting "those states and countries"; and

(E) in paragraph (5)—

(i) by striking everything in the first sentence following: "support" and inserting "training in the languages of the independent states of the former Soviet Union and the countries of Eastern Europe."; and

(ii) in the last sentence by inserting immediately before the period "and, as appropriate, studies of other languages of the independent states of the former Soviet Union".

SEC. 303. FASCELL FELLOWSHIP ACT.

Section 1002 of the Fascell Fellowship Act (22 U.S.C. 4901) is amended in the section heading by striking "**IN THE SOVIET UNION AND EASTERN EUROPE**" and inserting "**ABROAD**".

SEC. 304. BOARD FOR INTERNATIONAL BROADCASTING ACT.

(a) BALTIC DIVISION.—Section 307 of the Board for International Broadcasting Authorization Act, Fiscal Years 1984 and 1985 (Title III of Public Law 98–164; 97 Stat. 1037) is repealed.

(b) JAMMING OF BROADCASTS.—Section 308 of that Act (97 Stat. 1037) is amended—

(1) by striking "(a) The" and all that follows through "(b) It" and inserting "It"; and

(2) by striking "Government of the Soviet Union" and inserting "government of any country engaging in such activities".

SEC. 305. SCHOLARSHIP PROGRAMS FOR DEVELOPING COUNTRIES.

Section 602 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (22 U.S.C. 4702) is amended by striking paragraphs (6) and (7) and by redesignating paragraphs (8), (9), and (10) as paragraphs (6), (7), and (8), respectively.

SEC. 306. REPORT ON SOVIET PARTICIPANTS IN CERTAIN EXCHANGE PROGRAMS.

Section 126 of the Department of State Authorization Act, Fiscal Years 1982 and 1983 (Public Law 102–138; 96 Stat. 282) is repealed.

TITLE IV—ARMS CONTROL

SEC. 401. ARMS CONTROL AND DISARMAMENT ACT.

(a) REPORTS ON STANDING CONSULTATIVE COMMISSION ACTIVITIES.—Section 38 of the Arms Control and Disarmament Act (22 U.S.C. 2578) is amended by striking "United States-Union of Soviet Socialist Republics".

(b) LANGUAGE SPECIALISTS.—Section 51 of that Act (22 U.S.C. 2591) is amended—

(1) by amending the section heading to read "SPECIALISTS FLUENT IN RUSSIAN OR OTHER LANGUAGES OF THE INDEPENDENT STATES OF THE FORMER SOVIET UNION";

(2) by striking "Soviet foreign and military policies" and inserting "the foreign and military policies of the independent states of the former Soviet Union"; and

(3) by inserting "or another language of the independent states of the former Soviet Union" after "Russian language".

(c) COMPLIANCE WITH AGREEMENTS.—Section 52 of that Act (22 U.S.C. 2592) is amended—

(1) in paragraph (1), by striking "the Soviet Union" both places it appears and inserting "Russia";

(2) in paragraph (3), by striking "Soviet adherence" and inserting "Russian adherence" and by striking "the Soviet Union" and inserting "Russia"; and

(3) in paragraph (5), by striking "the Soviet Union" and inserting "Russia".

(d) ON-SITE INSPECTION AGENCY.—Section 61(4) of that Act (22 U.S.C. 2595(4)) is amended—

(1) in subparagraph (A), by striking "the Soviet Union, Czechoslovakia, and the German Democratic Republic" and inserting "Russia, Ukraine, Kazakhstan, Belarus, Turkmenistan, Uzbekistan, the Czech Republic, and Germany";

(2) in subparagraph (B), by striking "Soviet";

(3) in subparagraph (C), by striking "the Soviet Union" and inserting "Russia"; and

(4) in subparagraph (D), by striking "Soviet".

SEC. 402. ARMS EXPORT CONTROL ACT.

The Arms Export Control Act is amended—

(1) in section 94(b)(3)(B) (22 U.S.C. 2799c(b)(3)(B)), by striking "Warsaw Pact country" and inserting "country of the Eastern Group of States Parties"; and

(2) in section 95(5) (22 U.S.C. 2799d(5))—

(A) by striking "Warsaw Pact country" and inserting "country of the Eastern Group of States Parties"; and

(B) by inserting before the period at the end "or a successor state to such a country".

SEC. 403. ANNUAL REPORTS ON ARMS CONTROL MATTERS.

(a) SOVIET COMPLIANCE WITH ARMS CONTROL COMMITMENTS.—(1) Section 1002 of the Department of Defense Authorization Act, 1986 (22 U.S.C. 2592a) is repealed.

(2) Section 1(b) of that Act is amended by striking the item in the table of contents relating to section 1002.

(b) ARMS CONTROL STRATEGY.—(1) Section 906 of the National Defense Authorization Act, Fiscal Year 1989 (22 U.S.C. 2592b) is repealed.

(2) Section 3 of that Act is amended by striking the item in the table of contents relating to section 906.

(c) ANTIBALLISTIC MISSILE CAPABILITIES AND ACTIVITIES OF THE SOVIET UNION.—(1) Section 907 of the National Defense Authorization Act, Fiscal Year 1989 (102 Stat. 2034) is repealed.

(2) Section 3 of that Act is amended by striking the item in the table of contents relating to section 907.

SEC. 404. UNITED STATES/SOVIET DIRECT COMMUNICATION LINK.

(a) CHANGING REFERENCES.—The joint resolution entitled "Joint Resolution authorizing the Secretary of Defense to provide to the Soviet Union, on a reimbursable basis, equipment and services necessary for an improved United

States/Soviet Direct Communication Link for crisis control," approved August 8, 1985 (10 U.S.C. 113 note) is amended—

(1) in the first section—

(A) by striking "to the Soviet Union" both places it appears and inserting "to Russia"; and

(B) by striking "Soviet Union part" and inserting "Russian part"; and

(2) in section 2(b), by striking "the Soviet Union" and inserting "Russia".

(b) SAVINGS PROVISION.—The amendment made by subsection (a)(2) does not affect the applicability of section 2(b) of that joint resolution to funds received from the Soviet Union.

TITLE V—DIPLOMATIC RELATIONS

SEC. 501. PERSONNEL LEVELS AND LIMITATIONS.

(a) PERSONNEL CEILING ON UNITED STATES AND SOVIET MISSIONS.—Section 602 of the Intelligence Authorization Act, Fiscal Year 1990 (Public Law 101–193; 103 Stat. 1710) is repealed.

(b) REPORT ON PERSONNEL OF SOVIET STATE TRADING ENTERPRISES.—(1) Section 154 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100–204; 101 Stat. 1353) is repealed.

(2) Section 1(b) of that Act is amended by striking the item in the table of contents relating to section 154.

(c) REPORT ON ADMISSION OF CERTAIN ALIENS.—Section 501 of the Intelligence Authorization Act, Fiscal Year 1988 (22 U.S.C. 254c–2) is repealed.

(d) SOVIET MISSION AT THE UNITED NATIONS.—Section 702 of the Intelligence Authorization Act for Fiscal Year 1987 (22 U.S.C. 287 note) is repealed.

(e) DIPLOMATIC EQUIVALENCE AND RECIPROCITY.—(1) Section 813 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (Public Law 99–93; 99 Stat. 455) is repealed.

(2) Section 1(b) of that Act is amended by striking the item in the table of contents relating to section 813.

SEC. 502. OTHER PROVISIONS RELATED TO OPERATION OF EMBASSIES AND CONSULATES.

(a) CONSTRUCTION OF DIPLOMATIC FACILITIES.—Section 132 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (Public Law 102–138; 105 Stat. 662) is amended—

(1) by repealing subsections (a) through (d) and subsections (h) through (j); and

(2) in subsection (e)—

(A) by striking "(e) EXTRAORDINARY SECURITY SAFEGUARDS.—";

(B) by striking "(1) In" and inserting "(a) EXTRAORDINARY SECURITY SAFEGUARDS.—In" and by striking "(2) Such" and inserting "(b) SAFEGUARDS TO BE INCLUDED.—Such";

(C) by setting subsections (a) and (b), as so redesignated, on a full measure margin; and

(D) in subsection (b), as so redesignated—

(i) by striking "paragraph (1)" and inserting "subsection (a)"; and

(ii) by redesignating subparagraphs (A) through (E) as paragraphs (1) through (5), respectively, and by setting such redesignated paragraphs on a 2-em indention.

(b) POSSIBLE MOSCOW EMBASSY SECURITY BREACH.—(1) Section 133 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (Public Law 102–138; 105 Stat. 665) is repealed.

(2) Section 2 of that Act is amended by striking the item in the table of contents relating to section 133.

(c) UNITED STATES-SOVIET RECIPROCITY IN MATTERS RELATING TO EMBASSIES.—(1) Section 134 of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (22 U.S.C. 4301 note) is repealed.

(2) Section 1(b) of that Act is amended by striking the item in the table of contents relating to section 134.

(d) REASSESSMENT OF SOVIET ELECTRONIC ESPIONAGE CAPABILITY FROM MOUNT ALTO EMBASSY SITE.—(1) Section 1232 of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100–456; 102 Stat. 2056) is repealed.

(2) Section 3 of that Act is amended by striking the item in the table of contents relating to section 1232.

(e) DIPLOMATIC RECIPROCITY.—(1) Sections 151 through 153 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100–204; 101 Stat. 1351) are repealed.

(2) Section 1(b) of that Act is amended by striking the items in the table of contents relating to sections 151 through 153.

(f) ELECTRONIC ESPIONAGE CAPABILITY FROM MOUNT ALTO EMBASSY SITE.—(1) Section 1122 of the National Defense Authorization Act for Fiscal Years 1988 and 1989 (Public Law 100–180; 101 Stat. 1149) is repealed.

(2) Section 6 of that Act is amended by striking the item in the table of contents relating to section 1122.

(g) ASSESSMENT OF SOVIET ELECTRONIC ESPIONAGE CAPABILITIES.—Section 901 of the Intelligence Authorization Act, Fiscal Year 1988 (Public Law 100–178; 101 Stat. 1017) is repealed.

(h) FOREIGN ESPIONAGE ACTIVITIES IN THE UNITED STATES.—Section 1364 of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99–661; 100 Stat. 4001) is amended by—

(1) repealing subsections (a) and (c); and

(2) striking "(b) CONGRESSIONAL POLICY.—".

SEC. 503. FOREIGN SERVICE BUILDINGS ACT.

Section 4(j) of the Foreign Service Buildings Act, 1926 (22 U.S.C. 295(j)) is repealed.

TITLE VI—OCEANS AND THE ENVIRONMENT

SEC. 601. ARCTIC RESEARCH AND POLICY ACT.

Section 102(a) of the Arctic Research and Policy Act of 1984 (15 U.S.C. 4101(a)) is amended—

(1) in paragraph (2), by striking "as" and all that follows through the comma; and

(2) in paragraph (10), by striking ", particularly the Soviet Union,".

SEC. 602. FUR SEAL MANAGEMENT.

The Act of November 2, 1966, commonly known as the Fur Seal Act of 1966, is amended—

(1) in section 101(h) (16 U.S.C. 1151(h)), by striking "the Union of Soviet Socialist Republics" and inserting "Russia (except that as used in subsection (b) of this section, 'party' and 'parties' refer to the Union of Soviet Socialist Republics)"; and

(2) in section 102 (16 U.S.C. 1152), by striking "the Union of Soviet Socialist Republics" and inserting "Russia".

SEC. 603. GLOBAL CLIMATE PROTECTION.

The Global Climate Protection Act of 1987 (title XI of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989; 15 U.S.C. 2901 note) is amended—

(1) in section 1106—

(A) by striking "**UNITED STATES-SOVIET RELATIONS**" in the section heading and inserting "**UNITED STATES RELATIONS WITH THE INDEPENDENT STATES OF THE FORMER SOVIET UNION**";

(B) by striking "Soviet Union" and inserting "independent states of the former Soviet Union";

(C) by striking "their joint role as the world's two major" and inserting "the extent to which they are"; and

(D) by striking "United States-Soviet relations" and inserting "United States relations with the independent states"; and

(2) in section 1(b), in item in the table of contents relating to section 1106, by striking "United States-Soviet relations" and inserting "United States relations with the independent states of the former Soviet Union".

TITLE VII—REGIONAL AND GENERAL DIPLOMATIC ISSUES

SEC. 701. UNITED NATIONS ASSESSMENTS.

Section 717 of the International Security and Development Cooperation Act of 1981 (Public Law 97–113; 95 Stat. 1549) is amended—

(1) in the section heading by striking "**OF THE SOVIET UNION**";

(2) in subsection (a)—

(A) in paragraph (2), by inserting "and" after the semicolon;

(B) in paragraph (3) by striking "; and" and inserting a period; and

(C) by striking paragraph (4); and

(3) in subsection (b), by striking "a diplomatic" and all that follows through "including its", and inserting "appropriate diplomatic initiatives to ensure that members of the United Nations make payments of all their outstanding financial obligations to the United Nations, including their".

SEC. 702. SOVIET OCCUPATION OF AFGHANISTAN.

(a) REPEAL.—Section 1241 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100–204; 101 Stat. 1420) is repealed.

(b) CONFORMING AMENDMENT.—Section 1(b) of that Act is amended by striking the item in the table of contents relating to section 1241.

SEC. 703. ANGOLA.

Section 405 of the International Security Assistance and Arms Export Control Act of 1976 (22 U.S.C. 2293 note) is repealed.

SEC. 704. SELF DETERMINATION OF THE PEOPLE FROM THE BALTIC STATES.

Paragraph (1) of section 1206 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100–204; 101 Stat. 1411) is amended by striking "from the Soviet Union".

SEC. 705. OBSOLETE REFERENCES IN FOREIGN ASSISTANCE ACT.

The Foreign Assistance Act of 1961 is amended—

(1) in section 501 (22 U.S.C. 2301)—

(A) in the second undesignated paragraph by striking "international communism and the countries it controls" and inserting "hostile countries";

(B) in the fourth undesignated paragraph, by striking "Communist or Communist-supported"; and

(C) in the fifth undesignated paragraph, by striking everything following "victims of" and inserting "aggression or in which the internal security is threatened by internal subversion inspired or supported by hostile countries.";

(2) in section 614(a)(4)(C) (22 U.S.C. 2364(a)(4)(C)), by striking "Communist or Communist-supported"; and

(3) in section 620(h) (22 U.S.C. 2370(h)), by striking "the Communist-bloc countries" and inserting "any country that is a Communist country for purposes of subsection (f)".

SEC. 706. REVIEW OF UNITED STATES POLICY TOWARD THE SOVIET UNION.

Section 24 of the International Security Assistance Act of 1978 (22 U.S.C. 2151 note) is repealed.

TITLE VIII—INTERNAL SECURITY; WORLDWIDE COMMUNIST CONSPIRACY

SEC. 801. CIVIL DEFENSE.

(a) IN GENERAL.—Except as provided in paragraph (2), section 501(b)(2) of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2301(b)) is amended by striking the first comma and all that follows through "stability,".

(b) EXCEPTION.—The amendment made by subsection (a) shall not apply if, before the date of enactment of this Act, title V of the Federal Civil Defense Act of 1950 has been repealed.

SEC. 802. REPORT ON SOVIET PRESS MANIPULATION IN THE UNITED STATES.

(a) REPEAL.—Section 147 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (Public Law 99–93; 99 Stat. 426) is repealed.

(b) CONFORMING AMENDMENT.—Section 1(b) of that Act is amended by striking the item in the table of contents relating to section 147.

SEC. 803. SUBVERSIVE ACTIVITIES CONTROL ACT.

The Subversive Activities Control Act of 1950 (50 U.S.C. 781 and following) is amended—

(1) by repealing sections 1 through 3, 5, 6, and 9 through 16; and

(2) in section 4—

(A) by repealing subsections (a) and (f);

(B) by redesignating subsections (b) through (e) as subsections (a) through (d), respectively;

(C) in subsection (a), as so redesignated, by striking "or an officer" and all that follows through "section 3 of this title"; and

(D) in subsection (b), as so redesignated, by striking ", or any officer" and all that follows through "section 3 of this title,".

SEC. 804. REPORT ON SOVIET AND INTERNATIONAL COMMUNIST BEHAVIOR.

(a) REPEAL.—Section 155 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (Public Law 99–93) is repealed.

(b) CONFORMING AMENDMENT.—Section 1(b) of that Act is amended by striking the item in the table of contents relating to section 155.

TITLE IX—MISCELLANEOUS

SEC. 901. BALLISTIC MISSILE TESTS NEAR HAWAII.

(a) REPEAL.—Section 1201 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100–204; 101 Stat. 1409) is repealed.

(b) CONFORMING AMENDMENT.—Section 1(b) of that Act is amended by striking the item in the table of contents relating to section 1201.

SEC. 902. NONDELIVERY OF INTERNATIONAL MAIL.

(a) REPEAL.—Section 1203 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100–204; 101 Stat. 1411) is repealed.

(b) CONFORMING AMENDMENT.—Section 1(b) of that Act is amended by striking the item in the table of contents relating to section 1203.

SEC. 903. STATE-SPONSORED HARASSMENT OF RELIGIOUS GROUPS.

(a) POLICY.—Section 1204 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100–204; 101 Stat. 1411) is amended—

(1) by amending the section heading to read "**SEC. 1204. STATE-SPONSORED HARASSMENT OF RELIGIOUS GROUPS.**";

(2) in paragraph (1)—

(A) by striking "governments of the Union" and all that follows through "countries" and inserting "government of any country that engages in the harassment of religious groups", and

(B) by striking "to the harassment of Christians and other religious believers" and inserting "to such activities";

(3) in paragraph (2), by striking "the Union of Soviet Socialist Republics and Eastern European" and inserting "all" ; and

(4) by striking paragraph (3).

(b) REPEAL.—(1) Section 1202 of that Act (Public Law 100–204; 101 Stat. 1410) is repealed.

(2) Section 1(b) of that Act is amended—

(A) by striking the item in the table of contents relating to section 1202; and

(B) by amending the item in the table of contents relating to section 1204 to read as follows:

"Sec. 1204. State-sponsored harassment of religious groups.".

(c) REPEAL.—(1) Section 805 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (Public Law 99–93; 99 Stat. 450) is repealed.

(2) Section 1(b) of that Act is amended by striking the item in the table of contents relating to section 805.

SEC. 904. MURDER OF MAJOR ARTHUR NICHOLSON.

(a) FOREIGN RELATIONS AUTHORIZATION ACT.—Section 148 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (Public Law 99–93; 99 Stat. 427) is repealed.

(b) CONFORMING AMENDMENT TO TABLE OF CONTENTS.—Section 1(b) of that Act is amended by striking the item in the table of contents relating to section 148.

SEC. 905. MONUMENT TO HONOR VICTIMS OF COMMUNISM.

(a) FINDINGS.—Congress finds that—

(1) since 1917, the rulers of empires and international communism led by Vladimir I. Lenin and Mao Tse-tung have been responsible for the deaths of over 100,000,000 victims in an unprecedented imperial communist holocaust through conquests, revolutions, civil wars, purges, wars by proxy, and other violent means;

(2) the imperialist regimes of international communism have brutally suppressed the human rights, national independence, religious liberty, intellectual freedom, and cultural life of the peoples of over 40 captive nations;

(3) there is a danger that the heroic sacrifices of the victims of communism may be forgotten as international communism and its imperial bases continue to collapse and crumble; and

(4) the sacrifices of these victims should be permanently memorialized so that never again will nations and peoples allow so evil a tyranny to terrorize the world.

(b) AUTHORIZATION OF MEMORIAL.—

(1) AUTHORIZATION.—

(A) The National Captive Nations Committee, Inc., is authorized to construct, maintain, and operate in the District of Columbia an appropriate international memorial to honor victims of communism.

(B) The National Captive Nations Committee, Inc., is encouraged to create an independent entity for the purposes of constructing, maintaining, and operating the memorial.

(C) Once created, this entity is encouraged and authorized, to the maximum extent practicable, to include as active participants organizations representing all groups that have suffered under communism.

(2) COMPLIANCE WITH STANDARDS FOR COMMEMORATIVE WORKS.—The design, location, inscription, and construction of the memorial authorized by paragraph (1) shall be subject to the requirements of the Act entitled "An Act to provide standards for placement of commemorative works on certain Federal lands in the District of Columbia and its environs, and for other purposes", approved November 14, 1986 (40 U.S.C. 1001 et seq.).

(c) PAYMENT OF EXPENSES.—The entity referred to in subsection (b)(1) shall be solely responsible for acceptance of contributions for, and payment of the expenses of, the establishment of the memorial. No Federal funds may be used to pay any expense of the establishment of the memorial.

(d) DEPOSIT OF EXCESS FUNDS.—If, upon payment of all expenses of the establishment of the memorial, including the maintenance and preservation amount provided for in section 8(b) of the Act entitled "An Act to provide standards for placement of commemorative works on certain Federal lands in the District of Columbia and its environs, and for other purposes", approved November 14, 1986 (40 U.S.C. 1008(b)), or upon expiration of the authority for the memorial under section 10(b) of such Act (40 U.S.C. 4010(b)), there remains a balance of funds received for the establishment of the memorial, the entity referred to in subsection (b)(1) shall transmit the amount of the balance to the Secretary of the Treasury for deposit in the account provided for in section 8(b)(1) of such Act (40 U.S.C. 1008(b)(1)).

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Mr. GILMAN (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore (Mr. HOYER). Is there objection to the request of the gentleman from New York?

There was no objection.

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

Mr. GILMAN. Mr. Speaker, reserving the right to object, and I do not object, but under my reservation of objection I yield to the distinguished gentleman from Indiana [Mr. HAMILTON], the chairman of the Committee on Foreign Affairs, to explain the bill.

Mr. HAMILTON. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, H.R. 3000 as amended by the Senate revises obsolete laws related to the cold war.

The House passed its version of repealing cold war restrictions, H.R. 3000, as amended, on November 15. The other body took the text of the House-passed bill, amended it, and passed it on November 22.

Mr. Speaker, whatever the merits of the two bills, we are in a procedural situation where there is no possibility of a conference before adjournment.

A bill to repeal cold war restrictions is important to the President of the United States. He wants it signed into law before he travels to Moscow for a summit with President Yeltsin in January.

Thus, I believe that it is important that we complete legislative action on repealing cold war restrictions. The bill was introduced by the majority leader and the minority leader. We should complete action on this bill, and in this session.

Mr. Speaker, the chairman of the House Committee on Foreign Affairs recognizes the possible interests of the House Committee on Armed Services in certain provisions of the Export Administration Act [EAA] reauthorization legislation.

This legislation will be considered by the Foreign Affairs Committee and the full House next year.

As chair, I will make a good faith effort to consult with the Armed Services Committee regarding such legislation.

Again, I will make every effort to ensure that such consultation includes the opportunity for the Armed Services committee to comment on a markup draft prior to the formal consideration of such legislation by the Foreign Affairs Committee.

I urge my colleagues to support H.R. 3000 as amended,

Mr. GILMAN. Mr. Speaker, further reserving the right to object, I am pleased to yield to the distinguished gentleman from Arizona [Mr. KYL].

Mr. KYL. Mr. Speaker, I thank the gentleman for yielding to me, and I want to compliment the chairman of the committee for the statement he made with respect to working with the Committee on Armed Services. The reason for that, from my point of view, was the fact that that cooperation occurred at a rather late date with respect to this particular legislation, confusion resulted, and we want to avoid that kind of confusion when the House takes up the Export Administration Act.

I think the chairman's comment in this regard will be most helpful. I appreciate them very much. I appreciate the ranking member yielding to me.

Mr. GILMAN. Mr. Speaker, further reserving the right to object, I just rise to state my support for the passage of the Senate bill, S. 1672, the Friendship with Russia, Ukraine and Other Newly-Independent States Act.

Mr. Speaker, this bill, which, as H.R. 3000, passed the House earlier this month in a slightly different version, stems from the April meeting of Presidents Clinton and Yeltsin in Vancouver, Canada. The cause of democracy and reform in Russia, championed by Mr. Yeltsin, was at that point under tremendous attack from nationalist and Communist forces opposed to change, and the prospects for success in his struggle with those forces, as we can all recall, were doubtful.

As a gesture of our country's strong support for Mr. Yeltsin's efforts to achieve a stable, democratic system of government and economic prosperity for Russia, President Clinton agreed to review our statutory law concerning our relationship with Russia and the other New Independent States of the former Soviet Union in an attempt to ensure that they reflected the changes of the last few years.

After that review, and after consultation between the House leadership and the administration, the House version of this bill was introduced in August by the gentleman from Missouri, majority leader DICK GEPHARDT, and the gentleman from Illinois, minority leader BOB MICHEL. Their joint sponsorship of the bill was a clear sign of the bipartisan support that exists for the cause of reform in Russia.

The bill's provisions frankly do not touch on larger questions, such as the future of our Jackson-Vanik trade provisions linking emigration and most-favored-nation trade status or our multilateral export control system under CoCom. Those issues will be dealt with in other legislation or other venues. Instead, the bill generally seeks to revise or repeal those provisions of law, concerning our relations with Russia and the other New Independent States, which might be construed as retaining an adversarial character from the cold war era.

Mr. Speaker, in the House, the seven committees to which the measure was referred examined its proposed changes for those revisions that might go beyond the bill's intent and endanger our national security. I believe that the Foreign Affairs Committee's review of those provisions regarding export control and defense technology transfer language, incorporating suggestions communicated by the Armed Services Committee, went a very long way in ensuring that that does not occur.

At the same time, the Judiciary Committee and Select Committee on Intelligence also assured the Foreign Affairs Committee that the provisions of the bill within their jurisdiction were either technical or non-controversial. These committees' review of the bill led to its passage in the House by voice vote under suspension of the rules on November 15, with the leadership on both sides stating their strong and continuing support for the cause of reform in Russia.

The Senate has now come to us with a slightly amended version of the legislation that I think actually improves the bill somewhat. In particular, I think that its provision authorizing a Captive Nations Memorial in the District of Columbia is a positive contribution. Its incorporation into the measure should assure all of those who fought the long battle against communism—and all of those innocents who suffered terribly under communism—that this bill does not represent an attempt to rewrite the history of the cold war, but to move forward to consolidate the victory we fought for and achieved in it: the right for all peoples to live in freedom and peace.

I would like to commend the gentleman from California [Mr. ROHRABACHER], who worked to move his legislation establishing a Captive Nations Memorial forward in both Houses of the Congress.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HAMILTON. 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. 3000, the legislation just considered and adopted.

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

There was no objection.

SENSE OF CONGRESS THAT EVERY EFFORT SHOULD BE MADE TO AVERT HUMANITARIAN DISASTER IN BOSNIA AND HERZEGOVINA AND OTHER FORMER YUGOSLAV REPUBLICS DURING THE WINTER OF 1993–94

Mr. HAMILTON. Mr. Speaker, I ask unanimous consent for the immediate consideration in the House of the concurrent resolution (H. Con. Res. 189) expressing the sense of the Congress that every appropriate effort should be made to avert a humanitarian disaster in Bosnia and Herzegovina and the other former Yugoslav Republics during the winter of 1993–94.

The Clerk read the title of the concurrent resolution.

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

Mr. GILMAN. Mr. Speaker, reserving the right to object, and I shall not object, I yield to the gentleman from Indiana [Mr. HAMILTON] to explain the resolution.

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

Mr. Speaker, winter has come early to the former Yugoslavia. Snow covers Sarajevo, and much of Bosnia and Herzegovina. Mountainous areas are already inaccessible.

Between 2.7 and 3 million people in Bosnia and Herzegovina will be directly dependent on humanitarian assistance this winter. This is an astounding figure. This represents more than half of the remaining population of the Republic.

There also are humanitarian needs in Macedonia because of Macedonia's enforcement of international sanctions against Serbia.

House Concurrent Resolution 189 states that the United States, together with the international community, should make every effort to ensure that the people of Bosnia and Herzegovina have adequate medical supplies, food, and other humanitarian assistance this winter.

It states that the United States should support necessary and appropriate actions to facilitate a relief effort throughout the former Yugoslav Republics.

This resolution is timely. The Congress should voice its strong support for this relief effort.

I urge my colleagues to support this resolution.

Mr. GILMAN. Mr. Speaker, further reserving the right to object, I commend the gentleman for his explanation, and I am pleased to yield to the gentleman from Indiana [Mr. MCCLOSKEY] who has been a leader in this initiative.

Mr. MCCLOSKEY. Mr. Speaker, I thank the distinguished ranking member, the gentleman from New York [Mr. GILMAN], and I thank the gentleman

from Indiana [Mr. HAMILTON], the chairman of the Committee on Foreign Affairs, for his leadership in this regard, and in giving a straightforward and succinct statement as to this resolution.

Mr. Speaker, as we reach the closing minutes of this session, one ongoing tragedy still far from resolution is the ongoing aggression in Bosnia and, indeed, the extended crisis throughout the former Yugoslavia.

The first snows already have hit Sarajevo, much of Bosnia is under Serbian siege and otherwise engulfed in Croatian-Bosnian conflict, and peaceloving Macedonia faces possible widespread starvation.

This resolution submitted on behalf of Mr. WILSON, Mr. HYDE, Ms. MOLINARI, and myself, simply urges that the United States and the international community should make every effort to ensure that the people of Bosnia, Macedonia, and, indeed, the entire former Yugoslavia—consistent with existing sanctions rules—have adequate medical and other humanitarian supplies this winter.

In particular, we should spend appropriated funds for these purposes as expeditiously as possible.

This resolution mandates no particular solution to the aggression in the former Yugoslavia. It does not advocate force or allocate blame. It basically commits us to saving lives in a cruel, desperate situation.

I want to commend Chairman HAMILTON for his leadership and cooperation in expediting consideration of this resolution.

Mr. GILMAN. Mr. Speaker, further reserving the right to object, and I shall not object, House Concurrent Resolution 189 addresses a critical humanitarian emergency now arising in Bosnia and Herzegovina and other parts of the former Yugoslavia. I commend the gentleman from Indiana [Mr. MCCLOSKEY] for bringing it to the floor at this time.

The State Department has estimated that 4.2 million persons are in danger of perishing this winter throughout the former Yugoslavia. This would be a disaster the magnitude of which the world has not witnessed in Europe since the dark days of World War II. The people of Bosnia and Herzegovina are without the food and fuel reserves which enabled them to get through last year's mild winter weather. They are exhausted because of the continuing hostilities they have lived through for the past 12 months, and this year's winter already looks to be a harsh one.

Although supplies on hand are barely adequate to meet the needs at this time, blockades of the routes over which humanitarian convoys need to travel prevent the necessary supplies from reaching the majority of people at risk in Bosnia.

This resolution urges the United States, together with the international community, to make every appropriate effort to get the aid through in Bosnia and elsewhere in the former Yugoslavia where innocent men, women, and children are suffering. By every appropriate effort, we mean those measures already endorsed by the U.N. Security Council, NATO, and the U.S. Government. We are not in this resolution calling for the deployment of any U.S. military forces into the territory of the former Yugoslavia. We are, however, calling upon all parties to cooperate in the delivery of humanitarian assistance. International action is required now in order to avert a catastrophe of enormous proportion.

I urge all my colleagues to join in supporting this resolution.

Mr. Speaker, continuing my reservation of objection, I am pleased to yield to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Speaker, I thank the gentleman from New York for yielding to me.

Mr. Speaker, I rise in support of this resolution. I would observe that many of us over the months and years of this tragedy would have wanted to do much more, but certainly, at this hour, as we leave, I think this is very appropriate for us to take this action to express these sentiments and to make clear that the United States has a deep and abiding concern for the welfare of the poor souls who have been ravaged by war and war crime in that area of the world.

I am pleased to support this resolution, and would hope and believe that all of our colleagues in this body would continue to watch very, very closely as the winter falls and the pain level rises in Bosnia, and that we keep vigilant for the incredible abuses of human rights that occur daily, unfortunately, on all sides of this tragic war.

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Mr. GILMAN. Mr. Speaker, further reserving the right to object, I want to commend the gentleman from Maryland [Mr. HOYER] for his concerns and his support and for his continual efforts on behalf of human rights throughout the world.

Mr. Speaker, further reserving the right to object, I am pleased to yield to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding. I would like to reemphasize I think a point that I heard the gentleman make in his remarks, and that is that nothing in this resolution would anticipate the introduction of U.S. military forces as a part of these efforts. I believe I heard the gentleman state that, and it seems to me that in the resolution that says every effort or every appropriate effort and so on, that could be interpreted by some to indicate that there might be some degree of military humanitarian mission of the type that we engaged in in Somalia.

I think I heard the gentleman's assurances that that is not anticipated in this resolution, and I would certainly want to have on the record that in passing this resolution the House does not intend to have it used as a way of introducing American military forces in that part of the world.

Mr. GILMAN. Further reserving the right to object, I am pleased to respond to the gentleman from Pennsylvania that when we used the term "every appropriate effort," we meant those measures already endorsed by the U.N. Security Council, by NATO, and by our own government, and we specifically do not call for any deployment of U.S. forces.

Mr. WALKER. I thank the gentleman.

Mr. GILMAN. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 189

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) the United States, together with the international community, should make very appropriate effort to ensure that the people of Bosnia-Herzegovina have adequate medical supplies, food, and other humanitarian assistance during the winter of 1993-1994 in order to prevent a possible humanitarian disaster;

(2) the United States should support necessary and appropriate preparations to facilitate a relief effort in order to prevent a possible humanitarian disaster;

(3) all parties should cooperate with the provision of humanitarian assistance to those in need throughout the former Yugoslav republics, especially Bosnia-Herzegovina;

(4) the United States should provide similar assistance to the peoples endangered this winter throughout the former Yugoslav republics, especially the former Yugoslav Republic of Macedonia; and

(5) the United States should expend appropriated funds for such purposes as expeditiously as possible.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HAMILTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the concurrent resolution just agreed to.

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

There was no objection.

SENSE OF CONGRESS CONCERNING INTERNATIONAL YEAR OF THE WORLD'S INDIGENOUS PEOPLES

Mr. HAMILTON. Mr. Speaker, I ask unanimous consent for the immediate consideration in the House of the Senate concurrent resolution (S. Con. Res. 44) to express the sense of the Congress concerning the International Year of the World's Indigenous Peoples.

The Clerk read the title of the Senate concurrent resolution.

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

Mr. GILMAN. Mr. Speaker, observing the right to object, and I shall not object, I am pleased to yield to our distinguished chairman [Mr. HAMILTON] to explain the Senate concurrent resolution.

Mr. HAMILTON. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, the U.N. has proclaimed 1993 as the International Year of the World's Indigenous Peoples.

The other body has commemorated this event. I believe it is important that the House also go on record in support of this worthy initiative;

I would like to thank the gentleman from Illinois [Mr. PORTER], for bringing this timely resolution to my attention;

I urge my colleagues to support this resolution.

Mr. GILMAN. Mr. Speaker, further reserving the right to object, I want to commend my good friend and colleague, Representative PORTER, for his work to honor the designation of 1993 as the International Year of the World's Indigenous Peoples. He and his wife, Kathryn, have made remarkable efforts to call attention to this important issue.

It is unfortunate that our Government's foreign policy institutions are to a large degree to blame for some of the marginalization that many endangered cultures face. The Agency for International Development has refused to ensure that projects and policies under their jurisdiction do not have any deleterious impact on indigenous peoples.

The State Department has refused to add in its annual report on human rights practices, a section on indigenous people. Unfortunately, the bureaucracy, still insists that these goals are impossible to meet.

I have even received feedback from A.I.D. that questions the value of the effort to help protect ancient beliefs and practices.

Accordingly, I am very pleased to support Senate Concurrent Resolution 44 and urge my colleagues to vote for their resolution.

Mr. PORTER. Mr. Speaker, Congressman LANTOS and I along with our colleague from Guam, ROBERT UNDERWOOD, are the original sponsors of the House version of this resolution. This resolution urges the United States and other governments as well as the United Nations to work to end the abuse, exploitation, and discrimination suffered by indigenous peoples around the world.

Indigenous people provide us with models of sustainability in a time when the world's natural resources and our environment are rapidly being depleted and destroyed.

Their cultures and traditions add a rich contribution to the diversity of all mankind.

However, despite the efforts of indigenous communities to protect themselves, many remain at risk for human rights abuse.

Far too often, indigenous people have suffered abduction, torture, and killing at the hands of government forces, guerilla groups, and hired gunmen.

Their homelands, on which their survival ultimately depends, are routinely invaded and their natural resources destroyed.

Just this summer, 16 Yanomami Indians in Brazil were attacked and killed by gold miners.

Sadly, many other horrifying stories such as this one can be told by indigenous populations who currently live in more than 70 countries.

The United States and other developed countries have a responsibility to promote the political, cultural, and environmental rights of indigenous peoples.

Although the International Year of the World's Indigenous Peoples is almost over, it is my hope that in the years to come we will make significant progress toward protecting indigenous peoples from human rights violations and ensuring that their unique cultures and traditions are preserved.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 44

Whereas United Nations Resolution 45/164 of December 18, 1990, proclaimed the year 1993 as the International Year of the World's Indigenous Peoples, in order to strengthen international cooperation for a solution to the problems faced by indigenous communities in areas such as human rights, the environment, development, education, and health;

Whereas indigenous peoples are descendants of the original inhabitants of many countries with diverse cultures, religions, languages, and social and economic customs;

Whereas an estimated 300 million indigenous peoples live in more than 70 countries, including the United States;

Whereas indigenous peoples are often disadvantaged and face common difficulties in their homelands, including issues such as self-determination, the preservation of land and natural resources, the preservation of culture, arts, and language, and dismal social and economic conditions;

Whereas many indigenous peoples continue to face discrimination and exploitation in their homelands;

Whereas the rights and social and economic conditions of indigenous peoples have often been overlooked by individual nations and the international community; and

Whereas the United Nations Working Group on Indigenous Populations has drafted a Declaration on the Rights of Indigenous Peoples: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) the United States should cooperate with the United Nations in its efforts to raise the level of public interest in and consciousness of the problems of indigenous peoples;

(2) the United States should address the rights and improve the social and economic conditions of its own indigenous peoples, including Native American Indians, Alaska Natives, Native Hawaiians, Chamorros, American Samoans, and Palauans;

(3) the United States should support the United Nations in its efforts to establish international standards on the rights of indigenous peoples; and

(4) the United States recognizes that the year 1993 is an insufficient time period for promoting public awareness of the plight of indigenous peoples and urges the United Nations to proclaim an International Decade of the World's Indigenous Peoples.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HAMILTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation just adopted.

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

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 7

Mr. MALONEY. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 7.

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

There was no objection.

EXTENDING SUSPENDED IMPLEMENTATION OF CERTAIN REQUIREMENTS OF FOOD STAMP PROGRAMS ON INDIAN RESERVATIONS AND CERTAIN ELIGIBILITY REQUIREMENTS FOR PARTICIPATION OF RETAIL FOOD STORES IN FOOD STAMP PROGRAM

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1777) to extend the suspended implementation of certain requirements of the food stamp program on Indian reservations,

to suspend certain eligibility requirements for the participation of retail food stores in the food stamp program, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

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

Mr. ROBERTS. Mr. Speaker, reserving the right to object, under my reservation I yield to the distinguished gentleman from Texas [Mr. DE LA GARZA], chairman of the Committee on Agriculture, to explain the bill to my colleagues in the House.

Mr. DE LA GARZA. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, S. 1777 requires that, until March 15, 1994, retail food stores that are participating in the Food Stamp Program cannot be withdrawn from the program solely because they do not meet the current definition of retail food store in the Food Stamp Act.

On November 10, the House passed H.R. 3436, a bill that redefines retail food store to permit a store to participate in the Food Stamp Program if it meets one or the other of two conditions:

If the store has over 50 percent of its total sales volume in staple foods, or if the store offers, on a continuous basis, a variety of food in each of four categories of staple foods, and sells perishable foods in at least two of these categories of foods.

S. 1777 will allow additional time for this important legislation to pass the Congress.

S. 1777 also delays, until March 15, 1994, implementation of two amendments to the Food Stamp Act that would otherwise become effective on January 31, 1994. These amendments would affect food stamp households living on Indian reservations. This delay will give the Congress time to review these provisions which have generated considerable interest.

I urge passage of this legislation.

Mr. ROBERTS. Mr. Speaker, I thank the chairman for his explanation.

Mr. Speaker, I rise in support of S. 1777, a bill to extend certain provisions of the Food Stamp Act. First, this bill extends the changes made to the Food Stamp Program found in public law 102-237, the Farm Bill Technical Corrections Act. In that public law implementation of the requirement that families living on Indian reservations are exempt from the periodic reporting requirements of the Food Stamp Act was delayed. Additionally, delay was granted to the implementation of the requirement that issuance of food stamp benefits to these families be staggered over a month.

The bill before the House today further delays implementation of these provisions until March 15, 1994. This marks the third time delay has been granted. It was my hope that the differences surrounding these provisions would be worked out before this time. However, that is not the case.

I recently received a letter from the secretary of the Kansas Department of Social and Rehabilitation Services urging action on this issue. The Secretary believes, as do most other States affected by these provisions, that the mandates will cause unnecessary hardships for food stamp participants and unnecessary work for administrators. It is time to resolve the differences concerning these provisions. This bill will provide time, until March 15, 1994, to accomplish this task.

Second, the bill under consideration today provides that, until March 15, 1994, retail food stores now authorized to accept food stamps will not be disqualified from eligibility solely because they do not meet the current definition contained in the Food Stamp Act.

On November 10, 1993, the House passed H.R. 3436, to redefined which retail food stores can accept food stamp coupons. Other purposes of H.R. 3436 were to strengthen the enforcement of that provision; to allow information provided by retail food stores to be shared with law enforcement officials; and, to require that the secretary spend up to $4 million on pilot projects designed to improve the investigation and prosecution of food stamp trafficking.

Several retail food stores in Kansas advised me of the need to change this definition in order to move away from only a sales-based test and take into account the variety of staple foods sold in food stores.

However, since the Senate did not act on H.R. 3436, it is necessary to allow continued participation of these retail food stores so that they are not disqualified only for the reason that they do not meet the current definition of a retail food store contained in the act.

Other provisions of H.R. 3436, as well as this new definition, are essential to improve the administration of the Food Stamp Program. As I stated, action to resolve the differences must be concluded prior to March 15, 1994, on this provision and the items mentioned earlier. Effective and efficient administration of the Food Stamp Program depends on it.

Mr. Speaker, I urge support for S. 1777.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1777

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

SECTION 1. REPORTING AND STAGGERED ISSUANCE FOR HOUSEHOLDS ON RESERVATIONS.

Section 908(a) of the Food, Agriculture, Conservation, and Trade Act Amendments of 1991 (Public Law 102-237; 7 U.S.C. 2015 note and 7 U.S.C. 2016 note) is amended by striking "January 31, 1994" both places it appears and inserting "March 15, 1994".

SEC. 2. CONTINUING ELIGIBILITY OF CERTAIN RETAIL FOOD STORES.

Notwithstanding any other provision of law, during the period beginning on the date of enactment of this Act and ending on March 15, 1994, an establishment or house-to-house trade route that is otherwise authorized to accept and redeem coupons under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) on the date of enactment of this Act may not be disqualified from participation in the food stamp program solely because the establishment or trade route does not meet the definition of "retail food store" under section 3(k)(1) of such Act (7 U.S.C. 2012(k)(1)).

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING CORRECTIONS IN ENROLLMENT OF S. 1766, LIME RESEARCH, PROMOTION, AND CONSUMER INFORMATION IMPROVEMENT ACT

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 56) to authorize corrections in the enrollment of S. 1766, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate concurrent resolution.

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

Mr. ROBERTS. Mr. Speaker, reserving the right to object, under my reservation I yield to my colleague, the gentleman from Texas [Mr. DE LA GARZA] to explain to my colleagues in the House why we are passing this for the third time in a week.

Mr. DE LA GARZA. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, this concurrent resolution simply corrects a technical drafting error in S. 1766, which was approved by the Senate on Saturday and the House on Sunday S. 1766 amends the research and promotion program for limes.

This concurrent resolution instructs the Secretary of the Senate to change three words in the enrollment of the bill for presentation to the President.

I urge passage of the concurrent resolution.

This resolution corrects a technical drafting error in section 4(b)(1) of S. 1766, which would amend section 1955(b)(4) of the Lime Research, Promotion, and Consumer Information Act. The Senate passed S. 1766 on Saturday, and the House approved the measure yesterday. The words "The

Secretary" and "shall—" do not appear in section 1955(b)(4) of the current law. The correct reference is to "Members" and to "appointed—".

Mr. ROBERTS. Mr. Speaker, I thank the chairman for his explanation and certainly hope that the other body can change three words to our satisfaction.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 56

Resolved by the Senate (the House of Representatives concurring), That in the enrollment of the text of the bill (S. 1766) to amend the Lime Research, Promotion, and Consumer Information Act of 1990 to cover seedless and not seeded limes, to increase the exemption level, to delay the initial referendum date, and to alter the composition of the Lime Board, and for other purposes, the Secretary of the Senate shall make the following corrections:

In section 4(b)(1)—

(1) strike "'The Secretary'" and insert "'Members'"; and

(2) strike "'shall—'" and insert "'appointed—'".

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on S. 1777 and on Senate concurrent resolution 56.

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

There was no objection.

HOUSING TECHNICAL CORRECTIONS BILL

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1769) to make a technical amendment, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

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

Mrs. ROUKEMA. Mr. Speaker, reserving the right to object, I will not object, and I yield to the distinguished gentleman from Texas [Mr. GONZALEZ], the distinguished chairman of the Committee on Banking, Finance and Urban Affairs, for an explanation of his request.

Mr. GONZALEZ. Mr. Speaker, I thank the gentlewoman for yielding.

I include the following information on S. 1769 housing technical corrections to the bill:

The Senate passed this measure by unanimous consent. Chairman Gonzalez is expected to accept the measure with an amendment to the "Fire Safety in Federally Assisted Housing" provision by making it apply just to federally related housing projects in New York City.

Three of the four provisions in the Senate measure came from S. 1299. The Housing and Community Development Act of 1993, which the Senate passed on Thursday, November 18, 1993. The four provisions are:

1. Slidell, Louisiana-CDBG Entitlement extension. This provision allows the City of Slidell, Louisiana to submit, not later than 10 days after enactment, its final statement of community objectives and projected use of funds for the FY 94 CDBG program. (Livingston, Senators Breaux, Johnston)

2. Pittsburgh, Pennsylvania-Public Service cap under the CDBG program. Allows a one-year waiver of the public service cap (15% of funds) under the CDBG program to 20% for the city of Pittsburgh. (Coyne)

3. Section 23 Conversion. Authorizes HUD to convert a Section 23 Leased Housing contract (Leonard Terrace Apartments, Grand Rapids, Michigan) to a Section 8 project. (Senator Riegle, Representatives Upton and Hoekstra)

4. Fire Safety in Federally Assisted Housing. Creates an exception to current law (Federal Fire Prevention and Control Act of 1974) which requires recipients of federal assistance for newly constructed highrise housing to install sprinklers or other approved safety mechanisms which are equivalent to sprinklers and approved by Fire Marshalls.

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Mrs. ROUKEMA. Mr. Speaker, further reserving the right to object, I will not object, except to say I support passing this measure, and the amendment to it, which grants certain extensions to and waivers from statutory requirements to several communities. The provisions are noncontroversial and, on the merits, require timely congressional action. Furthermore, the provisions have no impact upon the budget.

But, let me say Mr. Speaker, that although I am pleased to pass legislation which provides relief to these communities, I had hoped that Congress would act on a more comprehensive measure to relieve statutory restrictions in the multifamily property disposition program at HUD. Although H.R. 3400 contained a provision which would have provided this relief, the same provision was not passed in the Senate. Consequently, until the House and Senate take up this matter again next year, HUD remains in an untenable position with regard to selling almost 69,000 units nationwide.

Mr. Speaker, without legislative relief, HUD cannot sell its multifamily property inventory unless 15-year section 8 rental subsidies are attached to each apartment. These subsidies are very expensive and Congress is unable, under current budgetary constraints, to provide sufficient budget authority for these subsidies. HUD estimates it would need more than $15 billion to sell these properties—an amount upon which we all can agree will not be appropriated.

But the problem transcends budgetary constraints. Families live in these buildings and, according to HUD, many of the buildings in the inventory are unsafe. By HUD's own admission, the Department is not an effective landlord. But I want to remind my colleagues, it is not HUD's mission to manage properties.

I know the chairman, Mr. GONZALEZ, is committed to amending current law to rectify this situation. Perhaps, given the severity of the problem and the fact that both the House and the Senate are very close to agreement on how to implement changes to the program, Congress can move this legislation early in 1994, perhaps separately from the reauthorization process.

Mr. GONZALEZ. Mr. Speaker, if the gentlewoman will yield further, that is a commitment, and we hope that immediately upon the return of the House in January we will have the comprehensive reauthorization of all of the assisted housing programs plus the administration's package.

Mrs. ROUKEMA. Mr. Speaker, I withdraw my reservation of objection and give my wholehearted support.

The SPEAKER pro tempore (Mr. PAYNE of Virginia). Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1769

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

SECTION 1. CDBG TECHNICAL AMENDMENT.

Notwithstanding any other provision of law, the city of Slidell, Louisiana may submit, not later than 10 days after the enactment of this Act, and the Secretary of Housing and Urban Development shall consider and accept, the final statement of community development objectives and projected use of funds required by section 104(a)(1) of the Housing and Community Development Act of 1974 in connection with a grant to the city of Slidell under title I of such Act for fiscal year 1994.

SEC. 2. INCREASE OF CDBG PUBLIC SERVICES CAP.

(a) IN GENERAL.—Section 105(a)(8) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)(8)) is amended—

(1) by striking "and" after the penultimate comma; and

(2) by inserting before the semicolon at the end the following: ", and except that of any amount of assistance under this title (including program income) in fiscal year 1994 to the City of Pittsburgh, Pennsylvania, such city may use not more than 20 percent in each such fiscal year for activities under this paragraph".

SEC. 3. CONVERSION PROJECTS.

(a) SECTION 23 CONVERSION.—

(1) AUTHORIZATION.—Notwithstanding contracts entered into pursuant to section 14(b)(2) of the United States Housing Act of 1937, the Secretary is authorized to enter into obligations for conversion of Leonard

Terrace Apartments in Grand Rapids, Michigan, from a leased housing contract under section 23 of such Act to a project-based rental assistance contract under section 8 of such Act.

(2) REPAYMENT REQUIRED.—The authorization made in paragraph (1) is conditioned on the repayment to the Secretary of all amounts received by the public housing agency under the comprehensive improvement assistance program under section 14 of the United States Housing Act of 1937 for the Leonard Terrace Apartment project and the amounts, as determined by the Secretary, received by the public housing agency under the formula in section 14(k) of such Act by reason of the project.

SEC. 4. FIRE SAFETY IN FEDERALLY ASSISTED HOUSING.

Section 31(c)(2)(A)(i) of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2227(c)(2)(A)(i)) is amended by adding "(or equivalent level of safety)" after "system".

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. GONZALEZ

Mr. GONZALEZ. Mr. Speaker, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. GONZALEZ: Strike all after the enacting clause and insert the following:

SECTION 1. CDBG TECHNICAL AMENDMENT.

Notwithstanding any other provision of law, the city of Slidell, Louisiana may submit, not later than 10 days after the enactment of this Act, and the Secretary of Housing and Urban Development shall consider and accept, the final statement of community development objectives and projected use of funds required by section 104(a)(1) of the Housing and Community Development Act of 1974 in connection with a grant to the city of Slidell under title 1 of such Act for fiscal year 1994.

SEC. 2. INCREASE OF CDBG PUBLIC SERVICES CAP.

(A) IN GENERAL.—Section 105(a)(8) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)(8)) is amended—

(1) by striking "and" after the penultimate comma; and

(2) by inserting before the semicolon at the end the following: ", and except that of any amount of assistance under this title (including program income) in fiscal year 1994 to the City of Pittsburgh, Pennsylvania, such city may use not more than 20 percent in each such fiscal year for activities under this paragraph".

SEC. 3. CONVERSION PROJECTS.

(a) SECTION 23 CONVERSION.—

(1) AUTHORIZATION.—Notwithstanding contracts entered into pursuant to section 14(b)(2) of the United States Housing Act of 1937, the Secretary is authorized to enter into obligations for conversion of Leonard Terrace Apartments in Grand Rapids, Michigan, from a leasing housing contract under section 23 of such Act to a project-based rental assistance contract under section 8 of such Act.

(2) REPAYMENT REQUIRED.—The authorization made in paragraph (1) is conditioned on the repayment to the Secretary of all amounts received by the public housing agency under the comprehensive improvement assistance program under section 14 of the United States Housing Act of 1937 for the Leonard Terrace Apartment project and the amounts, as determined by the Secretary, received by the public housing agency under the formula in section 14(k) of such Act by reason of the project.

SEC. 4. EXCEPTION TO FIRE SAFETY REQUIREMENT FOR NEWLY CONSTRUCTED MULTIFAMILY PROPERTY.

In the case of any newly constructed multifamily property, as defined in section 31(c)(2)(A)(ii) of the Federal Fire Prevention and Control Act of 1974, in the city of New York in the State of New York, the requirement contained in section 31(c)(2)(A)(i) of the Federal Fire Prevention and Control Act of 1974 with respect to an automatic sprinkler system shall be deemed to be met if such property meets an equivalent level of safety (as defined in section 31(a)(3) of such Act).

Mr. GONZALEZ (during the reading). Mr. Speaker, I ask unanimous consent that the amendment in the nature of a substitute be considered as having been read and printed in the RECORD.

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

There was no objection.

The SPEAKER pro tempore. The question is on the amendment in the nature of a substitute offered by the gentleman from Texas [Mr. GONZALEZ].

The amendment in the nature of a substitute was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GOVERNMENT SECURITIES ACT AMENDMENTS OF 1993

Mr. MARKEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 422) to amend the Securities Exchange Act of 1934 to ensure the efficient and fair operation of the government securities market, in order to protect investors and facilitate Government borrowing at the lowest possible cost to taxpayers, and to prevent false and misleading statements in connection with offerings of Government securities, with a Senate amendment to the House amendments thereto, and concur in the Senate amendment to the House amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendment to the House amendments, as follows:

Senate amendment to House amendments:

In lieu of the matter proposed to be inserted by the House amendment to the text of the bill, insert:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Government Securities Act Amendments of 1993".

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

Sec. 1. Short title; table of contents.

TITLE I—AMENDMENTS TO THE SECURITIES EXCHANGE ACT OF 1934

Sec. 101. Findings.
Sec. 102. Extension of government securities rulemaking authority.
Sec. 103. Transaction records.
Sec. 104. Large position reporting.
Sec. 105. Authority of the Commission to regulate transactions in exempted securities.
Sec. 106. Sales practice rulemaking authority.
Sec. 107. Market information.
Sec. 108. Disclosure by government securities brokers and government securities dealers whose accounts are not insured by the Securities Investor Protection Corporation.
Sec. 109. Technical amendments.
Sec. 110. Offerings of certain government securities.
Sec. 111. Rule of construction.
Sec. 112. Study of regulatory system for government securities.

TITLE II—REPORTS ON PUBLIC DEBT

Sec. 201. Annual report on public debt.
Sec. 202. Treasury auction reforms.
Sec. 203. Notice on Treasury modifications to auction process.

TITLE III—LIMITED PARTNERSHIP ROLLUPS

Sec. 301. Short title.
Sec. 302. Revision of proxy solicitation rules with respect to limited partnership rollup transactions.
Sec. 303. Rules of fair practice in rollup transactions.
Sec. 304. Effective date; effect on existing authority.

TITLE I—AMENDMENTS TO THE SECURITIES EXCHANGE ACT OF 1934

SEC. 101. FINDINGS.

The Congress finds that—

(1) the liquid and efficient operation of the government securities market is essential to facilitate government borrowing at the lowest possible cost to taxpayers;

(2) the fair and honest treatment of investors will strengthen the integrity and liquidity of the government securities market;

(3) rules promulgated by the Secretary of the Treasury pursuant to the Government Securities Act of 1986 have worked well to protect investors from unregulated dealers and maintain the efficiency of the government securities market; and

(4) extending the authority of the Secretary and providing new authority will ensure the continued strength of the government securities market.

SEC. 102. EXTENSION OF GOVERNMENT SECURITIES RULEMAKING AUTHORITY.

Section 15C of the Securities Exchange Act of 1934 (15 U.S.C. 78o–5) is amended by striking subsection (g).

SEC. 103. TRANSACTION RECORDS.

(a) AMENDMENT.—Section 15C(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78o–5(d)) is amended by adding at the end the following new paragraph:

"(3) GOVERNMENT SECURITIES TRADE RECONSTRUCTION.—

"(A) FURNISHING RECORDS.—Every government securities broker and government securities dealer shall furnish to the Commission on request such records of government securities transactions, including records of the date and time of execution of trades, as the Commission may require to reconstruct trading in the course of a particular inquiry or investigation being conducted by the Commission for enforcement or surveillance purposes. In requiring information pursuant to this paragraph, the Commission shall specify the information required, the period for which it is required, the time and date on which the information must be furnished, and whether the information is to be furnished directly to the Commission, to the Federal Reserve Bank of New York, or to an appropriate regulatory agency or self-regulatory organization with responsibility for

examining the government securities broker or government securities dealer. The Commission may require that such information be furnished in machine readable form notwithstanding any limitation in subparagraph (B). In utilizing its authority to require information in machine readable form, the Commission shall minimize the burden such requirement may place on small government securities brokers and dealers.

"(B) LIMITATION; CONSTRUCTION.—The Commission shall not utilize its authority under this paragraph to develop regular reporting requirements, except that the Commission may require information to be furnished under this paragraph as frequently as necessary for particular inquiries or investigations for enforcement or surveillance purposes. This paragraph shall not be construed as requiring, or as authorizing the Commission to require, any government securities broker or government securities dealer to obtain or maintain any information for purposes of this paragraph which is not otherwise maintained by such broker or dealer in accordance with any other provision of law or usual and customary business practice. The Commission shall, where feasible, avoid requiring any information to be furnished under this paragraph that the Commission may obtain from the Federal Reserve Bank of New York.

"(C) PROCEDURES FOR REQUIRING INFORMATION.—At the time the Commission requests any information pursuant to subparagraph (A) with respect to any government securities broker or government securities dealer for which the Commission is not the appropriate regulatory agency, the Commission shall notify the appropriate regulatory agency for such government securities broker or government securities dealer and, upon request, furnish to the appropriate regulatory agency any information supplied to the Commission.

"(D) CONSULTATION.—Within 90 days after the date of enactment of this paragraph, and annually thereafter, or upon the request of any other appropriate regulatory agency, the Commission shall consult with the other appropriate regulatory agencies to determine the availability of records that may be required to be furnished under this paragraph and, for those records available directly from the other appropriate regulatory agencies, to develop a procedure for furnishing such records expeditiously upon the Commission's request.

"(E) EXCLUSION FOR EXAMINATION REPORTS.—Nothing in this paragraph shall be construed so as to permit the Commission to require any government securities broker or government securities dealer to obtain, maintain, or furnish any examination report of any appropriate regulatory agency other than the Commission or any supervisory recommendations or analysis contained in any such examination report.

"(F) AUTHORITY TO LIMIT DISCLOSURE OF INFORMATION.—Notwithstanding any other provision of law, the Commission and the appropriate regulatory agencies shall not be compelled to disclose any information required or obtained under this paragraph. Nothing in this paragraph shall authorize the Commission or any appropriate regulatory agency to withhold information from Congress, or prevent the Commission or any appropriate regulatory agency from complying with a request for information from any other Federal department or agency requesting information for purposes within the scope of its jurisdiction, or from complying with an order of a court of the United States in an action brought by the United States, the Commission, or the appropriate regulatory agency. For purposes of section 552 of title 5, United States Code, this subparagraph shall be considered a statute described in subsection (b)(3)(B) of such section 552.".

(b) CONFORMING AMENDMENTS.—(1) Section 15C(a)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78o–5(a)(4)) is amended by inserting ", other than subsection (d)(3)," after "subsection (a), (b), or (d) of this section".

(2) Section 15C(f)(2) of such Act is amended—

(A) in the first sentence, by inserting ", other than subsection (d)(3)", after "threatened violation of the provisions of this section"; and

(B) in the second sentence, by inserting "(except subsection (d)(3))" after "other than this section".

SEC. 104. LARGE POSITION REPORTING.

Section 15C of the Securities Exchange Act of 1934 (15 U.S.C. 78o–5) is amended—

(1) by redesignating subsection (f) as subsection (g); and

(2) by inserting after subsection (e) the following new subsection:

"(f) LARGE POSITION REPORTING.—

"(1) REPORTING REQUIREMENTS.—The Secretary may adopt rules to require specified persons holding, maintaining, or controlling large positions in to-be-issued or recently issued Treasury securities to file such reports regarding such positions as the Secretary determines to be necessary and appropriate for the purpose of monitoring the impact in the Treasury securities market of concentrations of positions in Treasury securities and for the purpose of otherwise assisting the Commission in the enforcement of this title, taking into account any impact of such rules on the efficiency and liquidity of the Treasury securities market and the cost to taxpayers of funding the Federal debt. Unless otherwise specified by the Secretary, reports required under this subsection shall be filed with the Federal Reserve Bank of New York, acting as agent for the Secretary. Such reports shall, on a timely basis, be provided directly to the Commission by the person with whom they are filed.

"(2) RECORDKEEPING REQUIREMENTS.—Rules under this subsection may require persons holding, maintaining, or controlling large positions in Treasury securities to make and keep for prescribed periods such records as the Secretary determines are necessary or appropriate to ensure that such persons can comply with reporting requirements under this subsection.

"(3) AGGREGATION RULES.—Rules under this subsection—

"(A) may prescribe the manner in which positions and accounts shall be aggregated for the purpose of this subsection, including aggregation on the basis of common ownership or control; and

"(B) may define which persons (individually or as a group) hold, maintain, or control large positions.

"(4) DEFINITIONAL AUTHORITY; DETERMINATION OF REPORTING THRESHOLD.—

"(A) In prescribing rules under this subsection, the Secretary may, consistent with the purpose of this subsection, define terms used in this subsection that are not otherwise defined in section 3 of this title.

"(B) Rules under this subsection shall specify—

"(i) the minimum size of positions subject to reporting under this subsection, which shall be no less than the size that provides the potential for manipulation or control of the supply or price, or the cost of financing arrangements, of an issue or the portion thereof that is available for trading;

"(ii) the types of positions (which may include financing arrangements) to be reported;

"(iii) the securities to be covered; and

"(iv) the form and manner in which reports shall be transmitted, which may include transmission in machine readable form.

"(5) EXEMPTIONS.—Consistent with the public interest and the protection of investors, the Secretary by rule or order may exempt in whole or in part, conditionally or unconditionally, any person or class or persons, or any transaction or class of transactions, from the requirements of this subsection.

"(6) LIMITATION ON DISCLOSURE OF INFORMATION.—Notwithstanding any other provision of law, the Secretary and the Commission shall not be compelled to disclose any information required to be kept or reported under this subsection. Nothing in this subsection shall authorize the Secretary or the Commission to withhold information from Congress, or prevent the Secretary or the Commission from complying with a request for information from any other Federal department or agency requesting information for purposes within the scope of its jurisdiction, or from complying with an order of a court of the United States in an action brought by the United States, the Secretary, or the Commission. For purposes of section 552 of title 5, United States Code, this paragraph shall be considered a statute described in subsection (b)(3)(B) of such section 552.".

SEC. 105. AUTHORITY OF THE COMMISSION TO REGULATE TRANSACTIONS IN EXEMPTED SECURITIES.

(a) PREVENTION OF FRAUDULENT AND MANIPULATIVE ACTS AND PRACTICES.—Section 15(c)(2) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(c)(2)) is amended—

(1) by inserting "(A)" after "(2)";

(2) by striking "fictitious quotation, and no municipal securities dealer" and inserting the following:

"fictitious quotation.

"(B) No municipal securities dealer";

(3) by striking "fictitious quotation. The Commission shall" and inserting the following:

"fictitious quotation.

"(C) No government securities broker or government securities dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or induce or attempt to induce the purchase or sale of, any government security in connection with which such government securities broker or government securities dealer engages in any fraudulent, deceptive, or manipulative act or practice, or makes any fictitious quotation.

"(D) The Commission shall"; and

(4) by adding at the end the following:

"(E) The Commission shall, prior to adopting any rule or regulation under subparagraph (C), consult with and consider the views of the Secretary of the Treasury and each appropriate regulatory agency. If the Secretary of the Treasury or any appropriate regulatory agency comments in writing on a proposed rule or regulation of the Commission under such subparagraph (C) that has been published for comment, the Commission shall respond in writing to such written comment before adopting the proposed rule. If the Secretary of the Treasury determines, and notifies the Commission, that such rule or regulation, if implemented, would, or as applied does (i) adversely affect the liquidity or efficiency of the market for government

securities; or (ii) impose any burden on competition not necessary or appropriate in furtherance of the purposes of this section, the Commission shall, prior to adopting the proposed rule or regulation, find that such rule or regulation is necessary and appropriate in furtherance of the purposes of this section notwithstanding the Secretary's determination.".

(b) FRAUDULENT AND MANIPULATIVE DEVICES AND CONTRIVANCES.—Section 15(c)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(c)(1)) is amended—

(1) by inserting "(A)" after "(c)(1)";

(2) by striking "contrivance, and no municipal securities dealer" and inserting the following:

"contrivance.

"(B) No municipal securities dealer";

(3) by striking "contrivance. The Commission shall" and inserting the following:

"contrivance.

"(C) No government securities broker or government securities dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any government security by means of any manipulative, deceptive, or other fraudulent device or contrivance.

"(D) The Commission shall"; and

(4) by adding at the end the following:

"(E) The Commission shall, prior to adopting any rule or regulation under subparagraph (C), consult with and consider the views of the Secretary of the Treasury and each appropriate regulatory agency. If the Secretary of the Treasury or any appropriate regulatory agency comments in writing on a proposed rule or regulation of the Commission under such subparagraph (C) that has been published for comment, the Commission shall respond in writing to such written comment before adopting the proposed rule. If the Secretary of the Treasury determines, and notifies the Commission, that such rule or regulation, if implemented, would, or as applied does (i) adversely affect the liquidity or efficiency of the market for government securities; or (ii) impose any burden on competition not necessary or appropriate in furtherance of the purposes of this section, the Commission shall, prior to adopting the proposed rule or regulation, find that such rule or regulation is necessary and appropriate in furtherance of the purposes of this section notwithstanding the Secretary's determination.".

SEC. 106. SALES PRACTICE RULEMAKING AUTHORITY.

(a) RULES FOR FINANCIAL INSTITUTIONS.—Section 15C(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o–5(b)) is amended—

(1) by redesignating paragraphs (3), (4), (5), and (6) as paragraphs (4), (5), (6), and (7), respectively; and

(2) by inserting after paragraph (2) the following new paragraph:

"(3)(A) With respect to any financial institution that has filed notice as a government securities broker or government securities dealer or that is required to file notice under subsection (a)(1)(B), the appropriate regulatory agency for such government securities broker or government securities dealer may issue such rules and regulations with respect to transactions in government securities as may be necessary to prevent fraudulent and manipulative acts and practices and to promote just and equitable principles of trade. If the Secretary of the Treasury determines, and notifies the appropriate regulatory agency, that such rule or regulation, if implemented, would, or as applied does (i) adversely affect the liquidity or efficiency of the market for government securities; or (ii) impose any burden on competition not necessary or appropriate in furtherance of the purposes of this section, the appropriate regulatory agency shall, prior to adopting the proposed rule or regulation, find that such rule or regulation is necessary and appropriate in furtherance of the purposes of this section notwithstanding the Secretary's determination.

"(B) The appropriate regulatory agency shall consult with and consider the views of the Secretary prior to approving or amending a rule or regulation under this paragraph, except where the appropriate regulatory agency determines that an emergency exists requiring expeditious and summary action and publishes its reasons therefor. If the Secretary comments in writing to the appropriate regulatory agency on a proposed rule or regulation that has been published for comment, the appropriate regulatory agency shall respond in writing to such written comment before approving the proposed rule or regulation.

"(C) In promulgating rules under this section, the appropriate regulatory agency shall consider the sufficiency and appropriateness of then existing laws and rules applicable to government securities brokers, government securities dealers, and persons associated with government securities brokers and government securities dealers.".

(b) RULES BY REGISTERED SECURITIES ASSOCIATIONS.—

(1) REMOVAL OF LIMITATIONS ON AUTHORITY.—(A) Section 15A of the Securities Exchange Act of 1934 (15 U.S.C. 78o–3) is amended—

(i) by striking subsections (f)(1) and (f)(2); and

(ii) by redesignating subsection (f)(3) as subsection (f).

(B) Section 15A(g) of such Act is amended—

(i) by striking "exempted securities" in paragraph (3)(D) and inserting "municipal securities";

(ii) by striking paragraph (4); and

(iii) by redesignating paragraph (5) as paragraph (4).

(2) CONFORMING AMENDMENT.—

(A) Section 3(a)(12)(B)(ii) of such Act (15 U.S.C. 78c(a)(12)(B)(ii)) is amended by striking "15, 15A (other than subsection (g)(3)), and 17A" and inserting "15 and 17A".

(B) Section 15(b)(7) of such Act (15 U.S.C. 78o(b)(7)) is amended by inserting "or government securities broker or government securities dealer registered (or required to register) under section 15C(a)(1)(A)" after "No registered broker or dealer".

(c) OVERSIGHT OF REGISTERED SECURITIES ASSOCIATIONS.—Section 19 of the Securities Exchange Act of 1934 (15 U.S.C. 78s) is amended—

(1) in subsection (b), by adding at the end the following new paragraphs:

"(5) The Commission shall consult with and consider the views of the Secretary of the Treasury prior to approving a proposed rule filed by a registered securities association that primarily concerns conduct related to transactions in government securities, except where the Commission determines that an emergency exists requiring expeditious or summary action and publishes its reasons therefor. If the Secretary of the Treasury comments in writing to the Commission on a proposed rule that has been published for comment, the Commission shall respond in writing to such written comment before approving the proposed rule. If the Secretary of the Treasury determines, and notifies the Commission, that such rule, if implemented, would, or as applied does (i) adversely affect the liquidity or efficiency of the market for government securities; or (ii) impose any burden on competition not necessary or appropriate in furtherance of the purposes of this section, the Commission shall, prior to adopting the proposed rule, find that such rule is necessary and appropriate in furtherance of the purposes of this section notwithstanding the Secretary's determination.

"(6) In approving rules described in paragraph (5), the Commission shall consider the sufficiency and appropriateness of then existing laws and rules applicable to government securities brokers, government securities dealers, and persons associated with government securities brokers and government securities dealers."; and

(2) in subsection (c), by adding at the end the following new paragraph:

"(5) With respect to rules described in subsection (b)(5), the Commission shall consult with and consider the views of the Secretary of the Treasury before abrogating, adding to, and deleting from such rules, except where the Commission determines that an emergency exists requiring expeditious or summary action and publishes its reasons therefor.".

SEC. 107. MARKET INFORMATION.

Section 23(b)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78w) is amended—

(1) by striking subparagraphs (C), (D), and (H);

(2) by redesignating subparagraphs (E), (F), and (G) as subparagraphs (C), (D), and (E), respectively;

(3) by redesignating subparagraphs (I), (J), and (K) as subparagraphs (F), (G), and (H), respectively;

(4) by striking "and" at the end of such redesignated subparagraph (G);

(5) by striking the period at the end of such redesignated subparagraph (H) and inserting "; and"; and

(6) by inserting after such redesignated subparagraph (H) the following new subparagraph:

"(I) the steps that have been taken and the progress that has been made in promoting the timely public dissemination and availability for analytical purposes (on a fair, reasonable, and nondiscriminatory basis) of information concerning government securities transactions and quotations, and its recommendations, if any, for legislation to assure timely dissemination of (i) information on transactions in regularly traded government securities sufficient to permit the determination of the prevailing market price for such securities, and (ii) reports of the highest published bids and lowest published offers for government securities (including the size at which persons are willing to trade with respect to such bids and offers).".

SEC. 108. DISCLOSURE BY GOVERNMENT SECURITIES BROKERS AND GOVERNMENT SECURITIES DEALERS WHOSE ACCOUNTS ARE NOT INSURED BY THE SECURITIES INVESTOR PROTECTION CORPORATION.

Section 15C(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78o–5(a)) is amended—

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by inserting after paragraph (3) the following:

"(4) No government securities broker or government securities dealer that is required to register under paragraph (1)(A) and that is not a member of the Securities Investor Protection Corporation shall effect any transaction in any security in contravention of

such rules as the Commission shall prescribe pursuant to this subsection to assure that its customers receive complete, accurate, and timely disclosure of the inapplicability of Securities Investor Protection Corporation coverage to their accounts.".

SEC. 109. TECHNICAL AMENDMENTS.

(a) AMENDMENTS TO DEFINITIONS.—Section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)) is amended—

(1) in paragraph (34)(G) (relating to the definition of appropriate regulatory agency), by amending clauses (ii), (iii), and (iv) to read as follows:

"(ii) the Board of Governors of the Federal Reserve System, in the case of a State member bank of the Federal Reserve System, a foreign bank, an uninsured State branch or State agency of a foreign bank, a commercial lending company owned or controlled by a foreign bank (as such terms are used in the International Banking Act of 1978), or a corporation organized or having an agreement with the Board of Governors of the Federal Reserve System pursuant to section 25 or section 25A of the Federal Reserve Act;

"(iii) the Federal Deposit Insurance Corporation, in the case of a bank insured by the Federal Deposit Insurance Corporation (other than a member of the Federal Reserve System or a Federal savings bank) or an insured State branch of a foreign bank (as such terms are used in the International Banking Act of 1978);

"(iv) the Director of the Office of Thrift Supervision, in the case of a savings association (as defined in section 3(b) of the Federal Deposit Insurance Act) the deposits of which are insured by the Federal Deposit Insurance Corporation;";

(2) by amending paragraph (46) (relating to the definition of financial institution) to read as follows:

"(46) The term 'financial institution' means—

"(A) a bank (as defined in paragraph (6) of this subsection);

"(B) a foreign bank (as such term is used in the International Banking Act of 1978); and

"(C) a savings association (as defined in section 3(b) of the Federal Deposit Insurance Act) the deposits of which are insured by the Federal Deposit Insurance Corporation."; and

(3) by redesignating paragraph (51) (as added by section 204 of the International Securities Enforcement Cooperation Act of 1990) as paragraph (52).

(b) EFFECTIVE DATE OF BROKER/DEALER REGISTRATION.—

(1) GOVERNMENT SECURITIES BROKERS AND DEALERS.—Section 15C(a)(2)(ii) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-5(a)(2)(ii)) is amended by inserting before "The Commission may extend" the following: "The order granting registration shall not be effective until such government securities broker or government securities dealer has become a member of a national securities exchange registered under section 6 of this title, or a securities association registered under section 15A of this title, unless the Commission has exempted such government securities broker or government securities dealer, by rule or order, from such membership.".

(2) OTHER BROKERS AND DEALERS.—Section 15(b)(1)(B) of such Act (15 U.S.C. 78o(b)(1)(B)) is amended by inserting before "The Commission may extend" the following: "The order granting registration shall not be effective until such broker or dealer has become a member of a registered securities association, or until such broker or dealer has become a member of a national securities exchange if such broker or dealer effects transactions solely on that exchange, unless the Commission has exempted such broker or dealer, by rule or order, from such membership.".

(c) INFORMATION SHARING.—Section 15C(d)(2) of such Act is amended to read as follows:

"(2) Information received by an appropriate regulatory agency, the Secretary, or the Commission from or with respect to any government securities broker, government securities dealer, any person associated with a government securities broker or government securities dealer, or any other person subject to this section or rules promulgated thereunder, may be made available by the Secretary or the recipient agency to the Commission, the Secretary, the Department of Justice, the Commodity Futures Trading Commission, any appropriate regulatory agency, any self-regulatory organization, or any Federal Reserve Bank.".

SEC. 110. OFFERINGS OF CERTAIN GOVERNMENT SECURITIES.

Section 15(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(c)) is amended by adding at the end the following new paragraph:

"(7) In connection with any bid for or purchase of a government security related to an offering of government securities by or on behalf of an issuer, no government securities broker, government securities dealer, or bidder for or purchaser of securities in such offering shall knowingly or willfully make any false or misleading written statement or omit any fact necessary to make any written statement made not misleading.".

SEC. 111. RULE OF CONSTRUCTION.

(a) IN GENERAL.—No provision of, or amendment made by, this title may be construed—

(1) to govern the initial issuance of any public debt obligation, or

(2) to grant any authority to (or extend any authority of) the Securities and Exchange Commission, any appropriate regulatory agency, or a self-regulatory organization—

(A) to prescribe any procedure, term, or condition of such initial issuance,

(B) to promulgate any rule or regulation governing such initial issuance, or

(C) to otherwise regulate in any manner such initial issuance.

(b) EXCEPTION.—Subsection (a) of this section shall not apply to the amendment made by section 110 of this Act.

(c) PUBLIC DEBT OBLIGATION.—For purposes of this section, the term "public debt obligation" means an obligation subject to the public debt limit established in section 3101 of title 31, United States Code.

SEC. 112. STUDY OF REGULATORY SYSTEM FOR GOVERNMENT SECURITIES.

(a) JOINT STUDY.—The Secretary of the Treasury, the Securities and Exchange Commission, and the Board of Governors of the Federal Reserve System shall—

(1) with respect to any rules promulgated or amended after October 1, 1991, pursuant to section 15C of the Securities Exchange Act of 1934 or any amendment made by this title, and any national securities association rule changes applicable principally to government securities transactions approved after October 1, 1991—

(A) evaluate the effectiveness of such rules in carrying out the purposes of such Act; and

(B) evaluate the impact of any such rules on the efficiency and liquidity of the government securities market and the cost of funding the Federal debt;

(2) evaluate the effectiveness of surveillance and enforcement with respect to government securities, and the impact on such surveillance and enforcement of the availability of automated, time-sequenced records of essential information pertaining to trades in such securities; and

(3) submit to the Congress, not later than March 31, 1998, any recommendations they may consider appropriate concerning—

(A) the regulation of government securities brokers and government securities dealers;

(B) the dissemination of information concerning quotations for and transactions in government securities;

(C) the prevention of sales practice abuses in connection with transactions in government securities; and

(D) such other matters as they consider appropriate.

(b) TREASURY STUDY.—The Secretary of the Treasury, in consultation with the Securities and Exchange Commission, shall—

(1) conduct a study of—

(A) the identity and nature of the business of government securities brokers and government securities dealers that are registered with the Securities and Exchange Commission under section 15C of the Securities Exchange Act of 1934; and

(B) the continuing need for, and regulatory and financial consequences of, a separate regulatory system for such government securities brokers and government securities dealers; and

(2) submit to the Congress, not later than 18 months after the date of enactment of this Act, the Secretary's recommendations for change, if any, or such other recommendations as the Secretary considers appropriate.

TITLE II—REPORTS ON PUBLIC DEBT

SEC. 201. ANNUAL REPORT ON PUBLIC DEBT.

(a) GENERAL RULE.—Subchapter II of chapter 31 of title 31, United States Code, is amended by adding at the end the following new section:

"§ 3130. Annual public debt report

"(a) GENERAL RULE.—On or before June 1 of each calendar year after 1993, the Secretary of the Treasury shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on—

"(1) the Treasury's public debt activities, and

"(2) the operations of the Federal Financing Bank.

"(b) REQUIRED INFORMATION ON PUBLIC DEBT ACTIVITIES.—Each report submitted under subsection (a) shall include the following information:

"(1) A table showing the following information with respect to the total public debt:

"(A) The past levels of such debt and the projected levels of such debt as of the close of the current fiscal year and as of the close of the next 5 fiscal years under the most recent current services baseline projection of the executive branch.

"(B) The past debt to GDP ratios and the projected debt to GDP ratios as of the close of the current fiscal year and as of the close of the next 5 fiscal years under such most recent current services baseline projection.

"(2) A table showing the following information with respect to the net public debt:

"(A) The past levels of such debt and the projected levels of such debt as of the close of the current fiscal year and as of the close of the next 5 fiscal years under the most recent current services baseline projection of the executive branch.

"(B) The past debt to GDP ratios and the projected debt to GDP ratios as of the close

of the current fiscal year and as of the close of the next 5 fiscal years under such most recent current services baseline projection.

"(C) The interest cost on such debt for prior fiscal years and the projected interest cost on such debt for the current fiscal year and for the next 5 fiscal years under such most recent current services baseline projection.

"(D) The interest cost to outlay ratios for prior fiscal years and the projected interest cost to outlay ratios for the current fiscal year and for the next 5 fiscal years under such most recent current services baseline projection.

"(3) A table showing the maturity distribution of the net public debt as of the time the report is submitted and for prior years, and an explanation of the overall financing strategy used in determining the distribution of maturities when issuing public debt obligations, including a discussion of the projections and assumptions with respect to the structure of interest rates for the current fiscal year and for the succeeding 5 fiscal years.

"(4) A table showing the following information as of the time the report is submitted and for prior years:

"(A) A description of the various categories of the holders of public debt obligations.

"(B) The portions of the total public debt held by each of such categories.

"(5) A table showing the relationship of federally assisted borrowing to total Federal borrowing as of the time the report is submitted and for prior years.

"(6) A table showing the annual principal and interest payments which would be required to amortize in equal annual payments the level (as of the time the report is submitted) of the net public debt over the longest remaining term to maturity of any obligation which is a part of such debt.

"(c) REQUIRED INFORMATION ON FEDERAL FINANCING BANK.—Each report submitted under subsection (a) shall include (but not be limited to) information on the financial operations of the Federal Financing Bank, including loan payments and prepayments, and on the levels and categories of the lending activities of the Federal Financing Bank, for the current fiscal year and for prior fiscal years.

"(d) RECOMMENDATIONS.—The Secretary of the Treasury may include in any report submitted under subsection (a) such recommendations to improve the issuance and sale of public debt obligations (and with respect to other matters) as he may deem advisable.

"(e) DEFINITIONS.—For purposes of this section—

"(1) CURRENT FISCAL YEAR.—The term 'current fiscal year' means the fiscal year ending in the calendar year in which the report is submitted.

"(2) TOTAL PUBLIC DEBT.—The term 'total public debt' means the total amount of the obligations subject to the public debt limit established in section 3101 of this title.

"(3) NET PUBLIC DEBT.—The term 'net public debt' means the portion of the total public debt which is held by the public.

"(4) DEBT TO GDP RATIO.—The term 'debt to GDP ratio' means the percentage obtained by dividing the level of the total public debt or net public debt, as the case may be, by the gross domestic product.

"(5) INTEREST COST TO OUTLAY RATIO.—The term 'interest cost to outlay ratio' means, with respect to any fiscal year, the percentage obtained by dividing the interest cost for such fiscal year on the net public debt by the total amount of Federal outlays for such fiscal year.".

(b) CLERICAL AMENDMENT.—The analysis for subchapter II of chapter 31 of title 31, United States Code, is amended by adding at the end the following new item:

"3130. Annual public debt report.".

SEC. 202. TREASURY AUCTION REFORMS.

(a) ABILITY TO SUBMIT COMPUTER TENDERS IN TREASURY AUCTIONS.—By the end of 1995, any bidder shall be permitted to submit a computer-generated tender to any automated auction system established by the Secretary of the Treasury for the sale upon issuance of securities issued by the Secretary if the bidder—

(1) meets the minimum creditworthiness standard established by the Secretary; and

(2) agrees to comply with regulations and procedures applicable to the automated system and the sale upon issuance of securities issued by the Secretary.

(b) PROHIBITION ON FAVORED PLAYERS.—

(1) IN GENERAL.—No government securities broker or government securities dealer may receive any advantage, favorable treatment, or other benefit, in connection with the purchase upon issuance of securities issued by the Secretary of the Treasury, which is not generally available to other government securities brokers or government securities dealers under the regulations governing the sale upon issuance of securities issued by the Secretary of the Treasury.

(2) EXCEPTION.—

(A) IN GENERAL.—The Secretary of the Treasury may grant an exception to the application of paragraph (1) if—

(i) the Secretary determines that any advantage, favorable treatment, or other benefit referred to in such paragraph is necessary and appropriate and in the public interest; and

(ii) the grant of the exception is designed to minimize any anticompetitive effect.

(B) ANNUAL REPORT.—The Secretary of the Treasury shall submit an annual report to the Congress describing any exception granted by the Secretary under subparagraph (A) during the year covered by the report and the basis upon which the exception was granted.

(c) MEETINGS OF TREASURY BORROWING ADVISORY COMMITTEE.—

(1) OPEN MEETINGS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), any meeting of the Treasury Borrowing Advisory Committee of the Public Securities Association (hereafter in this subsection referred to as the "advisory committee"), or any successor to the advisory committee, shall be open to the public.

(B) EXCEPTION.—Subparagraph (A) shall not apply with respect to any part of any meeting of the advisory committee in which the advisory committee—

(i) discusses and debates the issues presented to the advisory committee by the Secretary of the Treasury; or

(ii) makes recommendations to the Secretary.

(2) MINUTES OF EACH MEETING.—The detailed minutes required to be maintained under section 10(c) of the Federal Advisory Committee Act for any meeting by the advisory committee shall be made available to the public within 3 business days of the date of the meeting.

(3) PROHIBITION ON RECEIPT OF GRATUITIES OR EXPENSES BY ANY OFFICER OR EMPLOYEE OF THE BOARD OR DEPARTMENT.—In connection with any meeting of the advisory committee, no officer or employee of the Department of the Treasury, the Board of Governors of the Federal Reserve System, or any Federal reserve bank may accept any gratuity, consideration, expense of any sort, or any other thing of value from any advisory committee described in subsection (c), any member of such committee, or any other person.

(4) PROHIBITION ON OUTSIDE DISCUSSIONS.—

(A) IN GENERAL.—Subject to subparagraph (B), a member of the advisory committee may not discuss any part of any discussion, debate, or recommendation at a meeting of the advisory committee which occurs while such meeting is closed to the public (in accordance with paragraph (1)(B)) with, or disclose the contents of such discussion, debate, or recommendation to, anyone other than—

(i) another member of the advisory committee who is present at the meeting; or

(ii) an officer or employee of the Department of the Treasury.

(B) APPLICABLE PERIOD OF PROHIBITION.—The prohibition contained in subparagraph (A) on discussions and disclosures of any discussion, debate, or recommendation at a meeting of the advisory committee shall cease to apply—

(i) with respect to any discussion, debate, or recommendation which relates to the securities to be auctioned in a midquarter refunding by the Secretary of the Treasury, at the time the Secretary makes a public announcement of the refunding; and

(ii) with respect to any other discussion, debate, or recommendation at the meeting, at the time the Secretary releases the minutes of the meeting in accordance with paragraph (2).

(C) REMOVAL FROM ADVISORY COMMITTEE FOR VIOLATIONS OF THIS PARAGRAPH.—In addition to any penalty or enforcement action to which a person who violates a provision of this paragraph may be subject under any other provision of law, the Secretary of the Treasury shall—

(i) remove a member of the advisory committee who violates a provision of this paragraph from the advisory committee and permanently bar such person from serving as a member of the advisory committee; and

(ii) prohibit any director, officer, or employee of the firm of which the member referred to in clause (i) is a director, officer, or employee (at the time the member is removed from the advisory committee) from serving as a member of the advisory committee at any time during the 5-year period beginning on the date of such removal.

(d) REPORT TO CONGRESS.—

(1) REPORT REQUIRED.—The Secretary of the Treasury shall submit an annual report to the Congress containing the following information with respect to material violations or suspected material violations of regulations of the Secretary relating to auctions and other offerings of securities upon the issuance of such securities by the Secretary:

(A) The number of inquiries begun by the Secretary during the year covered by the report regarding such material violations or suspected material violations by any participant in the auction system or any director, officer, or employee of any such participant and the number of inquiries regarding any such violations or suspected violations which remained open at the end of such year.

(B) A brief description of the nature of the violations.

(C) A brief description of any action taken by the Secretary during such year with respect to any such violation, including any referrals made to the Attorney General, the Securities and Exchange Commission, any

other law enforcement agency, and any Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act).

(2) DELAY IN DISCLOSURE OF INFORMATION IN CERTAIN CASES.—The Secretary of the Treasury shall not be required to include in a report under paragraph (1) any information the disclosure of which could jeopardize an investigation by an agency described in paragraph (1)(C) for so long as such disclosure could jeopardize the investigation.

SEC. 203. NOTICE ON TREASURY MODIFICATIONS TO AUCTION PROCESS.

The Secretary of the Treasury shall notify the Congress of any significant modifications to the auction process for issuing United States Treasury obligations at the time such modifications are implemented.

TITLE III—LIMITED PARTNERSHIP ROLLUPS

SEC. 301. SHORT TITLE.

This title may be cited as the "Limited Partnership Rollup Reform Act of 1993".

SEC. 302. REVISION OF PROXY SOLICITATION RULES WITH RESPECT TO LIMITED PARTNERSHIP ROLLUP TRANSACTIONS.

(a) AMENDMENT.—Section 14 of the Securities Exchange Act of 1934 (15 U.S.C. 78n) is amended by adding at the end the following new subsection:

"(h) PROXY SOLICITATIONS AND TENDER OFFERS IN CONNECTION WITH LIMITED PARTNERSHIP ROLLUP TRANSACTIONS.—

"(1) PROXY RULES TO CONTAIN SPECIAL PROVISIONS.—It shall be unlawful for any person to solicit any proxy, consent, or authorization concerning a limited partnership rollup transaction, or to make any tender offer in furtherance of a limited partnership rollup transaction, unless such transaction is conducted in accordance with rules prescribed by the Commission under subsections (a) and (d) as required by this subsection. Such rules shall—

"(A) permit any holder of a security that is the subject of the proposed limited partnership rollup transaction to engage in preliminary communications for the purpose of determining whether to solicit proxies, consents, or authorizations in opposition to the proposed limited partnership rollup transaction, without regard to whether any such communication would otherwise be considered a solicitation of proxies, and without being required to file soliciting material with the Commission prior to making that determination, except that—

"(i) nothing in this subparagraph shall be construed to limit the application of any provision of this title prohibiting, or reasonably designed to prevent, fraudulent, deceptive, or manipulative acts or practices under this title; and

"(ii) any holder of not less than 5 percent of the outstanding securities that are the subject of the proposed limited partnership rollup transaction who engages in the business of buying and selling limited partnership interests in the secondary market shall be required to disclose such ownership interests and any potential conflicts of interests in such preliminary communications;

"(B) require the issuer to provide to holders of the securities that are the subject of the limited partnership rollup transaction such list of the holders of the issuer's securities as the Commission may determine in such form and subject to such terms and conditions as the Commission may specify;

"(C) prohibit compensating any person soliciting proxies, consents, or authorizations directly from security holders concerning such a limited partnership rollup transaction—

"(i) on the basis of whether the solicited proxy, consent, or authorization either approves or disapproves the proposed limited partnership rollup transaction; or

"(ii) contingent on the approval, disapproval, or completion of the limited partnership rollup transaction;

"(D) set forth disclosure requirements for soliciting material distributed in connection with a limited partnership rollup transaction, including requirements for clear, concise, and comprehensible disclosure with respect to—

"(i) any changes in the business plan, voting rights, form of ownership interest, or the compensation of the general partner in the proposed limited partnership rollup transaction from each of the original limited partnerships;

"(ii) the conflicts of interest, if any, of the general partner;

"(iii) whether it is expected that there will be a significant difference between the exchange values of the limited partnerships and the trading price of the securities to be issued in the limited partnership rollup transaction;

"(iv) the valuation of the limited partnerships and the method used to determine the value of the interests of the limited partners to be exchanged for the securities in the limited partnership rollup transaction;

"(v) the differing risks and effects of the limited partnership rollup transaction for investors in different limited partnerships proposed to be included, and the risks and effects of completing the limited partnership rollup transaction with less than all limited partnerships;

"(vi) the statement by the general partner required under subparagraph (E);

"(vii) such other matters deemed necessary or appropriate by the Commission;

"(E) require a statement by the general partner as to whether the proposed limited partnership rollup transaction is fair or unfair to investors in each limited partnership, a discussion of the basis for that conclusion, and an evaluation and a description by the general partner of alternatives to the limited partnership rollup transaction, such as liquidation;

"(F) provide that, if the general partner or sponsor has obtained any opinion (other than an opinion of counsel), appraisal, or report that is prepared by an outside party and that is materially related to the limited partnership rollup transaction, such soliciting materials shall contain or be accompanied by clear, concise, and comprehensible disclosure with respect to—

"(i) the analysis of the transaction, scope of review, preparation of the opinion, and basis for and methods of arriving at conclusions, and any representations and undertakings with respect thereto;

"(ii) the identity and qualifications of the person who prepared the opinion, the method of selection of such person, and any material past, existing, or contemplated relationships between the person or any of its affiliates and the general partner, sponsor, successor, or any other affiliate;

"(iii) any compensation of the preparer of such opinion, appraisal, or report that is contingent on the transaction's approval or completion; and

"(iv) any limitations imposed by the issuer on the access afforded to such preparer to the issuer's personnel, premises, and relevant books and records;

"(G) provide that, if the general partner or sponsor has obtained any opinion, appraisal, or report as described in subparagraph (F) from any person whose compensation is contingent on the transaction's approval or completion or who has not been given access by the issuer to its personnel and premises and relevant books and records, the general partner or sponsor shall state the reasons therefor;

"(H) provide that, if the general partner or sponsor has not obtained any opinion on the fairness of the proposed limited partnership rollup transaction to investors in each of the affected partnerships, such soliciting materials shall contain or be accompanied by a statement of such partner's or sponsor's reasons for concluding that such an opinion is not necessary in order to permit the limited partners to make an informed decision on the proposed transaction;

"(I) require that the soliciting material include a clear, concise, and comprehensible summary of the limited partnership rollup transaction (including a summary of the matters referred to in clauses (i) through (vii) of subparagraph (D) and a summary of the matter referred to in subparagraphs (F), (G), and (H)), with the risks of the limited partnership rollup transaction set forth prominently in the fore part thereof;

"(J) provide that any solicitation or offering period with respect to any proxy solicitation, tender offer, or information statement in a limited partnership rollup transaction shall be for not less than the lesser of 60 calendar days or the maximum number of days permitted under applicable State law; and

"(K) contain such other provisions as the Commission determines to be necessary or appropriate for the protection of investors in limited partnership rollup transactions.

"(2) EXEMPTIONS.—The Commission may, consistent with the public interest, the protection of investors, and the purposes of this title, exempt by rule or order any security or class of securities, any transaction or class of transactions, or any person or class of persons, in whole or in part, conditionally or unconditionally, from the requirements imposed pursuant to paragraph (1) or from the definition contained in paragraph (4).

"(3) EFFECT ON COMMISSION AUTHORITY.—Nothing in this subsection limits the authority of the Commission under subsection (a) or (d) or any other provision of this title or precludes the Commission from imposing, under subsection (a) or (d) or any other provision of this title, a remedy or procedure required to be imposed under this subsection.

"(4) DEFINITION OF LIMITED PARTNERSHIP ROLLUP TRANSACTION.—Except as provided in paragraph (5), as used in this subsection, the term 'limited partnership rollup transaction' means a transaction involving the combination or reorganization of one or more limited partnerships, directly or indirectly, in which—

"(A) some or all of the investors in any of such limited partnerships will receive new securities, or securities in another entity, that will be reported under a transaction reporting plan declared effective before the date of enactment of this subsection by the Commission under section 11A;

"(B) any of the investors' limited partnership securities are not, as of the date of filing, reported under a transaction reporting plan declared effective before the date of enactment of this subsection by the Commission under section 11A;

"(C) investors in any of the limited partnerships involved in the transaction are subject to a significant adverse change with respect to voting rights, the term of existence of the entity, management compensation, or investment objectives; and

"(D) any of such investors are not provided an option to receive or retain a security under substantially the same terms and conditions as the original issue.

"(5) EXCLUSIONS FROM DEFINITION.—Notwithstanding paragraph (4), the term 'limited partnership rollup transaction' does not include—

"(A) a transaction that involves only a limited partnership or partnerships having an operating policy or practice of retaining cash available for distribution and reinvesting proceeds from the sale, financing, or refinancing of assets in accordance with such criteria as the Commission determines appropriate;

"(B) a transaction involving only limited partnerships wherein the interests of the limited partners are repurchased, recalled, or exchanged in accordance with the terms of the preexisting limited partnership agreements for securities in an operating company specifically identified at the time of the formation of the original limited partnership;

"(C) a transaction in which the securities to be issued or exchanged are not required to be and are not registered under the Securities Act of 1933;

"(D) a transaction that involves only issuers that are not required to register or report under section 12, both before and after the transaction;

"(E) a transaction, except as the Commission may otherwise provide by rule for the protection of investors, involving the combination or reorganization of one or more limited partnerships in which a non-affiliated party succeeds to the interests of a general partner or sponsor, if—

"(i) such action is approved by not less than 66⅔ percent of the outstanding units of each of the participating limited partnerships; and

"(ii) as a result of the transaction, the existing general partners will receive only compensation to which they are entitled as expressly provided for in the preexisting limited partnership agreements; or

"(F) a transaction, except as the Commission may otherwise provide by rule for the protection of investors, in which the securities offered to investors are securities of another entity that are reported under a transaction reporting plan declared effective before the date of enactment of this subsection by the Commission under section 11A, if—

"(i) such other entity was formed, and such class of securities was reported and regularly traded, not less than 12 months before the date on which soliciting material is mailed to investors; and

"(ii) the securities of that entity issued to investors in the transaction do not exceed 20 percent of the total outstanding securities of the entity, exclusive of any securities of such class held by or for the account of the entity or a subsidiary of the entity.".

(b) SCHEDULE FOR REGULATIONS.—The Securities and Exchange Commission shall conduct rulemaking proceedings and prescribe final regulations under the Securities Act of 1933 and the Securities Exchange Act of 1934 to implement the requirements of section 14(h) of the Securities Exchange Act of 1934, as amended by subsection (a), and such regulations shall become effective not later than 12 months after the date of enactment of this Act.

(c) EVALUATION OF FAIRNESS OPINION PREPARATION, DISCLOSURE, AND USE.—

(1) EVALUATION REQUIRED.—The Comptroller General of the United States shall, within 18 months after the date of enactment of this Act, conduct a study of—

(A) the use of fairness opinions in limited partnership rollup transactions;

(B) the standards which preparers use in making determinations of fairness;

(C) the scope of review, quality of analysis, qualifications and methods of selection of preparers, costs of preparation, and any limitations imposed by issuers on such preparers;

(D) the nature and quality of disclosures provided with respect to such opinions;

(E) any conflicts of interest with respect to the preparation of such opinions; and

(F) the usefulness of such opinions to limited partners.

(2) REPORT REQUIRED.—Not later than the end of the 18-month period referred to in paragraph (1), the Comptroller General of the United States shall submit to the Congress a report on the evaluation required by paragraph (1).

SEC. 303. RULES OF FAIR PRACTICE IN ROLLUP TRANSACTIONS.

(a) REGISTERED SECURITIES ASSOCIATION RULE.—Section 15A(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o–3(b)) is amended by adding at the end the following new paragraph:

"(12) The rules of the association to promote just and equitable principles of trade, as required by paragraph (6), include rules to prevent members of the association from participating in any limited partnership rollup transaction (as such term is defined in paragraphs (4) and (5) of section 14(h)) unless such transaction was conducted in accordance with procedures designed to protect the rights of limited partners, including—

"(A) the right of dissenting limited partners to one of the following:

"(i) an appraisal and compensation;

"(ii) retention of a security under substantially the same terms and conditions as the original issue;

"(iii) approval of the limited partnership rollup transaction by not less than 75 percent of the outstanding securities of each of the participating limited partnerships;

"(iv) the use of a committee that is independent, as determined in accordance with rules prescribed by the association, of the general partner or sponsor, that has been approved by a majority of the outstanding securities of each of the participating partnerships, and that has such authority as is necessary to protect the interest of limited partners, including the authority to hire independent advisors, to negotiate with the general partner or sponsor on behalf of the limited partners, and to make a recommendation to the limited partners with respect to the proposed transaction; or

"(v) other comparable rights that are prescribed by rule by the association and that are designed to protect dissenting limited partners;

"(B) the right not to have their voting power unfairly reduced or abridged;

"(C) the right not to bear an unfair portion of the costs of a proposed limited partnership rollup transaction that is rejected; and

"(D) restrictions on the conversion of contingent interests or fees into non-contingent interests or fees and restrictions on the receipt of a non-contingent equity interest in exchange for fees for services which have not yet been provided.

As used in this paragraph, the term 'dissenting limited partner' means a person who, on the date on which soliciting material is mailed to investors, is a holder of a beneficial interest in a limited partnership that is the subject of a limited partnership rollup transaction, and who casts a vote against the transaction and complies with procedures established by the association, except that for purposes of an exchange or tender offer, such person shall file an objection in writing under the rules of the association during the period in which the offer is outstanding.".

(b) LISTING STANDARDS OF NATIONAL SECURITIES EXCHANGES.—Section 6(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78f(b)) is amended by adding at the end the following:

"(9) The rules of the exchange prohibit the listing of any security issued in a limited partnership rollup transaction (as such term is defined in paragraphs (4) and (5) of section 14(h)), unless such transaction was conducted in accordance with procedures designed to protect the rights of limited partners, including—

"(A) the right of dissenting limited partners to one of the following:

"(i) an appraisal and compensation;

"(ii) retention of a security under substantially the same terms and conditions as the original issue;

"(iii) approval of the limited partnership rollup transaction by not less than 75 percent of the outstanding securities of each of the participating limited partnerships;

"(iv) the use of a committee of limited partners that is independent, as determined in accordance with rules prescribed by the exchange, of the general partner or sponsor, that has been approved by a majority of the outstanding units of each of the participating limited partnerships, and that has such authority as is necessary to protect the interest of limited partners, including the authority to hire independent advisors, to negotiate with the general partner or sponsor on behalf of the limited partners, and to make a recommendation to the limited partners with respect to the proposed transaction; or

"(v) other comparable rights that are prescribed by rule by the exchange and that are designed to protect dissenting limited partners;

"(B) the right not to have their voting power unfairly reduced or abridged;

"(C) the right not to bear an unfair portion of the costs of a proposed limited partnership rollup transaction that is rejected; and

"(D) restrictions on the conversion of contingent interests or fees into non-contingent interests or fees and restrictions on the receipt of a non-contingent equity interest in exchange for fees for services which have not yet been provided.

As used in this paragraph, the term 'dissenting limited partner' means a person who, on the date on which soliciting material is mailed to investors, is a holder of a beneficial interest in a limited partnership that is the subject of a limited partnership rollup transaction, and who casts a vote against the transaction and complies with procedures established by the association, except that for purposes of an exchange or tender offer, such person shall file an objection in writing under the rules of the exchange during the period during which the offer is outstanding.".

(c) STANDARDS FOR AUTOMATED QUOTATION SYSTEMS.—Section 15A(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o–3(b)) is amended by adding at the end the following new paragraph:

"(13) The rules of the association prohibit the authorization for quotation on an automated interdealer quotation system sponsored by the association of any security designated by the Commission as a national market system security resulting from a limited partnership rollup transaction (as

such term is defined in paragraphs (4) and (5) of section 14(h)), unless such transaction was conducted in accordance with procedures designed to protect the rights of limited partners, including—

"(A) the right of dissenting limited partners to one of the following:

"(i) an appraisal and compensation;

"(ii) retention of a security under substantially the same terms and conditions as the original issue;

"(iii) approval of the limited partnership rollup transaction by not less than 75 percent of the outstanding securities of each of the participating limited partnerships;

"(iv) the use of a committee that is independent, as determined in accordance with rules prescribed by the association, of the general partner or sponsor, that has been approved by a majority of the outstanding securities of each of the participating partnerships, and that has such authority as is necessary to protect the interest of limited partners, including the authority to hire independent advisors, to negotiate with the general partner or sponsor on behalf of the limited partners, and to make a recommendation to the limited partners with respect to the proposed transaction; or

"(v) other comparable rights that are prescribed by rule by the association and that are designed to protect dissenting limited partners;

"(B) the right not to have their voting power unfairly reduced or abridged;

"(C) the right not to bear an unfair portion of the costs of a proposed limited partnership rollup transaction that is rejected; and

"(D) restrictions on the conversion of contingent interests or fees into non-contingent interests or fees and restrictions on the receipt of a non-contingent equity interest in exchange for fees for services which have not yet been provided.

As used in this paragraph, the term 'dissenting limited partner' means a person who, on the date on which soliciting material is mailed to investors, is a holder of a beneficial interest in a limited partnership that is the subject of a limited partnership rollup transaction, and who casts a vote against the transaction and complies with procedures established by the association, except that for purposes of an exchange or tender offer, such person shall file an objection in writing under the rules of the association during the period during which the offer is outstanding.".

SEC. 304. EFFECTIVE DATE; EFFECT ON EXISTING AUTHORITY.

(a) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by section 303 shall become effective 12 months after the date of enactment of this Act.

(2) RULEMAKING AUTHORITY.—Notwithstanding paragraph (1), the authority of the Securities and Exchange Commission, a registered securities association, and a national securities exchange to commence rulemaking proceedings for the purpose of issuing rules pursuant to the amendments made by section 303 is effective on the date of enactment of this Act.

(3) REVIEW OF FILINGS PRIOR TO EFFECTIVE DATE.—Prior to the effective date of regulations promulgated pursuant to this title, the Securities and Exchange Commission shall continue to review and declare effective registration statements and amendments thereto relating to limited partnership rollup transactions in accordance with applicable regulations then in effect.

(b) EFFECT ON EXISTING AUTHORITY.—The amendments made by this title shall not limit the authority of the Securities and Exchange Commission, a registered securities association, or a national securities exchange under any provision of the Securities Exchange Act of 1934, or preclude the Commission or such association or exchange from imposing, under any other such provision, a remedy or procedure required to be imposed under such amendments.

Mr. MARKEY (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment to the House amendments be considered as read and printed in the RECORD.

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

There was no objection.

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

Mr. FIELDS of Texas. Mr. Speaker, reserving the right to object, I will not object, but I would like to give the gentleman from Massachusetts [Mr. MARKEY] an opportunity to explain the bill.

Mr. MARKEY. Mr. Speaker, will the gentleman yield?

Mr. FIELDS of Texas. Further reserving the right to object, Mr. Speaker, I am happy to yield to the gentleman from Massachusetts.

Mr. MARKEY. Mr. Speaker, today the House is taking up consideration of S. 422, the Government Securities Act Amendments of 1993. This legislation reflects a bipartisan House-Senate agreement on a broad package of reforms affecting the regulation of the Government securities market and mergers or reorganizations of limited partnerships. It represents a compromise between: First, the House government securities legislation that was approved by voice vote on October 5 (H.R. 618) and the Senate bill (S. 422) which was approved on July 27; and second, the House limited partnership rollup legislation (H.R. 617) that was approved by a 408-to-6 vote on March 2 of this year and the companion Senate legislation (S. 424) which passed the Senate by voice vote on August 6 of this year.

I. GOVERNMENT SECURITIES ACT AMENDMENTS OF 1993

BACKGROUND

Two years ago, shocking revelations of wrongdoing by Salomon Bros. in connection with several Treasury auctions dramatically underscored the consequences of relying on an antiquated system of clubby informal regulation to guide the $4.5 billion market for U.S. Treasury securities, as well as the markets for other government securities. We learned that Salomon employees repeatedly submitted false bids at Treasury auctions, committed numerous books and records violations, and participated in a series of fictitious tax trades. At the same time, we learned of serious breakdowns in internal controls and supervisory procedures by the senior management of the firm.

These scandals raised a disturbing prospect for regulators—the spectacle of sophisticated and unscrupulous operators being able to manipulate the market for the U.S. Government's securities by effectively cornering the market for a particular Treasury issue, generating a short squeeze in that issue, and then profiting from the artificially inflated prices that would result. Such a development, if left unchecked, would have a devastating effect on the public's confidence in the fairness and integrity of the market.

Unfortunately, the shocking revelations of wrongdoing by Salomon Brothers were not an isolated incident. During the last 2 years we have witnessed:

Ninety-eight securities firms and banks reaching a settlement with Federal regulators for inflating customer orders and maintaining false books in connection with sales of the securities of various Government-sponsored enterprises;

Two firms signing a consent decree relating to abuses associated with noncompetitive bidding for Treasury securities, with additional investigations into abuses by other firms and individuals still underway;

Other firms either reaching or nearing settlements for undertaking prearranged trades aimed at generating fictitious tax losses; and,

Revelations that convicted swindler Steven Wymer used the Government market as the vehicle for carrying out a series of ripoffs of nearly 100 local and State governments.

Today, Government investigations into these areas, as well as broad-ranging investigations into other instances of possible market manipulation are still continuing, and further settlements or enforcement actions may be forthcoming in the very near future.

CONGRESSIONAL RESPONSE

The Salomon and related scandals amply demonstrated the need for comprehensive reforms in the regulation of the Government securities market. In response, in January of this year, I joined with Chairman DINGELL, Mr. FIELDS, Mr. WYDEN, Mr. SYNAR, Mr. COOPER, and Mr. MOORHEAD in introducing H.R. 618, the Government Securities Reform Act of 1993, which this House approved in October. The Senate passed a narrower bill, S. 422, in July. We have since labored long and hard to craft the final agreement we are bringing to the House floor today.

I am very pleased to report that the result of our discussions has been a bill which adopts the major provisions of the original House bill. S. 422, as amended by the House-Senate agreement, would:

Permanently extend all the rulemaking authorities granted to Treasury under the Government Securities Act of 1986;

Require all Government securities brokers and dealers to furnish to the

SEC, upon request, records of transactions in Government securities needed to reconstruct trading for oversight, surveillance or enforcement purposes;

Authorize Treasury to adopt rules requiring reporting by holders of large positions in Treasury securities in order to enhance market surveillance and enforcement efforts;

Empower the National Association of Securities Dealers and the appropriate regulatory agencies for financial institutions to develop and enforce sales practice and other rules of fair practice for Government securities brokers and dealers;

Make it an explicit violation of the securities laws for any person to make false or misleading statements in connection with any bid for or purchase of a Government security;

Supplement the SEC's basic antifraud authorities over this market by empowering it to prescribe prophylactic antifraud and antimanipulation rules for the Government securities market;

Direct the SEC to continuously monitor the nature and adequacy of public access to market quotation and transaction information;

Effectuate various reforms affecting the primary auction market for Treasury securities, including the electronic submission of bids, open access to the auction, and reforms of the Treasury Borrowing Committee;

Mandate joint interagency, the Treasury, and GAO studies of the regulatory system for Government securities; and,

Require certain reports by the Treasury concerning its public debt obligations and changes in the Treasury debt auction process.

HOUSE-SENATE AGREEMENT ON S. 422

I would like to take a few minutes to further clarify the purpose of four key changes made in the legislation that we are considering today, from the bill H.R. 618, which the House approved in October.

Transaction records: The House and Senate agreed that there was a need to improve recordkeeping by Government securities brokers and dealers so that the SEC can readily obtain transaction information needed to reconstruct trading for surveillance or enforcement purposes. Shoddy recordkeeping practices by some Government securities brokers and dealers greatly complicated the SEC's Salomon Brothers-related investigations. Requiring standardized records to be maintained in electronic form and furnished to the SEC upon request should help rectify this problem.

The House-Senate agreement anticipates that the SEC shall consider the impact of this requirement on small Government securities brokers and dealers. It is our intent that this provision be construed to mean that the SEC shall work with these smaller firms to develop an efficient means of compliance, such as the electronic blue sheets used for all firms in the equity markets.

The House-Senate agreement also provides that the information to be furnished to the SEC is information that is required for particular inquiries or investigations being conducted by the SEC for surveillance or enforcement purposes. While it is not anticipated that the SEC would use this particular grant of authority to establish continuous marketwide surveillance system or electronic audit trail covering the entire Government securities market, we fully intend and anticipate that the SEC will be able to obtain information as frequently as is needed. For example, if price anomalies, unusual trading patterns, or shortages of supply in a particular issue should develop, the SEC would be able to require Government securities firms to furnish transaction records during the period such records are required by the SEC to reconstruct trading in the issue, identify the causes of any anomalies or shortages, and whether any manipulative or fraudulent practices have taken place.

At the same time (as noted in H. Rept. 103–55, at 23–24), we fully expect and anticipate that the SEC will take other steps to closely monitor market developments and maintain an active market surveillance program which makes full use of all other available sources of information, such as GSCC transaction information, GOVPX and other interdealer broker price and volume information.

Large position reporting: In response to the Salomon Brothers and related scandals, both the House and Senate agreed that it was necessary to improve the information available to regulators regarding large positions held by market participants. I consider reporting of such information to be absolutely critical to the Treasury and the SEC in monitoring risks to the stability and integrity of the Treasury market and undertake appropriate regulatory or enforcement actions to respond to market squeezes or other disruptions.

The House and Senate agreed on the need for the large position reporting authority in H.R. 618. We also have added clarifying language regarding the minimum size of positions that would be subject to reporting under the agreement. This language states that the minimum size of positions reported "shall be no less than the size that provides the potential for manipulation or control of the supply or price, or the cost of financing arrangements, of an issue or the portion thereof that is available for trading."

In establishing a minimum threshold for reporting, the House and Senate sought to ensure that Treasury would retain considerable flexibility and discretion to set an appropriate standard for what positions should be reported. It is our expectation that the thresholds reported will be large in relation to the size of an issue or the portion thereof that is available for trading. At the same time, we have sought to avoid establishing an artificially high minimum reporting threshold that would prevent regulators from obtaining access to information regarding large positions that they might need in order to carry out their responsibilities.

During our discussions with the Senate, the House considered and rejected proposals to establish a percentage or dollar threshold for large position reporting. At one point during our discussions, some of our Senate colleagues suggested that we establish a percentage or dollar minimum threshold for reporting. For example, a 35-percent threshold was suggested by one of our Senate colleagues, since that is the upper limit of what a single purchaser can bid for at Treasury auctions. The House and Senate resoundingly rejected such an approach for a number of reasons.

We were concerned that the 35-percent threshold was far too high for a minimum reporting threshold. At the same time, we also felt that defining by statute that a large position must be at least 35 percent of an issue—or even some other lower percentage threshold—would remove Treasury's flexibility to tailor the reporting requirements to specific market conditions. For example, a considerable amount of a security that is in short supply—and which may be reopened by Treasury—may be in the hands of final investors who do not follow market conditions that closely. In addition, a considerable amount of the issue may have been, or is committed to be, stripped into separate interest- and principal-only securities. In such cases, a significantly lower percentage of the total issue might constitute the actual amount of the security that is actually available for trading. We wanted to ensure that Treasury would have ample discretion to take such factors into account in setting the minimum reporting threshold.

In addition, we feared that tying the Treasury's hand by statute would also present an inviting target for would-be manipulators, who might find a way to evade a reporting threshold by working in concert to control the supply of an issue. In such a situation, two or more persons or firms might collude to manipulate the market for the issue but never individually have a position large enough to be potentially reportable. It also was feared that establishing a percentage or dollar minimum threshold might create the impression that manipulation of the market with a slightly smaller position is something that would be condoned. The language we agreed upon gives Treasury

the flexibility it needs to respond to such situations.

As the joint House-Senate statement indicates, it is our expectation that Treasury will take into account the likelihood of collusion among market participants when it issues large position reporting rules. While Treasury should take into account other relevant rules and procedures, including auction rules regarding positions, in its rulemaking, it must make the potential for collusion, manipulation, or market control its paramount concern. At the same time, I would emphasize that there is absolutely no presumption of manipulative intent solely because a position is large enough to be reported, and no such presumption should be inferred simply because a person is required to file such reports.

Internal controls: While the House-Senate agreement deletes provisions of H.R. 618 that would have established statutory requirements that Government securities brokers and dealers establish, maintain, and enforce written policies and procedures aimed at assuring compliance with the Federal securities laws, there was agreement on the part of both the House and Senate that the general responsibility of brokers and dealers to supervise their employees must be adhered to and vigorously enforced by both the Commission and the self-regulatory organizations [SRO's]. I would note that over the last several years, there have been a number of disturbing instances in which a breakdown in supervision and compliance at brokers and dealers has occurred. The subcommittee has asked the General Accounting Office to undertake an investigation into this matter, and Chairman DINGELL has recently joined this request and also asked the SEC to submit a report on its ongoing inquiry regarding recidivist rogue brokers to determine whether action is needed to strengthen the failure to supervise provisions of the Exchange Act and related SRO rules.

Sales practice anti-fraud and anti-manipulation rules: S. 422, as amended, contains the sales practice and anti-fraud and antimanipulation rulemaking provisions contained in Sections 5 and 7 of H.R. 618. In doing so, the House and Senate agreed on the need to eliminate current restrictions that prevent the NASD and bank regulators from developing and applying normal sales practice rules to the Government securities markets. We also agreed that the SEC should have the power to supplement its existing anti-fraud authorities by being able to issue prophylactic antifraud and antimanipulation rules.

We agreed on an enhanced consultation requirement with regard to both of these provisions in order to allow Treasury the opportunity to provide input regarding the impact of any rules adopted pursuant to these provisions on Treasury's ability to manage the Federal debt. While the consultative provisions refer to all Government securities, it is not anticipated that Treasury would normally have any special concerns or special expertise regarding the impact of any rules prescribed for the marketing or trading of securities other than Treasury securities. For example, it would not be anticipated that such authority would normally be invoked in the context of a rulemaking dealing solely with securities in Government sponsored enterprises.

CONCLUSION

This bill represents a truly bipartisan reform package that is targeted at the specific abuses and problem areas that were uncovered by the Subcommittee on Telecommunications and Finance during its 3-year investigation of the Government securities market.

The reform package set forth in this conference report is supported by both the Treasury Department and the Securities and Exchange Commission. Key provisions are also supported by the Federal Reserve Bank of New York. The bill has won support from a wide range of organizations representing brokers, dealers, and investors in the market, including the National Association of Securities Dealers, the Public Securities Association, the Government Finance Officers Association, the North American Securities Administrators Association, the Investment Company Institute, the United Shareholders Association, the Council of Institutional Investors, the National Association of Counties, the National League of Cities, and the National Association of State Retirement Administrators.

I would like to express my appreciation to both House and Senate Members and staff for their tireless efforts in crafting this important legislation. In particular, I would like to thank Chairman DINGELL and Consuela Washington of the full Committee staff, the distinguished ranking Republican member of the committee, Mr. MOORHEAD, and the ranking Republican on the subcommittee, Mr. FIELDS, and Steve Blumenthal and Peter Rich of the minority staff, Steve Cope of the Office of Legislative Counsel, and Jeffrey Duncan of the subcommittee staff. In addition, I also want to express my special thanks to Treasury Under-Secretary Frank Newman and his staff, particularly Darcy Bradbury, Norman Carlton, and George Tyler. I would also like to thank SEC Chairman Arthur Levitt and the SEC staff, particularly Kate Fulton and Catherine McGuire. Their hard work and technical support was invaluable in helping us to bridge the differences that had previously separated the various parties interested in the government securities reform legislation.

Again, I urge my colleagues to support this legislation. It makes critically-needed reforms in the regulation of the government securities market that must be enacted into law now if we are to assure continued public confidence in the fairness and integrity of the Government securities market and allow it to continue to efficiently serve the U.S. Government's financing objectives, meet the needs of other government issuers, and provide individual and institutional investors with a fair and well-regulated market in which to invest their savings.

II. LIMITED PARTNERSHIP ROLLUP REFORM ACT

Today the House is also taking up final consideration of legislation to reform the regulatory treatment of mergers and reorganizations of limited partnerships, known on Wall Street as rollups. This legislation, contained in Title III of S. 422, will protect investors from abusive limited partnership rollups and provide significant new protections to the millions of investors who are today at risk of losing their savings in abusive rollup transactions.

BACKGROUND

The Subcommittee on Telecommunications and Finance has conducted a 3-year investigation into the fairness and regulatory treatment of rollups. Our investigations revealed that virtually all of the rollups approved during the last several years have resulted in devastating financial losses for small investors all over the country. General partners and Wall Street investment banks raked in huge fees, while thousands of small, generally unsophisticated investors suffered devastating financial losses. According to an analysis by the American Association of Limited Partners of 18 major real estate and oil and gas rollups completed over the last decade, over 510,000 investors lost an estimated $1.7 billion, while general partners and others earned up to $200 million in fees and reimbursements. In the first year of trading, rollup securities often drop 70 percent below the values assigned to the securities at the time of the transaction, with first trading day losses averaging 45 percent.

The tragedy is that even those investors who voted against the deal got rolled up if a simple majority consents to the transaction. On Wall Street, this is called a "cram down" because it crams often worthless rollup securities down the throats of unwilling investors.

CONGRESSIONAL RESPONSE

After the Subcommittee on Telecommunications and Finance began shining a spotlight on abusive rollups, the SEC and the NASD took steps to improve regulatory scrutiny of these transactions. However, major gaps still exist that could allow abusive rollups to continue, and passage of this legislation is needed to close those loopholes and give limited partners the full range of protections they need. Title III of S.

422, as amended by our agreement with the Senate, would:

Allow dissenting investors to be provided with a financial alternative to the rollup and no longer be forced to accept cramdown securities;

Greatly improve disclosure of the independent third-party fairness opinions that often accompany rollup disclosure documents, require rollup sponsors who fail to obtain a fairness opinion disclose why not, and mandate a GAO study of fairness opinions;

Improve rollup disclosures to prominently highlight any risks and conflicts-of-interest and assure that rollup disclosure documents are more clear, concise, and comprehensible;

Prevent rollups from being utilized to make certain changes in corporate governance, unfair changes in fees paid to the general partner, and unfair transaction charges for failed transactions;

Make it easier for limited partners to fight abusive rollups by assuring they get access to investor lists and can communicate with other investors;

Assure investors have adequate time to review a rollup proposal by setting a 60-day minimum solicitation period; and finally,

Bar broker-dealers or any other proxy solicitors from being paid for "yes" votes but not for "no" votes, in order to reduce financial incentives for engaging in abusive boilerroom solicitation practices.

HOUSE-SENATE AGREEMENT

I would like to briefly discuss some of the key aspects of the House-Senate agreement on the rollup legislation.

While we would have preferred to maintain the mandatory fairness opinion and the House infeasibility triggering standard from the House bill, the Senate was unwilling to yield on these issues, forcing us instead to seek alternative means of assuring adequate protections to investors. We believe that we have done so by making a number of significant improvements in these provisions of the Senate bill.

Fairness opinions: We have beefed up the fairness opinion disclosure provisions of the bill. The bill now requires that if the general partner or rollup sponsor receives a fairness opinion or appraisal from someone whose compensation is tied to approval of the deal or who has not been given full access by the issuer to its personnel and premises and any books and records the preparer deems relevant, there must be fulsome disclosure of these facts. This is intended to put investors on notion that the objectivity and utility of any such opinion may be severely compromised if the preparer of the opinion has a direct economic stake in approval or completion of the transaction.

Second, we have mandated that if a fairness opinion is not obtained, the general partner or rollup sponsor must state the reasons why they have concluded that such an opinion is not necessary in order to permit the limited partners to make an informed decision on the proposed transaction. Currently, fairness opinions are not required by either Federal or State law, although general partners often obtain such opinions to help market the rollup to investors or defend themselves against litigation alleging that they have breached their fiduciary duties.

Particularly in those situations where a general partner or rollup sponsor proposes a rollup transaction which confers significant financial benefits on themselves, investors require an independent opinion of the entire fairness of the transaction. Factually accurate disclosure, by itself, is simply not sufficient to allow investors to make an informed consent, particularly when they are under intense and sometimes coercive pressure to approve a transaction. A fairness opinion, to be useful, must examine the entire fairness of the deal to investors in each of the affected partnerships, including whether there has been fair dealing by the general partner and whether a fair price has been offered to investors. If a fairness opinion has not been obtained, the rollup sponsor or general partner must now explain the reasons for their failure to do so in light of the importance that receiving such information and analysis could have to investors trying to make an informed decision regarding the rollup.

In addition to these disclosure provisions, the legislation also requires the GAO to undertake a comprehensive analysis of the nature and adequacy of fairness opinions. We are mandating this study in order to determine whether there is a need for the SEC to mandate that fairness opinions be prepared in connection with all rollup transactions, and whether the SEC should establish Federal standards regarding such opinions in order to improve their usefulness to investors.

Triggering language: In our discussions with the Senate, we also agreed to drop the so-called triggering language on dissenter's rights. This has the effect of allowing dissenting investors to be offered either an appraisal and compensation, retention of their original security, approval of the rollup by a 75 percent supermajority, the use of an independent committee, or other comparable rights designed to protect dissenting limited partners. We expect there to be a presumption in favor of providing dissenting investors appraisal rights wherever feasible.

We dropped the so-called triggering language from the House bill for three reasons. First, the 75 percent supermajority requirement is a very high standard for approval by each of the affected partnerships. Indeed, some say it is so high as to be virtually impossible to attain by anything other than a self-evidently beneficial transaction. Second, by adding a requirement that individuals serving on the independent committee be approved by a majority of the limited partners, the House has obtained greater confidence that the committee will genuinely represent and protect the interest of investors. Finally, by adding language requiring that any other rights offered to limited partners be comparable to the appraisal and compensation, we have greater assurance that if any other rights are offered, such rights will be adequate to protect the financial interests of limited partners.

I would also like to make note of some other important changes that have been made in the final version of the bill. We have picked up the Senate's exclusions from the definition of a rollup, but modified them to eliminate potential loopholes and better assure that abusive transactions would not be able to evade the purposes of the act.

First, we accepted the exclusion in section (5)(B) based on the understanding that it only affects transactions that are conducted in accordance with the terms of the preexisting limited partnership agreement and which are for securities in an operating company specifically identified in such agreements at the time of the formation of the original limited partnership. Unless both conditions are met, a transaction cannot go forward in reliance on this exclusion.

Second, we have accepted the exclusion in section (5)(D) based on the understanding that this excludes transactions only involving issuers that are not required to register or report under section 12 of the Exchange Act both before and after the transaction. If a transaction involved the issuance of a security that, after the transaction, would be convertible into a security of an issue that is required to register or report under section 12, this exclusion would not be available since the transaction would not involve only section 12 issuers.

Third, we agreed on the exclusion in section (5)(E) on the basis of new language providing the Commission authority to subject otherwise excluded transactions to the provisions of the act if it determines, by rule, that such action is necessary for the protection of investors. The Commission should not hesitate to make use of this authority if it determines that this exclusion is being utilized for transactions that are abusive and inconsistent with the purpose of this act. In addition, we have provided that transactions using this exclusion will not provide the existing general partner with any compensation to which they were not entitled as expressly provided for in the preexisting partnership agreements. This provision is intended to prevent general partners from being bought off

by an independent acquirer and assure that the excluded transactions are the result of arms length negotiations and not self-dealing.

Fourth, we agreed on the so-called seasoned securities exclusion in section (5)(F) on the basis of three language changes. We provided the Commission authority to subject otherwise excluded transactions to the provisions of the Act if it determines, by rule, that such action is necessary for the protection of investors. The Commission should not hesitate to make use of this authority if it determines that this exclusion is being utilized for transactions that are abusive and inconsistent with the purposes of this act.

We have also added new language to this exclusion that assures that closely held securities are excluded from the requirement that the securities of the entity issued to investors in the transaction do not exceed 20 percent of the total outstanding securities of the entity. The purpose of this provision is to assure that there is an adequate public float of securities in the entity so that investors have will be likely to have a deep and liquid trading market available to them if they desire to sell the securities in the successor entity following the rollup transaction.

Finally, we have added language requiring that such securities be both reported and regularly traded for at least 12 months prior to the transaction. The Senate argued that this exclusion was in the public interest because the securities being offered to the limited partners were essentially equivalent to cash, in that the value of such securities was readily ascertainable due to the existence of a public market for such securities. The House, however, was concerned about the possibility that some NYSE, AMEX, or NASDAQ National Market System securities might not have a sufficiently liquid secondary trading market, and therefore the value of the securities offered or exchange could be reasonably expected to plummet in value following the transaction. The House therefore insisted that securities provided under this exclusion be a regularly traded securities, which, in this context, means securities for which there exists an active, liquid and orderly secondary trading market into which those limited partners who choose to do so may sell their new shares following the rollup transaction.

CONCLUSION

I would like to express my appreciation to the staffs and Members of both the House and Senate for their efforts to craft the rollup compromise, In particular, I would like to thank Chairman DINGELL and Consuela Washington of his staff, the gentleman from California [Mr. MOORHEAD], the gentleman from Texas [Mr. FIELDS], and Steve Blumenthal and Peter Rich of their staffs, and Jeffrey Duncan of the subcommittee staff. I would also like to thank Steve Cope of the Office of Legislative Counsel for his assistance. Finally, I would like to express my personal appreciation for the efforts of the many individuals and organizations who worked hard for passage of the important set of investor protections that we are enacting today.

I urge my colleagues to join with us in supporting passage of S. 422, as amended with the rollup reform provisions, so that we can put on the books appropriate rules that will protect the estimated 8 million limited partners who today are at risk of being subjected to an abusive rollup.

Mr. FIELDS of Texas. Mr. Speaker, further reserving the right to object, I yield to the gentleman from California [Mr. MOORHEAD].

Mr. MOORHEAD. Mr. Speaker, I rise in support of S. 422, the Government Securities Reform Act of 1993.

The purpose of the government securities market is to finance the national debt at the lowest possible cost. Public confidence in the integrity of the market is essential. It was to help preserve that confidence that Congress enacted the Government Securities Act of 1986, and for the same reason we act today.

The GSA established a Federal system for regulating the government securities market, including previously unregulated brokers and dealers, in order to protect investors and to ensure the maintenance of fair, honest and liquid markets. Treasury's rulemaking authority under the GSA, however, sunset on October 1, 1991.

I believe it is incumbent upon Congress to remedy the situation in which the Treasury Department is without authority to regulate its own marketplace. Our legislation does this by reauthorizing the Treasury Department to adopt rules as necessary.

I believe that the government has a role to play in ensuring that this critically important marketplace is not disrupted by the frauds and scandals it has endured during the last 3 years.

I want to commend our full committee chairman, JOHN DINGELL, Chairman ED MARKEY of the Telecommunications and Finance Subcommittee, and its ranking Republican member, JACK FIELDS, for their work in fashioning an appropriate response to the need to update the oversight regulations of this important market. I urge my colleagues to vote for this legislation.

I also rise today in support of those provisions of S. 422 that were contained in H.R. 617, the Limited Partnership Rollup Reform Act of 1993.

That bill outlines what changes must be made to the Federal securities laws to ensure that in rollup transactions adequate disclosure is made. It also ensures that conflicts of interest and self-dealing are minimized and that dissenters' rights are adequately protected.

Just as important, the rights of legitimate businessmen are maintained as well. The regulatory structure of the bill uses securities industry self-regulation as the first line of defense for investors. By pursuing this avenue of regulation, the industry's considerable expertise is brought to bear on its own problems, and the solutions, carefully overseen by the government's own securities regulator, will be in the best interest of all those who are involved in these transactions.

All of the members of the Energy and Commerce Committee share the same desire, to ensure that this bill focuses only on the abuses in these transactions and does not interfere with legitimate business done by reputable firms. I believe that we have achieved this goal admirably.

Mr. GONZALEZ. Mr. Speaker, I would like to reiterate several points concerning the conference report's government securities auction reforms which I first made when H.R. 618 was considered by the House.

But first I should point out that the scandal of Salomon Brothers involved fraud in the government securities auction process, with a resultant squeeze in the secondary market. The submission of false bids by Salomon Brothers at several government securities auctions forced the resignation of several top level officers of the firm, including the chief executive officer. This is why I insisted that any bill to reform the government securities market must include reforms of the auction process which was so easily manipulated.

The conference report on S. 422 contains several important long-term reforms to the government securities auction process. These reforms will increase participation and competition in the government securities auction process, and thereby lower the cost of financing the Government's debt.

The first provision guarantees that any bidder who meets a minimum creditworthiness standard will be eligible to participate in the new automated auction system. Currently, only the primary dealers are allowed to participate in the new automated system. This gives them an unfair competitive advantage.

The second provision prohibits the Treasury Department from giving an auction bidder any advantage, favorable treatment, or other benefit. Only reasonable and necessary exceptions in the public interest would be allowed. The favored treatment historically given to the primary dealers for no valid reason would be stopped once and for all.

Third, the activities of the secretive Treasury advisory borrowing committee will be pried open to the public. Generally, all meetings are open, except for those where the committee deliberates and reports to the Treasury. I am pleased that the Treasury Department has agreed to implement this provision in advance of the passage of the conference report. In fact, the borrowing committee has already held an open meeting under this new policy.

The minutes of borrowing committee meetings must be available to the public within 3 business days. Also, committee members are strictly prohibited from divulging the contents of the committee's discussions. A person violating this provision will be permanently

banned from the committee and the firm the person was associated with would also be banned from the committee for 5 years.

In addition, I have received assurances from the Chairman of the Securities and Exchange Commission that committee members who violated this prohibition would be subject to liability under insider trading laws. I would refer Members to the debate on H.R. 618 contained in the October 5, 1993, CONGRESSIONAL RECORD, where I placed into the record a letter I received from Chairman Arthur Levitt on this point.

I have also received assurances from the Treasury Department that it will improve the diversity of the committee membership to reflect more accurately the array of participants in the government securities market. The Treasury Department will ensure that at least one-fourth of the committee's membership turns over every 2 years, with a complete turnover every 8 years.

Finally, the Secretary must report to Congress every year on violations and suspected violations of the auction rules. The Treasury will continue its practice of referring all such violations to the SEC or Justice Department for further investigation or prosecution.

I appreciate the cooperation of the Treasury Department in accepting these much needed reforms, and the work of everyone involved in producing this legislation. I urge passage of the conference report.

Mr. DINGELL. Mr. Speaker, I rise in strong support of the Government Securities Act Amendments of 1993. Passage of this bill is the culmination of a process that begin over 2 years ago, and is a tribute to the cooperation of three committees in the House—Energy and Commerce, Banking, and Ways and Means—and our colleagues on the Senate Banking Committee, as well as senior officials and staff of the Department of Treasury, the Securities and Exchange Commission, and the Federal Reserve. Each provision of the bill has been carefully crafted, keeping in mind the manner in which Treasury finances and manages the public debt, and the critical need to maintain investor confidence and the integrity of the market in Government securities. The special provisions governing rules for financial-institution Government securities brokers and Government securities dealers are a result of the unique structure of the Treasury market and its regulation, and are not meant as precedent for any other markets or any future legislation.

Although no formal conference was convened to reconcile differences between the House and Senate bills, staffs from both bodies conducted extensive negotiations and ultimately reconciled the differences between the two bills. No formal conference was necessary due to the success of this process. I commend the staff for their hard work and diligence, and thank my colleagues in the House and the Senate, especially Senators DODD and GRAMM, for their leadership and their efforts to resolve their differences in such an expeditious and considerate manner. The statement that follows my remarks, and an identical statement that appears in the Senate proceedings on this bill, shall constitute the legislative history on this bill in lieu of a formal conference report.

This legislation is the product of a bipartisan effort in the House and the Senate to produce a focused, well-balanced regulatory framework in response to significant changes that have occurred in the Government securities market since enactment of the Government Securities Act of 1986, and to scandals in the Government securities market that threaten to shake public confidence in the fairness of that market. I especially want to commend Mr. MARKEY, the chairman of the Subcommittee on Telecommunications and Finance, and Messrs. MOORHEAD and FIELDS, the ranking Republican members of the committee and of the subcommittee, respectively, for their extraordinary leadership and perseverance on this issue, and to thank Mr. GONZALEZ, the chairman of the House Banking Committee, and Messrs. ROSTENKOWSKI and PICKLE, the chairmcn of the Committee on Ways and Means and of its Subcommittee on Oversight, respectively, for their important contributions to this legislation.

I urge my colleagues to support passage of this bill.

STATEMENT ON S. 422, THE GOVERNMENT SECURITIES ACT AMENDMENTS

On July 29, 1993, the Senate passed S. 422, the Government Securities Act Amendments of 1993, and, on October 5, 1993, the House passed the bill with an amendment containing the language of the House-passed bill, H.R. 618, the Government Securities Reform Act of 1993. The legislation that we consider today is, with a few modifications, almost identical to the bill (S. 422 as amended by the text of H.R. 618, the previously-passed House bill) that was passed by the House on October 5, 1993. These modifications are reflected in an amendment which was passed by the Senate earlier today. The legislation before the House thus encompasses the amendments of the House to S. 422 with an amendment. In lieu of a conference report, this floor statement represents the views of the chairman and ranking minority member of the Committee on Energy and Commerce and the chairman and ranking minority member of the Subcommittee on Telecommunications and Finance and is intended to serve as the legislative history, along with S. Rpt. 103-109 (July 27, 1993) and CONGRESSIONAL RECORD (July 29, 1993) at 17865-17866, and H. Rpt. 103-255 (September 23, 1993) and CONGRESSIONAL RECORD (October 5, 1993) at 23620-23635.

ANALYSIS OF MAJOR PROVISIONS

Extension of Rulemaking Authority.—In 1986, Congress granted specific rulemaking authority to the Secretary of the Treasury (Treasury) and provided that the authority of the Treasury to issue orders and to propose and adopt rules would terminate on October 1, 1991 (P.L. 99-571). This was done in response to concerns raised by 1985 Treasury testimony strongly opposing the Government Securities Act (GSA).

However, the 1990 Joint Treasury, Securities and Exchange Commission (SEC), and Board of Governors of the Federal Reserve System (Federal Reserve) Study of the Effectiveness of the Implementation of the Government Securities Act reached the following unanimous conclusion: "[t]he implementation of the GSA regulations has met the objectives established by Congress in enacting the GSA. The rules have been timely and fairly implemented; have not imposed excessive and overly burdensome requirements; have not impaired the liquidity, efficiency and integrity of the government securities market; and have improved and strengthened investor safety in the market. Most importantly, although some government securities brokers or dealers have failed or discontinued business since the inception of the GSA regulations, no customers have lost any funds or securities as a result of such occurrences."

Accordingly, the amendment eliminates the sunset date and extends the Treasury rulemaking authority pursuant to section 15C(b) of the exchange Act, as well as the new large position reporting authority granted to Treasury under this amendment.

Transaction Records.—The amendment requires all government securities brokers and dealers to furnish to the SEC on Request records of government securities transactions, including records of the date and time of execution of trades, as the SEC may require to reconstruct trading in the course of a particular inquiry of investigation being conducted by the SEC for enforcement or surveillance purposes. It is our intention that the SEC and Treasury will take the necessary steps under their existing authorities to adopt necessary recordkeeping rules to assure that appropriate records are made and maintained by all government securities brokers and dealers, and that they will work together to make sure that inadequate recordkeeping and impediments to trade reconstruction are addressed so that the SEC is able to carry out effectively its responsibilities under the federal securities laws. It is further our intent that, in utilizing its authority to require information in machine readable form under new section 15C(d)(3)(A), the SEC shall consider the impact of this requirement on small government securities brokers and dealers and should work with these smaller firms to develop an efficient means of compliance, such as the electronic blue sheets used for all firms in the equity markets. *See* House Comm. on Energy and Commerce, Report to Accompany H.R. 618, H.R. Rep. No. 225, 103rd Cong., 1st Sess. (September 23, 1993) at 42.

Large Position Reporting.—The amendment authorities Treasury to prescribe rules to require persons holding, maintaining or controlling large positions in to-be-issued or recently-issued Treasury securities to file reports regarding those positions.

The amendment rests on the belief that the Secretary of the Treasury is well positioned to determine whether large position reporting is necessary and appropriate in order to monitor the impact in the Treasury securities market of concentrations of positions and to assist the SEC in its enforcement of the Exchange Act. It is our expectation that substantial deference will be accorded to any determinations that Treasury makes in this regard.

The statutory provision regarding the minimum size of a position subject to reporting is meant to ensure that the minimum size will not be set so low that positions which could not affect significantly the market for a particular security are subject to reporting rules. However, there is no presumption of manipulative intent solely because a position is large enough to be subject to reporting rules adopted by Treasury.

It is our expectation that, in determining the minimum size of a reportable position, Treasury will consider, among other factors, other relevant rules and procedures, including auction rules regarding positions. It is our further expectation that Treasury will take into account the likelihood of collusion

among market participants. Substantial deference should be accorded to Treasury's determination of the minimum size of a position subject to reporting requirements.

By inserting the requirement that Treasury, in adopting rules regarding large position reporting, take into account any impact on the efficiency and liquidity of the Treasury securities market and the cost to taxpayers of funding the Federal debt, the amendment does not contemplate that a formal statistical exercise be performed to justify the rulemaking. Rather, it is our intent to ensure that Treasury considers all the important responsibilities and goals that it has in managing the pubic debt in any rulemaking concerning large position reporting.

We expect the Treasury to consult with the Federal Reserve Bank of New York in formulating large position reporting rules concerning the Bank's need to maintain the confidentiality of the accounts it maintains for foreign central banks, foreign governments, and official international financial institutions.

Finally, it is our intent that large position reports would be information within the scope of the Trade Secrets Act (TSA), 18 U.S.C. 1905, which prohibits the disclosure of certain types of information by officers and employees of the federal government unless "authorized by law." *See Chrysler* v. *Brown*, 441 U.S. 281, 295–304 (1979) (disclosure may be deemed authorized by law only when made pursuant to statute or substantive agency regulation authorized by statute). The TSA covers "information coming to [such person] in the course of his employment or official duties or by reason of any * * * report or record * * * concern[ing] or relat[ing] to * * * the identity, confidential statistical data, amount or source of any income, profits, losses, or expenditures of any person, firm, partnership, corporation, or association." *See CNA Financial Corp.* v. *Donovan*, 830 F.2d 1132, 1140 (D.C. Cir. 1987) (describing the scope of the TSA as "oceanic" and as "encompass[ing] virtually every category of business information likely to be in the files of an agency.") In addition to this criminal statute, Section 24(b) of the Exchange Act specifically makes it unlawful "for any member, officer, or employee of the Commission to disclose to any person other than a member, officer, or employee of the Commission, or to use for personal benefit, any information contained in any application, statement, report, contract, correspondence, notice, or other document filed with or otherwise obtained by the Commission (1) in contravention of the rules and regulations of the Commission under the [the FOIA] or (2) in circumstances where the Commission has determined pursuant to such rules to accord confidential treatment to such information." Members, officers, or employees of the SEC who disclose information in violation of Section 24 and the rules thereunder are subject to criminal penalties pursuant to Section 32 of the Exchange Act. Officers and employees are also prohibited pursuant to Rule 0–4 of the SEC's Rules and Regulations under the Exchange Act from making "non-public records of the Commission" available to others without SEC authorization.

Fraudulent and Manipulative Acts and Practices.—The amendment extends the SEC's current authority under sections 15(c)(1) and (2) of the Exchange Act to all government securities brokers and dealers and to all transactions in government securities. This grant of authority will enable the SEC to prescribe rules to prevent fraudulent, deceptive, or manipulative acts or practices or the use of any fictitious quotations in the government securities market.

The amendment requires the SEC to consult with and consider the views of the Treasury and the bank and thrift regulatory agencies prior to adopting any such rules, and to respond in writing to any written comments submitted in such consultation process. The amendment provides for enhanced consultation between the regulators in order to respond to particular concerns about the potential impact of these antifraud rules on the Treasury's ability to manage the federal debt. Accordingly, this provision is designed to avoid any unforeseen effects of new rules on the auctions or secondary market for Treasury securities. This concern ordinarily would not be expected to arise with respect to the application of such rules to the marketing and trading of other types of government securities.

Sales Practice Rulemaking Authority.—The amendment removes current limitations on the ability of the National Association of Securities Dealers (NASD) to regulate its members' transactions in exempted securities other than municipal securities, and authorizes the bank and thrift regulatory agencies to prescribe rules applicable to the financial institutions they supervise, to prevent fraudulent and manipulative sales practices, and promote just and equitable principles of trade. The amendment's consultation and coordination requirements are intended to facilitate consistency of financial institution rules with analogous self-regulatory organization rules, as well as consistent administration and enforcement of such rules, in order to maintain the integrity of the market for government securities. The amendment provides for enhanced consultation between the regulators in order to respond to particular concerns about the potential impact of these sales practice rules on the Treasury's ability to manage the federal debt. Accordingly, this provision is designed to avoid any unforeseen effects of new rules on the auctions or secondary market for Treasury securities. This concern ordinarily would not be expected to arise with respect to the application of such rules to the marketing and trading of other types of government securities.

Market Information.—The amendment adds government securities market transparency to the list of subjects on which the SEC is required to report to Congress annually. These reports will provide information necessary for proper ongoing evaluation of the sufficiency of private sector developments, and are necessary to assure that momentum toward improved market transparency continues and is not reversed.

SIPC Disclosure.—The amendment prohibits a government securities broker or dealer, registered under Exchange Act Section 15C(a)(1)(A), that is not a member of the Securities Investor Protection Corporation (SIPC) from effecting securities transactions in contravention of rules prescribed to assure that customers receive complete, accurate, and timely disclosure of the inapplicability of SIPC coverage to their accounts.

False and Misleading Statements in Government Securities Offerings.—The amendment explicitly provides that, in connection with any bid for a purchase of a government security related to an offering of government securities by or on behalf of an issuer, no government securities broker or dealer, or bidder for or purchaser of securities in such offering, shall knowingly and willfully make any false or misleading statement or omit any fact necessary to make any written statement made not misleading. The amendment does not alter the SEC's existing authority under sections 10(b) or 17(a) of the Exchange Act or the rules promulgated thereunder.

Treasury Auction Reforms.—The amendment requires that, by the end of 1995, any bidder, who meets the Treasury's minimum creditworthiness standard and agrees to comply with the applicable rules and regulations, be permitted to submit a computer-generated tender to any automated auction system established by Treasury for the sale upon issuance of Treasury securities. The amendment also prohibits Treasury from providing any government securities broker or government securities dealer any advantage, favorable treatment, or other benefit, subject only to necessary and appropriate exceptions. Finally, the amendment opens to the public, subject to reasonable exceptions, the meetings of the Treasury Borrowing Committee, requires minutes of each meeting to be publicly available within three business days, and explicitly prohibits Committee members from divulging the contents of the Committee's discussions. The amendment provides penalties for violations of the latter prohibition (that are in addition to any other applicable penalty or enforcement action) and requires Treasury to submit an annual report to Congress with respect to violations of Treasury auction rules or regulations.

Studies, Reports and Notices to Congress.—The amendment provides for (1) a joint Treasury, SEC and Federal Reserve study and report on the effectiveness of the regulatory system for government securities as amended by this legislation; (2) a Treasury study and report on the continuing need for a separate regulatory system for government securities brokers and government securities dealers registered with the SEC under section 15C of the Exchange Act; (3) an annual report by Treasury on the Treasury's public debt activities and the operations of the Federal Financing Bank; and (4) a notice to the Congress of any significant modifications to the Treasury auction process at the time such modifications are implemented.

Mr. FIELDS of Texas. Mr. Speaker, I strongly support this legislation.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MARKEY. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on S. 422, the Senate bill just considered.

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

There was no objection.

COPYRIGHT ROYALTY TRIBUNAL REFORM ACT OF 1993

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2840) to

amend title 17, United States Code, to establish copyright arbitration royalty panels to replace the Copyright Royalty Tribunal, and for other purposes, with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Senate amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Copyright Royalty Tribunal Reform Act of 1993".

SEC. 2. COPYRIGHT ARBITRATION ROYALTY PANELS.

(a) ESTABLISHMENT AND PURPOSE.—Section 801 of title 17, United States Code, is amended as follows:

(1) The section designation and heading are amended to read as follows:

"§ 801. Copyright arbitration royalty panels: Establishment and purpose"

(2) Subsection (a) is amended to read as follows:

"(a) ESTABLISHMENT.—The Librarian of Congress, upon the recommendation of the Register of Copyrights, is authorized to appoint and convene copyright arbitration royalty panels.".

(3) Subsection (b) is amended—

(A) by inserting "PURPOSES.—" after "(b)";

(B) in the matter preceding paragraph (1), by striking "Tribunal" and inserting "copyright arbitration royalty panels";

(C) in paragraph (2)—

(i) in subparagraph (A), by striking "Commission" and inserting "copyright arbitration royalty panels";

(ii) in subparagraph (B), by striking "Copyright Royalty Tribunal" and inserting "copyright arbitration royalty panels"; and

(iii) in subparagraph (D) by adding "and" after the semicolon;

(D) in paragraph (3)—

(i) by striking "and 119(b)," and inserting "119(b), and 1003,"; and

(ii) by striking the sentence beginning with "In determining" through "this title"; and

(E) by striking paragraph (4);

(4) by amending subsection (c) to read as follows:

"(c) RULINGS.—The Librarian of Congress, upon the recommendation of the Register of Copyrights, may, before a copyright arbitration royalty panel is convened, make any necessary procedural or evidentiary rulings that would apply to the proceedings conducted by such panel."; and

(5) by adding at the end the following new subsection:

"(d) ADMINISTRATIVE SUPPORT OF COPYRIGHT ARBITRATION ROYALTY PANELS.—The Library of Congress, upon recommendation of the Register of Copyrights, shall provide the copyright arbitration royalty panels with the necessary administrative services related to proceedings under this chapter.".

(b) MEMBERSHIP AND PROCEEDINGS.—Section 802 of title 17, United States Code, is amended to read as follows:

"§ 802. Membership and proceedings of copyright arbitration royalty panels

"(a) COMPOSITION OF COPYRIGHT ARBITRATION ROYALTY PANELS.—A copyright arbitration royalty panel shall consist of 3 arbitrators selected by the Librarian of Congress pursuant to subsection (b).

"(b) SELECTION OF ARBITRATION PANEL.—Not later than 10 days after publication of a notice in the Federal Register initiating an arbitration proceeding under section 803, and in accordance with procedures specified by the Register of Copyrights, the Librarian of Congress shall, upon the recommendation of the Register of Copyrights, select 2 arbitrators from lists provided by professional arbitration associations. Qualifications of the arbitrators shall include experience in conducting arbitration proceedings and facilitating the resolution and settlement of disputes, and any qualifications which the Librarian of Congress, upon recommendation of the Register of Copyrights, shall adopt by regulation. The 2 arbitrators so selected shall, within 10 days after their selection, choose a third arbitrator from the same lists, who shall serve as the chairperson of the arbitrators. If such 2 arbitrators fail to agree upon the selection of a third arbitrator, the Librarian of Congress shall promptly select the third arbitrator. The Librarian of Congress, upon recommendation of the Register of Copyrights, shall adopt regulations regarding standards of conduct which shall govern arbitrators and the proceedings under this chapter.

"(c) ARBITRATION PROCEEDINGS.—Copyright arbitration royalty panels shall conduct arbitration proceedings, subject to subchapter II of chapter 5 of title 5, United States Code, for the purpose of making their determinations in carrying out the purposes set forth in section 801. The arbitration panels shall act on the basis of a fully documented written record, prior decisions of the Copyright Royalty Tribunal, prior copyright arbitration panel determinations, and rulings by the Librarian of Congress under section 801(c). Any copyright owner who claims to be entitled to royalties under section 111, 116, or 119, or any interested copyright party who claims to be entitled to royalties under section 1006, may submit relevant information and proposals to the arbitration panels in proceedings applicable to such copyright owner or interested copyright party, and any other person participating in arbitration proceedings may submit such relevant information and proposals to the arbitration panel conducting the proceedings. In ratemaking proceedings, the parties to the proceedings shall bear the entire cost thereof in such manner and proportion as the arbitration panels shall direct. In distribution proceedings, the parties shall bear the cost in direct proportion to their share of the distribution.

"(d) PROCEDURES.—Effective on the date of the enactment of the Copyright Royalty Tribunal Reform Act of 1993, the Librarian of Congress shall adopt the rules and regulations set forth in chapter 3 of title 37 of the Code of Federal Regulations to govern proceedings under this chapter. Such rules and regulations shall remain in effect unless and until the Librarian, upon recommendation of the Register of Copyrights, adopts supplemental or superseding regulations under subchapter II of chapter 5 of title 5, United States Code.

"(e) REPORT TO THE LIBRARIAN OF CONGRESS.—Not later than 180 days after publication of the notice in the Federal Register initiating an arbitration proceeding, the copyright arbitration royalty panel conducting the proceeding shall report to the Librarian of Congress its determination concerning the royalty fee or distribution of royalty fees, as the case may be. Such report shall be accompanied by the written record, and shall set forth the facts that the arbitration panel found relevant to its determination.

"(f) ACTION BY LIBRARIAN OF CONGRESS.—Within 60 days after receiving the report of a copyright arbitration royalty panel under subsection (e), the Librarian of Congress, upon the recommendation of the Register of Copyrights, shall adopt or reject the determination of the arbitration panel. The Librarian shall adopt the determination of the arbitration panel unless the Librarian finds that the determination is arbitrary or contrary to the applicable provisions of this title. If the Librarian rejects the determination of the arbitration panel, the Librarian shall, before the end of that 60-day period, and after full examination of the record created in the arbitration proceeding, issue an order setting the royalty fee or distribution of fees, as the case may be. The Librarian shall cause to be published in the Federal Register the determination of the arbitration panel, and the decision of the Librarian (including an order issued under the preceding sentence). The Librarian shall also publicize such determination and decision in such other manner as the Librarian considers appropriate. The Librarian shall also make the report of the arbitration panel and the accompanying record available for public inspection and copying.

"(g) JUDICIAL REVIEW.—Any decision of the Librarian of Congress under subsection (f) with respect to a determination of an arbitration panel may be appealed, by any aggrieved party who would be bound by the determination, to the United States Court of Appeals for the District of Columbia Circuit, within 30 days after the publication of the decision in the Federal Register. If no appeal is brought within such 30-day period, the decision of the Librarian is final, and the royalty fee or determination with respect to the distribution of fees, as the case may be, shall take effect as set forth in the decision. The pendency of an appeal under this paragraph shall not relieve persons obligated to make royalty payments under sections 111, 115, 116, 118, 119, or 1003 who would be affected by the determination on appeal to deposit the statement of account and royalty fees specified in those sections. The court shall have jurisdiction to modify or vacate a decision of the Librarian only if it finds, on the basis of the record before the Librarian, that the Librarian acted in an arbitrary manner. If the court modifies the decision of the Librarian, the court shall have jurisdiction to enter its own determination with respect to the amount or distribution of royalty fees and costs, to order the repayment of any excess fees, and to order the payment of any underpaid fees, and the interest pertaining respectively thereto, in accordance with its final judgment. The court may further vacate the decision of the arbitration panel and remand the case to the Librarian for arbitration proceedings in accordance with subsection (c).

"(h) ADMINISTRATIVE MATTERS.—

"(1) DEDUCTION OF COSTS FROM ROYALTY FEES.—The Librarian of Congress and the Register of Copyrights may, to the extent not otherwise provided under this title, deduct from royalty fees deposited or collected under this title the reasonable costs incurred by the Library of Congress and the Copyright Office under this chapter. Such deduction may be made before the fees are distributed to any copyright claimants. If no royalty pool exists from which their costs can be deducted, the Librarian of Congress and the Copyright Office may assess their reasonable costs directly to the parties to the most recent relevant arbitration proceeding.

"(2) POSITIONS REQUIRED FOR ADMINISTRATION OF COMPULSORY LICENSING.—Section 307 of the Legislative Branch Appropriations

Act, 1994, shall not apply to employee positions in the Library of Congress that are required to be filled in order to carry out section 111, 115, 116, 118, or 119 or chapter 10.".

(c) PROCEDURES OF THE TRIBUNAL.—Section 803 of title 17, United States Code, and the item relating to such section in the table of sections at the beginning of chapter 8 of such title, are repealed.

(d) INSTITUTION AND CONCLUSION OF PROCEEDINGS.—Section 804 of title 17, United States Code, is amended as follows:

(1) The section heading is amended to read as follows:

"§ 803. Institution and conclusion of proceedings".

(2) Subsection (a) is amended to read as follows:

"(a)(1) With respect to proceedings under section 801(b)(1) concerning the adjustment of royalty rates as provided in sections 115 and 116, and with respect to proceedings under subparagraphs (A) and (D) of section 801(b)(2), during the calendar years specified in the schedule set forth in paragraphs (2), (3), and (4), any owner or user of a copyrighted work whose royalty rates are specified by this title, established by the Copyright Royalty Tribunal before the date of the enactment of the Copyright Royalty Tribunal Reform Act of 1993, or established by a copyright arbitration royalty panel after such date of enactment, may file a petition with the Librarian of Congress declaring that the petitioner requests an adjustment of the rate. The Librarian of Congress shall, upon the recommendation of the Register of Copyrights, make a determination as to whether the petitioner has such a significant interest in the royalty rate in which an adjustment is requested. If the Librarian determines that the petitioner has such a significant interest, the Librarian shall cause notice of this determination, with the reasons therefor, to be published in the Federal Register, together with the notice of commencement of proceedings under this chapter.

"(2) In proceedings under section 801(b)(2)(A) and (D), a petition described in paragraph (1) may be filed during 1995 and in each subsequent fifth calendar year.

"(3) In proceedings under section 801(b)(1) concerning the adjustment of royalty rates as provided in section 115, a petition described in paragraph (1) may be filed in 1997 and in each subsequent tenth calendar year.

"(4)(A) in proceedings under section 801(b)(1) concerning the adjustment of royalty rates as provided in section 116, a petition described in paragraph (1) may be filed at any time within 1 year after negotiated licenses authorized by section 116 are terminated or expire and are not replaced by subsequent agreements.

"(B) If a negotiated license authorized by section 116 is terminated or expires and is not replaced by another such license agreement which provides permission to use a quantity of musical works not substantially smaller than the quantity of such works performed on coin-operated phono-record players during the 1-year period ending March 1, 1989, the Librarian of Congress shall, upon petition filed under paragraph (1) within 1 year after such termination or expiration, convene a copyright arbitration royalty panel. The arbitration panel shall promptly establish an interim royalty rate or rates for the public performance by means of a coin-operated phonorecord player of non-dramatic musical works embodied in phonorecords which had been subject to the terminated or expired negotiated license agreement. Such rate or rates shall be the same as the last such rate or rates and shall remain in force until the conclusion of proceedings by the arbitration panel, in accordance with section 802, to adjust the royalty rates applicable to such works, or until superseded by a new negotiated license agreement, as provided in section 116(b).".

(3) Subsection (b) is amended—

(A) by striking "subclause" and inserting "subparagraph";

(B) by striking "Tribunal" the first place it appears and inserting "Copyright Royalty Tribunal or the Librarian of Congress";

(C) by striking "Tribunal" the second and third places it appears and inserting "Librarian";

(D) by striking "Tribunal" the last place it appears and inserting "Copyright Royalty Tribunal or the Librarian of Congress"; and

(E) by striking "(a)(2), above" and inserting "subsection (a) of this section".

(4) Subsection (c) is amended by striking "Tribunal" and inserting "Librarian of Congress".

(5) Subsection (d) is amended—

(A) by striking "Chairman of the Tribunal" and inserting "Librarian of Congress"; and

(B) by striking "determination by the Tribunal" and inserting "a determination".

(6) Subsection (e) is stricken out.

(e) REPEAL.—Sections 805 through 810 of title 17, United States Code, are repealed.

(f) CLERICAL AMENDMENT.—The table of sections for chapter 8 of title 17, United States Code, is amended to read as follows:

"CHAPTER 8—COPYRIGHT ROYALTY TRIBUNAL

"Sec.
"801. Copyright arbitration royalty panels: establishment and purpose.
"802. Membership and proceedings of copyright arbitration royalty panels.
"803. Institution and conclusion of proceedings.".

SEC. 3. JUKEBOX LICENSES.

(a) REPEAL OF COMPULSORY LICENSE.—Section 116 of title 17, United States Code, and the item relating to section 116 in the table of sections at the beginning of chapter 1 of such title, are repealed.

(b) NEGOTIATED LICENSES.—Section 116A of title 17 United States Code, is amended—

(A) by redesignating such section as section 116;

(B) by striking subsection (b) and redesignating subsections (c) and (d) as subsections (b) and (c), respectively;

(C) in subsection (b)(2) (as so redesignated) by striking "Copyright Royalty Tribunal" each place it appears and inserting "Librarian of Congress";

(D) in subsection (c) (as so redesignated)—

(i) in the subsection caption by striking "ROYALTY TRIBUNAL" and inserting "ARBITRATION ROYALTY PANEL";

(ii) by striking "subsection (c)" and inserting "subsection (b)"; and

(iii) by striking "the Copyright Royalty Tribunal" and inserting "a copyright arbitration royalty panel"; and

(E) by striking subsections (e), (f), and (g).

(2) The table of sections at the beginning of chapter 1 of title 17, United States Code, is amended by striking "116A" and inserting "116".

SEC. 4. PUBLIC BROADCASTING COMPULSORY LICENSE.

Section 118 of title 17, United States Code, is amended—

(1) in subsection (b)—

(A) by striking the first 2 sentences;

(B) in the third sentence by striking "works specified by this subsection" and inserting "published nondramatic musical works and published pictorial, graphic, and sculptural works";

(C) in paragraph (1)—

(i) in the first sentence by striking ", within one hundred and twenty days after publication of the notice specified in this subsection,"; and

(ii) by striking "Copyright Royalty Tribunal" each place it appears and inserting "Librarian of Congress";

(D) in paragraph (2) by striking "Tribunal" and inserting "Librarian of Congress";

(E) in paragraph (3)—

(i) by striking the first sentence and inserting the following: "In the absence of license agreements negotiated under paragraph (2), the Librarian of Congress shall, pursuant to chapter 8, convene a copyright arbitration royalty panel to determine and publish in the Federal Register a schedule of rates and terms which, subject to paragraph (2), shall be binding on all owners of copyright in works specified by this subsection and public broadcasting entities, regardless of whether such copyright owners have submitted proposals to the Librarian of Congress.";

(ii) in the second sentence—

(I) by striking "Copyright Royalty Tribunal" and inserting "copyright arbitration royalty panel"; and

(II) by striking "clause (2) of this subsection" and inserting "paragraph (2)"; and

(iii) in the last sentence by striking "Copyright Royalty Tribunal" and inserting "Librarian of Congress"; and

(F) by striking paragraph (4);

(2) in subsection (c)—

(A) by striking "1982" and inserting "1997"; and

(B) by striking "Copyright Royalty Tribunal" and inserting "Librarian of Congress";

(3) in subsection (d)—

(A) by striking "to the transitional provisions of subsection (b)(4), and";

(B) by striking "the Copyright Royalty Tribunal" and inserting "a copyright arbitration royalty panel";

(C) in paragraphs (2) and (3) by striking "clause" each place it appears and inserting "paragraph"; and

(4) in subsection (g) by striking "clause" and inserting "paragraph".

SEC. 5. SECONDARY TRANSMISSIONS OF SUPERSTATIONS AND NETWORK STATIONS FOR PRIVATE HOME VIEWING.

Section 119 of title 17, United States Code, is amended—

(1) in subsection (b)—

(A) in paragraph (1) by striking "; after consultation with the Copyright Royalty Tribunal," each place it appears;

(B) in paragraph (2) by striking "Copyright Royalty Tribunal" and inserting "Librarian of Congress";

(C) in paragraph (3) by striking "Copyright Royalty Tribunal" and inserting "Librarian of Congress"; and

(D) in paragraph (4)—

(i) by striking "Copyright Royalty Tribunal" each place it appears and inserting "Librarian of Congress";

(ii) by striking "Tribunal" each place it appears and inserting "Librarian of Congress"; and

(iii) in subparagraph (B) by striking "conduct a proceeding" in the last sentence and inserting "convene a copyright arbitration royalty panel"; and

(2) in subsection (c)—

(A) in the subsection caption by striking "DETERMINATION" and inserting "ADJUSTMENT";

(B) in paragraph (2) by striking "Copyright Royalty Tribunal" each place it appears and inserting "Librarian of Congress";

(C) in paragraph (3)—

(i) in subparagraph (A)—

(I) by striking "Copyright Royalty Tribunal" and inserting "Librarian of Congress"; and

(II) by striking the last sentence and inserting the following: "Such arbitration proceeding shall be conducted under chapter 8.";

(ii) by striking subparagraphs (B) and (C);

(iii) in subparagraph (D)—

(I) by redesignating such subparagraph as subparagraph (B); and

(II) by striking "Arbitration Panel" and inserting "copyright" arbitration royalty panel appointed under chapter 8";

(iv) by striking subparagraphs (E) and (F);

(v) by amending subparagraph (G) to read as follows:

"(C) PERIOD DURING WHICH DECISION OF ARBITRATION PANEL OR ORDER OF LIBRARIAN EFFECTIVE.—The obligation to pay the royalty fee established under a determination which—

"(i) is made by a copyright arbitration royalty panel in an arbitration proceeding under this paragraph and is adopted by the Librarian of Congress under section 802(e), or

"(ii) is established by the Librarian of Congress under section 802(e),

shall become effective as provided in section 802(f).''; and

(vi) in subparagraph (H)—

(I) by redesignating such subparagraph as subparagraph (D); and

(II) by striking "adopted or ordered under subparagraph (F)" and inserting "referred to in subparagraph (C)"; and

(D) by striking paragraph (4).

SEC. 6. CONFORMING AMENDMENTS.

(a) CABLE COMPULSORY LICENSE.—Section 111(d) of title 17, United States Code, is amended as follows:

(1) Paragraph (1) is amended by striking ", after consultation with the Copyright Royalty Tribunal (if and when the Tribunal has been constituted),".

(2) Paragraph (1)(A) is amended by striking ", after consultation with the Copyright Royalty Tribunal (if and when the Tribunal has been constituted),".

(3) Paragraph (2) is amended by striking the second and third sentences and by inserting the following: "All funds held by the Secretary of the Treasury shall be invested in interest-bearing United States securities for later distribution with interest by the Librarian of Congress in the event no controversy over distribution exists, or by a copyright arbitration royalty panel in the event a controversy over such distribution exists.".

(4) Paragraph (4)(A) is amended—

(A) by striking "Copyright Royalty Tribunal" and inserting "Librarian of Congress"; and

(B) by striking "Tribunal" and inserting "Librarian of Congress".

(5) Paragraph (4)(B) is amended to read as follows:

"(B) After the first day of August of each year, the Librarian of Congress shall, upon the recommendation of the Register of Copyrights, determine whether there exists a controversy concerning the distribution of royalty fees. If the Librarian determines that no such controversy exists, the Librarian shall, after deducting reasonable administrative costs under this section, distribute such fees to the copyright owners entitled to such fees, or to their designated agents. If the Librarian finds the existence of a controversy, the Librarian shall, pursuant to chapter 8 of this title, convene a copyright arbitration royalty panel to determine the distribution of royalty fees.".

(6) Paragraph (4)(C) is amended by striking "Copyright Royalty Tribunal" and inserting "Librarian of Congress".

(b) AUDIO HOME RECORDING ACT.—

(1) ROYALTY PAYMENTS.—Section 1004(a)(3) of title 17, United States Code, is amended—

(A) by striking "Copyright Royalty Tribunal" and inserting "Librarian of Congress"; and

(B) by striking "Tribunal" and inserting "Librarian of Congress".

(2) DEPOSIT OF ROYALTY PAYMENTS.—Section 1006 of title 17, United States Code, is amended by striking the last sentence.

(3) ENTITLEMENT TO ROYALTY PAYMENTS.—Section 1006(c) of title 17, United States Code, is amended by striking "Copyright Royalty Tribunal" and inserting "Librarian of Congress shall convene a copyright arbitration royalty panel which".

(4) PROCEDURES FOR DISTRIBUTING ROYALTY PAYMENTS.—Section 1007 of title 17, United States Code, is amended—

(A) in subsection (a)(1)—

(i) by striking "Copyright Royalty Tribunal" and inserting "Librarian of Congress"; and

(ii) by striking "Tribunal" and inserting "Librarian of Congress";

(B) in subsection (b)—

(i) by striking "Copyright Royalty Tribunal" and inserting "Librarian of Congress"; and

(ii) by striking "Tribunal" each place it appears and inserting "Librarian of Congress"; and

(C) in subsection (c)—

(i) by striking the first sentence and inserting "If the Librarian of Congress finds the existence of a controversy, the Librarian shall, pursuant to chapter 8 of this title, convene a copyright arbitration royalty panel to determine the distribution of royalty payments.";

(ii) by striking "Tribunal" each place it appears and inserting "Librarian of Congress"; and

(iii) in the last sentence by striking "its reasonable administrative costs" and inserting "the reasonable administrative costs incurred by the Librarian".

(5) ARBITRATION OF CERTAIN DISPUTES.—Section 1010 of title 17, United States Code, is amended—

(A) in subsection (b)—

(i) by striking "Copyright Royalty Tribunal" and inserting "Librarian of Congress"; and

(ii) by striking "Tribunal" each place it appears and inserting "Librarian of Congress";

(B) in subsection (e)—

(i) in the subsection caption by striking "COPYRIGHT ROYALTY TRIBUNAL" and inserting "LIBRARIAN OF CONGRESS"; and

(ii) by striking Copyright Royalty Tribunal" and inserting "Librarian of Congress";

(C) in subsection (f)—

(i) in the subsection caption by striking "COPYRIGHT ROYALTY TRIBUNAL" and inserting "LIBRARIAN OF CONGRESS";

(ii) by striking "Copyright Royalty Tribunal" and inserting "Librarian of Congress";

(iii) by striking "Tribunal" each place it appears and inserting "Librarian of Congress"; and

(iv) in the third sentence by striking "its" and inserting "the Librarian's"; and

(D) in subsection (g)—

(i) by striking "Copyright Royalty Tribunal" and inserting "Librarian of Congress";

(ii) by striking "Tribunal's decision" and inserting "decision of the "Librarian of Congress"; and

(iii) by striking "Tribunal" each place it appears and inserting "Librarian of Congress".

SEC. 7. EFFECTIVE DATE AND TRANSITION PROVISIONS.

(a) IN GENERAL.—This Act and the amendments made by this Act shall take effect on the date of the enactment of this Act.

(b) EFFECTIVENESS OF EXISTING RATES AND DISTRIBUTIONS.—All royalty rates and all determinations with respect to the proportionate division of compulsory license fees among copyright claimants, whether made be the Copyright Royalty Tribunal, or by voluntary agreement, before the effective date set forth in subsection (a) shall remain in effect until modified by voluntary agreement or pursuant to the amendments made by this Act.

(c) TRANSFER OF APPROPRIATIONS.—All unexpended balances of appropriations made to the Copyright Royalty Tribunal, as of the effective date of this Act, are transferred on such effective date to the Copyright Office for use by the Copyright Office for the purposes for which such appropriations were made.

SEC. 8. LIMITATIONS ON PERFORMANCE OF LONGSHORE WORK BY ALIEN CREWMEMBERS—ALASKA EXCEPTION.

(a) ALASKA EXCEPTION.—Section 258 of the Immigration and Nationality Act (8 U.S.C. 1288) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection:

"(d) STATE OF ALASKA EXCEPTION.—(1) Subsection (a) shall not apply to a particular activity of longshore work at a particular location in the State of Alaska if an employer of alien crewmen has filed an attestation with the Secretary of Labor at least 30 days before the date of the first performance of the activity (or anytime up to 24 hours before the first performance of the activity, upon a showing that the employer could not have reasonably anticipated the need to file an attestation for that location at that time) setting forth facts and evidence to show that—

"(A) the employer will make a bona fide request for United States longshore workers who are qualified and available in sufficient numbers to perform the activity at the particular time and location from the parties to whom notice has been provided under clauses (ii) and (iii) of subparagraph (D), except that—

"(i) wherever two or more contract stevedoring companies have signed a joint collective bargaining agreement with a single labor organization described in subparagraph (D)(i), the employer may request longshore workers from only one of such contract stevedoring companies, and

"(ii) a request for longshore workers to an operator of a private dock may be made only for longshore work to be performed at that dock and only if the operator meets the requirements of section 32 of the Longshoremen's and Harbor Workers' Compensation Act (33 U.S.C. 932);

"(B) the employer will employ all those United States longshore workers made available in response to the request made pursuant to subparagraph (A) who are qualified and available in sufficient numbers and who are needed to perform the longshore activity at the particular time and location;

"(C) the use of alien crewmembers for such activity is not intended or designed to influence an election of a bargaining representative for workers in the State of Alaska; and

"(D) notice of the attestation has been provided by the employer to—

"(i) labor organizations which have been recognized as exclusive bargaining representatives of United States longshore workers within the meaning of the National Labor Relations Act and which make available or intend to make available workers to the particular location where the longshore work is to be performed,

"(ii) contract stevedoring companies which employ or intend to employ United States longshore workers at that location, and

"(iii) operators of private docks at which the employer will use longshore workers.

"(2)(A) An employer filing an attestation under paragraph (1) who seeks to use alien crewmen to perform longshore work shall be responsible while the attestation is valid to make bona fide requests for United States longshore workers under paragraph (1)(A) and to employ United States longshore workers, as provided in paragraph (1)(B), before using alien crewmen to perform the activity or activities specified in the attestation, except that an employer shall not be required to request longshore workers from a party if that party has notified the employer in writing that it does not intend to make available United States longshore workers to the location at which the longshore work is to be performed.

"(B) If a party that has provided such notice subsequently notifies the employer in writing that it is prepared to make available United States longshore workers who are qualified and available in sufficient numbers to perform the longshore activity to the location at which the longshore work is to be performed, then the employer's obligations to that party under subparagraphs (A) and (B) of paragraph (1) shall be 60 days following the issuance of such notice.

"(3)(A) In no case shall an employer filing an attestation be required—

"(i) to hire less than a full work unit of United States longshore workers needed to perform the longshore activity;

"(ii) to provide overnight accommodations for the longshore workers while employed; or

"(iii) to provide transportation to the place of work, except where—

"(I) surface transportation is available;

"(II) such transportation may be safely accomplished;

"(III) travel time to the vessel does not exceed one-half hour each way; and

"(IV) travel distance to the vessel from the point of embarkation does not exceed 5 miles.

"(B) In the cases of Wide Bay, Alaska, and Klawock/Craig, Alaska, the travel times and travel distances specified in subclauses (III) and (IV) of subparagraph (A) shall be extended to 45 minutes and 7.5 miles, respectively, unless the party responding to the request for longshore workers agrees to the lesser time and distance limitations specified in those subclauses.

"(4) Subject to subparagraphs (A) through (D) of subsection (c)(4), attestations filed under paragraph (1) of this subsection shall—

"(A) expire at the end of the 1-year period beginning on the date the employer anticipates the longshore work to begin, as specified in the attestation filed with the Secretary of Labor, and

"(B) apply to aliens arriving in the United States during such 1-year period if the owner, agent, consignee, master, or commanding officer states in each list under section 251 that it continues to comply with the conditions in the attestation.

"(5)(A) Except as otherwise provided by subparagraph (B), subsection (c)(3) and subparagraphs (A) through (E) of subsection (c)(4) shall apply to attestations filed under this subsection.

"(B) The use of alien crewmen to perform longshore work in Alaska consisting of the use of an automated self-unloading conveyor belt or vacuum-actuated system on a vessel shall be governed by the provisions of subsection (c).

"(6) For purposes of this subsection—

"(A) the term 'contract stevedoring companies' means those stevedoring companies licensed to do business in the State of Alaska that meet the requirements of section 32 of the Longshoremen's and Harbor Workers' Compensation Act (33 U.S.C. 932); and

"(B) the term 'employer' includes any agent or representative designated by the employer; and

"(C) the terms 'qualified' and 'available in sufficient numbers' shall be defined by reference to industry standards in the State of Alaska, including safety considerations.".

(b) CONFORMING AMENDMENTS.—

(1) Section 258(a) (8 U.S.C. 1288(a)) is amended by striking "subsection (c) or subsection (d)" and inserting "subsection (c), (d), or (e)".

(2) Section 258(c)(4)(A) (8 U.S.C. 1288(c)(4)(A)) is amended by inserting "or subsection (d)(1)" after "paragraph (1)" each of the two places it appears.

(3) Section 258(c) (8 U.S.C. 1288(c)) is amended by adding at the end the following new paragraph:

"(5) Except as provided in paragraph (5) of subsection (d), this subsection shall not apply to longshore work performed in the State of Alaska.".

(c) IMPLEMENTATION.—(1) The Secretary of Labor shall prescribe such regulations as may be necessary to carry out this section.

(2) Attestations filed pursuant to section 258(c) (8 U.S.C. 1288(c)) with the Secretary of Labor before the date of enactment of this Act shall remain valid until 60 days after the date of issuance of final regulations by the Secretary under this section.

Mr. BROOKS (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

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

Mr. MOORHEAD. Mr. Speaker, reserving the right to object, I shall not object, but I wish to give the gentleman from Texas the opportunity to explain this legislation, and I yield to the gentleman from Texas [Mr. BROOKS].

Mr. BROOKS. Mr. Speaker, H.R. 2840 abolishes the Copyright Royalty Tribunal and reassigns its duties to ad hoc arbitration panels, the Copyright Office, and the Librarian of Congress. This legislation passed the House on October 12, 1993, under suspension of the rules.

On November 20, the Senate passed the legislation with an amendment adding a provision which narrowly redefines the limitations on the performance of longshore work by alien crewmen in Alaska. This action was taken in response to problems which have arisen due to the implementation of the Immigration Technical Corrections Act of 1991. The present provision reflects an agreement finally reached between fishing interests and the longshore union in Alaska. I am delighted that the groups were able to resolve their differences before the expiration of the interim agreement next month.

As far as I know, the Senate amendment is without opposition in this body as well.

I urge its adoption.

Mr. HUGHES. Mr. Speaker, the House passed this bill on October 12. The Senate passed the bill on November 20, with a few technical amendments. These amendments represent improvements and I urge my colleagues to support the bill and concur in the Senate amendments.

This bill will abolish the Copyright Royalty Tribunal, the only Government agency to be eliminated this session of Congress despite a lot of talk about reinventing Government. The tribunal's light workload and its members' inability to operate under majority rule argue for its abolition and replacement with ad hoc arbitration panels. This bill will save taxpayers and copyright owners money.

I wish to thank my colleague, CARLOS MOORHEAD, ranking Republican member of the Subcommittee for Intellectual Property and Judicial Administration, which I chair, for his leadership on the bill, as well as Senators DECONCINI and HATCH, who were the sponsors of the legislation in the other body, and without whom this legislation would not have been possible.

I would like to briefly explain the amendments made by the Senate.

First, in order to address concerns of small royalty claimants, the Senate amendments requires the Librarian of Congress to choose two arbitrators from lists provided by professional arbitration association, rather than, as in the House-passed bill, from lists provided by the parties.

Second, in order to ensure that the arbitrations will be efficiently handled, the arbitrators selected are required to have experience in conducting arbitration proceedings and facilitating dispute resolution and settlement.

Third, the arbitration panels are required to conduct their proceedings according to the Administrative Procedures Act.

Fourth, the Librarian of Congress is required to adopt the rules and regulations of the Copyright Royalty Tribunal until such time as the Librarian, upon the recommendation of the Register of Copyrights, adopts superseding or supplemental regulations.

Fifth, the Librarian of Congress is directed to adopt the arbitration panel's decisions unless he or she finds those decisions are arbitrary or contrary to the applicable provisions of title 17, United States Code. The House-passed limited this review to arbitrary determinations.

Sixth, assignment of the costs of the arbitration proceedings is treated differently depending on whether the proceeding is one for ratemaking or distribution of royalties. If the proceeding is for ratemaking, the parties shall bear the cost in direct proportion to their share of the distribution. If the proceeding is for distribution of royalties, the parties are to bear costs in such manner and proportion as the

arbitration panel directs. The House-passed version had only method of allocating costs, that for distribution proceedings.

Seventh, the Librarian of Congress is directed to adopt regulations regarding the standards of conduct governing arbitration panels. No such provision was contained in the House-passed bill. The establishment of ethical criteria in the selection and conduct of arbitrators is a welcome addition to the legislation.

Eighth, the effective date of the act has been changed from January 1, 1994, to the date of enactment. Since the 1990 cable distribution has been suspended at the request of the parties, there is no need to delay the effective date.

I would also like to comment briefly on a few issues raised by the parties who currently participate in proceedings of the Copyright Royalty Tribunal. There are a number of practices of the tribunal that have grown up over the years and that should be continued by the ad hoc arbitration panels established by H.R. 2840. The first of these concerns partial distribution of royalty funds. Even in instances where there is a controversy over the distribution of royalties, the CRT has traditionally distributed a very large proportion of the royalties before final adjudication. An amount sufficient to cover disputed amounts is retained. This practice, which gets needed royalties to copyright owners at the earliest possible time is a good one and should be followed by the Librarian of Congress upon enactment of the Copyright Royalty Reform Act of 1993.

The CRT has also held open hearings at which oral testimony and cross examination is permitted. This too should be continued by the copyright arbitration royalty panels. In order to reduce the amount of actual litigation time, and thereby reduce expenses, I encourage the Librarian to promulgate regulations permitting exchange of information before the tolling of the 180 decision period, and, to the extent practicable, generally to permit precontroversy discovery.

As discussed above, the Senate amendments require the Librarian of Congress to select arbitrators from a list supplied from professional arbitration associations and to select individuals with experience in adjudication and dispute settlement. I have been informed that there are such associations which include former Federal and State judges. These individuals would appear to be well-qualified to perform the arbitration duties assigned under the bill.

Parties who appear before the CRT requested that the bill require the Librarian to choose arbitrators willing to serve a 6-year term in order that there be continuity in decisionmaking. These individuals would only be paid as they needed, however. I agree that continuity is desirable. The Librarian of Congress certainly has the discretion to chose individuals willing to serve for 6 years. The Senate decided not to make this a requirement, however, and I agree with that decision.

Mr. MOORHEAD. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

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

There was no objection.

A motion to reconsider was laid on the table.

EXTENDING CERTAIN AUTHORITY FOR THE MARSHAL OF THE SUPREME COURT AND SUPREME COURT POLICE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that the Senate bill (S. 1764) to provide for the extension of certain authority for the Marshal of the Supreme Court and the Supreme Court Police be rereferred exclusively to the Committee on the Judiciary, and to discharge the Committee on the Judiciary from further consideration of the Senate bill (S. 1764) to provide for the extension of certain authority for the Marshal of the Supreme Court and the Supreme Court Police, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

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

Mr. MOORHEAD. Mr. Speaker, reserving the right to object, I do so to give the gentleman an opportunity to explain to us what this bill does.

I yield to the gentleman from Texas [Mr. BROOKS].

Mr. BROOKS. Mr. Speaker, this legislation extends for 3 years the authority of the Supreme Court Police to protect Justices of the U.S. Supreme Court—as well as their officers, employees, and guests—when off the grounds of the Supreme Court Building.

Since 1982, when Congress first recognized the Supreme Court Police's jurisdiction outside the Court grounds, threats of violence against the Justices and the Court have increased. These incidents have increased the need for the Supreme Court Police to protect Justices when they are away from the Court. This authority became even more important with the Court's use of space in the new Thurgood Marshall Federal Judiciary Building here in Washington.

The existing authority is set to expire, under the terms of its last 3-year extension, on December 29, 1993. This legislation would extend it until December 1996.

S. 1764 passed the Senate on November 20. I urge adoption of the bill by the House today.

Mr. MOORHEAD. Mr. Speaker, further reserving the right to object, I received a letter from the Chief Justice of the Supreme Court just in the last day or two saying that this bill would be very helpful, and he felt it was very necessary for them to have to give them the protection they need, so I ask for an "aye" vote.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1764

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 9(c) of the Act entitled "An Act relating to the policing of the building and grounds of the Supreme Court of the United States," approved August 18, 1949 (40 U.S.C. 13n(c)), is amended in the first sentence by striking out "1993" and inserting in lieu thereof "1996".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARBITRATION EXTENSION UNDER PROVISIONS OF THE UNITED STATES CODE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of the Senate bill (S. 1732) to extend arbitration under the provisions of chapter 44 of title 28, United States Code, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

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

Mr. MOORHEAD. Mr. Speaker, reserving the right to object, I yield to the gentleman from Texas [Mr. BROOKS] to explain this legislation.

Mr. BROOKS. Mr. Speaker, on October 12, 1993, the House passed H.R. 1102, the Court Arbitration Authorization Act of 1933, which permanently reauthorizes and extends court-sponsored arbitration in the Federal courts. A successful pilot project for 20 Federal district courts was authorized in 1988 and expired a few days ago.

The bill required Federal district courts to develop, by local rule, mandatory or voluntary arbitration programs. It provided that all persons subject to mandatory arbitration may request a full trial at the conclusion of the arbitration proceedings.

The Senate bill provides a simple, short-term reauthorization for 1 year. The House amendment is necessary to revive the program because it expired last Friday. I am supporting this legislation because of the importance of continuing efforts to facilitate access to justice in an efficient yet fair manner. I hope that in the next session, before this program expires again, we can enact a longer-lasting arbitration alternative that offers litigants and opportunity to reduce expense or delay.

Mr. Speaker, I am also including in the RECORD at this point a summary of H.R. 1102, the Court Arbitration Authorization Act of 1993, as follows:

SUMMARY OF H.R. 1102, THE COURT ARBITRATION AUTHORIZATION ACT OF 1993

Summary: In 1988, Congress enacted legislation authorizing 10 pilot programs of "mandatory" court-annexed arbitration that were in operation in the Federal Courts, as well as 10 additional pilot programs that would be "voluntary." This authorization is scheduled to expire on November 19, 1993. H.R. 1102, as amended, repeals this sunset provision and requires that all Federal District Courts make available to their litigants some form of arbitration procedure, either voluntary or mandatory (or both), subject to the restrictions in the existing law. It also increases the maximum amount in controversy for "mandatory" referral from $100,000 to $150,000.

The bill retains provisions of current law which make all arbitration awards subject to trial de novo, as well as numerous procedural limits on arbitrator powers. A number of classes of cases are excluded from consideration for arbitration, such as civil rights actions. In essence, because of the right to refuse voluntary arbitration and to have a jury trial following mandatory arbitration, all Federal arbitration under this legislation is more accurately described as "non-binding" arbitration.

Senate bill: The Senate bill, S. 1732, is a one-year extension of authority for the pilot project.

House amendment: The House technical amendment is necessary because the program expired on November 19 and must be "revived," not extended.

Mr. MOORHEAD. Mr. Speaker, further reserving the right to object, I wish to congratulate the gentleman from New Jersey [Mr. HUGHES] and the gentleman from Texas [Mr. BROOKS] for the work that they have done on this fine piece of legislation which I feel is very important and very necessary, providing for a 1-year extension of the 20 pilot arbitration programs in operation in the Federal district courts.

Mr. Speaker, further reserving the right to object, I yield to the gentleman from New Jersey [Mr. HUGHES].

Mr. HUGHES. Mr. Speaker, the bill before the House today is a stop-gap provision to authorize pilot court-annexed arbitration for another year.

The existing authorization for pilot court-annexed arbitration in the Federal System was enacted in 1988 and expired on November 19, 1993.

The 1988 legislation identified 10 pilot districts for mandatory pilot programs and directed the judicial conference to identify 10 other districts for voluntary programs.

Our review of these pilot programs revealed that the pilot projects in the mandatory courts were working very well and meeting their goals of:

First, providing options to litigants;

Second, reducing costs and time of litigation; and

Third, reducing the burdens on the courts.

We also determined that the mandatory programs were far more successful than the voluntary programs, and that the dollar limit for mandatory programs should be raised.

The House of Representatives' response to this situation was to expand the arbitrations programs nationwide through H.R. 1102.

H.R. 1102, as passed by the House of Representatives on the Suspension Calendar on October 12, 1993, directs that all district courts provide, by local rule arbitration, programs of some form. It increases the maximum amount in controversy for mandatory referral to $150,000.

The Committee on the Judiciary also strongly recommends in its report that all district courts select certain categories of cases for mandatory referral.

In doing so, I would say that the mandatory designation for these programs is misleading because there is a great flexibility in this mandatory process. First of all, arbitration can be used only for cases with potential money damages of under $150,000. Also, many cases are exempt from referral under the existing law, and local courts are allowed to chose those categories of cases which are most suitable for referral. Finally, and most significantly, all cases are subject to trial de novo. Given this fact, mandatory arbitration might more accurately be called nonbinding arbitration.

Our Federal courts are experiencing tremendous backlogs in their civil dockets. These backlogs are adding not only delay, but expense. It behooves us to make this modest adjustment in the civil process and allow for arbitration options designed at the local level. In fact, with the difficulty of getting civil cases to trial due to the great increase in criminal dockets in the Federal Court System, H.R. 1102 might aptly be named the "Access to Civil Justice Act."

The other body, however, believes it needs more time to study H.R. 1102, so as an interim measure, they have passed S. 1732 to extend until December 31, 1994, the 20 pilot projects.

In passing S. 1732 today, I would say that I look forward to working with Senator HEFLIN, Senator GRASSLEY, and my ranking Member, Congressman MOORHEAD in the next session to refine H.R. 1102 so that it will provide meaningful and expedited access to civil justice.

In the interim, I urge my colleagues to accept S. 1732.

Mr. MOORHEAD. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1732

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

SECTION 1. EXTENSION OF ARBITRATION.

(a) AMENDMENT OF REPEAL.—Section 906 of the Judicial Improvements and Access to Justice Act (28 U.S.C. 651 note; Public Law 100-702; 102 Stat. 4664) is amended in the first sentence by striking out "5 years after the date of the enactment of this Act" and inserting in lieu thereof "December 31, 1994".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 905 of the Judicial Improvements and Access to Justice Act (28 U.S.C. 651 note; Public Law 100-702; 102 Stat. 4664) is amended in the first sentence by striking out "4" and inserting in lieu thereof "7".

AMENDMENT OFFERED BY MR. BROOKS

Mr. BROOKS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROOKS: Add the following after section 1:

SEC. 2. TREATMENT OF EXPIRED PROVISIONS.

Chapter 44 of title 28, United States Code, and the item relating to that chapter in the table of chapters at the beginning of part III of such title, shall be effective on or after the date of the enactment of this Act as if such chapter and item had not been repealed by section 906 of the Judicial Improvements and Access to Justice Act, as such section was in effect on the day before the date of the enactment of this Act.

Mr. BROOKS (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

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

There was no objection.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Texas [Mr. BROOKS].

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

□ 0200

MAKING A TECHNICAL AMENDMENT OF THE CLAYTON ACT

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 664) making a technical amendment to the Clayton Act, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore (Mr. PAYNE of Virginia). Is there objection to the request of the gentleman from Texas?

Mr. FISH. Mr. Speaker, reserving the right to object, and I will not object, as the principal sponsor of the Antitrust Amendments Act of 1990, H.R. 29, which modernized the interlocking directorate provisions of section 8 of the Clayton Act, I now rise in support of S. 664, which makes a technical amendment to that same section of the Clayton Act, 15 U.S.C. 19.

S. 664 simply changes from October 30 to January 31 the date by which the FTC must publish its annual revision of the jurisdictional threshold amounts for the application of the act's prohibition against interlocking directorates.

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This change is necessary because the Federal Trade Commission must base its revised threshold amounts on GNP data which the Department of Commerce cannot now make available until after the date by which the present law requires the Commission to act.

I urge all Members to join me in support of S. 664.

Mr. Speaker, further under my reservation of objection, I yield to the gentleman from Texas [Mr. BROOKS].

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

Mr. BROOKS. I thank my distinguished friend, the gentleman from New York [Mr. FISH] for yielding.

Mr. Speaker, S. 664 makes a technical correction to the date by which the Federal Trade Commission [FTC] is required to report any revisions it makes in the jurisdictional dollar thresholds that trigger the act's prohibition on interlocking directorates.

Section 8(a)(5) of the Clayton Act (15 U.S.C. 19(a)(5)) was enacted on November 16, 1990, and requires, among other things, that the FTC report, by October 30 of each year, any revisions it makes in the jurisdictional dollar thresholds. The annual revisions are to be based on the change in the gross national product [GNP] as determined by the Department of Commerce.

Since the Department of Commerce does not publish final figures for the GNP until December, the FTC cannot adjust these jurisdictional thresholds by October 30 to comply strictly with the reporting deadline. S. 664 merely changes the reporting deadline to January 31.

This change improves the efficiency of the Government and saves the expenditure of funds required to print an explanation of the delay in the Federal Register every year. I urge its passage.

Mr. FISH. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the Senate bill, as follows:

S. 664

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

SECTION 1. TECHNICAL AMENDMENT OF THE CLAYTON ACT.

Section 8(a)(5) of the Clayton Act (15 U.S.C. 19(a)(5)) is amended by striking "October 30" and inserting "January 31".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNUAL REPORT OF RAILROAD RETIREMENT BOARD, FISCAL YEAR 1992—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Energy and Commerce and the Committee on Ways and Means:

To the Congress of the United States:

I hereby submit to the Congress the Annual Report of the Railroad Retirement Board for Fiscal Year 1992, pursuant to the provisions of section 7(b)(6) of the Railroad Retirement Act and section 12(1) of the Railroad Unemployment Insurance Act.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *November 22, 1992.*

GENERAL LEAVE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the 4 bills just passed.

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

There was no objection.

SAFE MEDICATIONS ACT OF 1993

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. COYNE] is recognized for 5 minutes.

Mr. COYNE. Mr. Speaker, I rise today to introduce the Safe Medications Act of 1993. This legislation will improve the public health by creating a national, confidential information network to track deaths caused by medication errors. The data will then be shared with practitioners through publications to educate and inform them of mishaps that can take place when prescribing, dispensing and administering medications. This bill is designed to build upon, not replace the voluntary and State systems already in place.

In late October, the Pittsburgh Post-Gazette published a series of articles by writer Steve Twedt that detailed medication errors. Mr. Twedt's series contained some disturbing statistics in this area. He reported that a Pittsburgh-Post Gazette study of 250 hospital pharmacists across the country estimated that there were 16,000 medication errors in their institutions in 1992; 106 of them caused patient deaths.

After reading the Post-Gazette series on this topic and after reviewing extensive industry data, I have concluded that the present system for monitoring medication errors needs to be improved. A voluntary reporting program has tracked over 600 mishaps that have occurred in a variety of health care facilities. Some examples reported to the U.S. Pharmacopeia over the last year include: a 98-year-old woman who died because the nursing home pharmacist gave her blood pressure medicine, corgard, instead of cephradine an antibiotic; a 4-year old girl who was sedated with chloral hydrate at a diagnostic center died when the medical technician gave her twice the normal adult dose; a 13-year-old boy undergoing oral surgery died with he was given 12 teaspoons of chloral hydrate; a 20-year-old man died when a local pharmacy dispensed the drug methotrexate, an anticancer drug, rather than metolazone the kidney drug his physician had prescribed; a women on her seventies and a women in her forties were over medicated, and one subsequently died, when staff in a physician's office incorrectly communicated the wrong dosage of a drug to a pharmacy and to the patient.

These accounts illustrated that medication errors are not confined to one setting and that the same faults are often repeated. We need to create a national clearinghouse that will protect patient care by identifying repeated mistakes and addressing and fixing any problems. The facts collected by this date bank will improve the present health care delivery system; further, this information cannot be used for prosecuting individuals.

Currently, there are no substantive figures to indicate the number of incidents which may be occurring. The only way medical boards are alerted to problems is if consumers or health personnel voluntarily report them. Experts in the field cite national estimates that indicate that one in 3,000 prescriptions are indeed wrong. One such authority put it in perspective: if there are 4 billion prescriptions a year, 1 error in 3,000 is "a lot of errors."

As Americans, we hear daily of how we have the most advanced health care system in the world. This stellar medical delivery system includes technology that is able to diagnose diseases before they develop and cutting edge surgery that reconstructs and replaces vital organs. The system also includes a wide variety of medications and devices that are used to treat and cure illnesses. These sophisticated technologies and the wide availability of medications and devices also unfortunately increase the chances for mistakes.

Under our present medical system, if a health care practitioner accidently prescribes, dispenses or administers an inaccurate does of a drug or confuses the labels of two drugs and mismedicates a patient, there is no required reporting system, in most cases, for practitioners to share the incidient. Sometimes these errors have little health consequences, sometimes they cause permanent damage to an individual's well-being and sometimes they are fatal. Ultimately, since there is no mandatory reporting system, these unfortunate occurrences are repeatedly causing permanent health problems for productive people and sometimes killing others.

Two States require reporting medication errors; New York as a mandatory program for hospitals and North Carolina has a required reporting system for its pharmacies. While these programs are important steps in addressing this problem on a local level, the information they collect is not available to other regions of the country as quickly as it could be.

Miscalculations are not typically isolated to one area. Mistakes which happen in New York

and North Carolina, could most likely be occurring in other parts of the Nation. It is important to establish a structure to interface both on State and Federal levels.

The Institute for Safe Medication Practices established the medication error reporting program (MER). This voluntary system is coordinated by the U.S. Pharmacopeia, the organization that sets drug standards and publishes drug information. This program is vital in identifying miscaluations and educating over 1.5 million health professionals about the misunderstandings, miscalculations and misadministration that may accompany the prescribing, dispensing and administering of medications. Unfortunately, as one of the founders of the MER program recently noted, "We know we don't get a very large percentage of the actual incidents because it's not required."

First, we need to maintain and expand upon the voluntary MER program. This can be done by requiring all health care entities to report deaths caused from medication errors to the FDA. The U.S. Pharmacopeia and FDA already collaborate to help address faults that health professionals elect to share. This effort is catching some of the medication errors; but we need to bolster that effort.

Second, and perhaps most importantly, to protect the public health and welfare, we must ensure that this information is disseminated to other health care providers to educate them and minimize unnecessary risks. My legislation will achieve these goals.

With this in mind, I have developed legislation that will:

Establish a system that will address misinterpretation, misreading and misdiagnosing drugs by requiring health care institutions to report deaths caused by medication errors to one central entity.

Require the FDA to review this information and share it with other providers who prescribe, dispense and administer prescription drugs.

Finally, ensure the confidentiality of the individuals and institutions involved so that honest oversights can be addressed without assigning liability.

Presently, health care personnel in a wide variety of institutions are able to prescribe, dispense and/or administer prescription drugs. These institutions include pharmacies, hospitals, long-term care facilities, ambulatory care facilities and physician offices. Since these entities are involved in medicating patients there is a possibility that mistakes can occur in any one of these settings.

This legislation will require these providers to notify Food and Drug Administration (FDA) of deaths caused by medication errors in their institutions. These reports must be made within 10 working days from the date the error was discovered. In order to analyze each problem these reports must include the drug name or names, a description of the error, the date and time the death occurred and when and how the error was discovered.

The FDA will examine the reports it is given from these health care entities. This information will then be shared with the U.S. Pharmacopeia and with select national and specialty health professional organizations so that they can notify and alert their constituencies of potential problems.

As I stated earlier, this bill is not designed to address medical liability. This legislation is to make certain that information drawn from a national clearinghouse is published and that health care professionals are informed of deaths that can occur during the prescribing, dispensing and administration of drugs. While this bill requires all fatal medical mishaps to be reported, the identities of those reporting will remain anonymous. Anyone who tries to gain access to the data bank will be fined up to $15,000 and could be subject to imprisonment for a first offense.

This bill authorizes the necessary appropriations for this data bank.

Mr. Speaker, today medication errors occur that often result in death. Most times, these are honest mistakes made by otherwise competent providers. We need to establish a neutral, educational system that will help medical personnel who prescribe, administer and dispense medication and perhaps cause a fatal accident to share their experience anonymously with their peers. Remember, a great deal of these errors involve administering the wrong drug, the incorrect strength or the improper dosage due to misreading prescription abbreviations, writing or confusing products because of similar labels or names. The possibility of accidents increases with the amount of drugs on the market. Health professionals have concluded that learning of their colleagues' experiences is helpful for practicing better medicine and to prevent recurring problems. With a greater awareness of potential problems, safeguards can be instituted to avoid them, thereby promoting better patient care.

I look forward to working with all the groups involved with this effort to construct the most effective system possible so that we can reduce errors and improve America's health.

Mr. Speaker, I ask that part 4 of the Pittsburgh-Post Gazette series be printed in the RECORD.

HOSPITALS ARE BLIND TO EACH OTHER'S MISTAKES

(By Steve Twedt)

In nearly all walks of life, tragedies born of human error launch public investigations to assign blame and establish underlying causes.

A serious car accident will set in motion investigations by the local police department and other public safety officials to determine what happened and what could be done to prevent it from happening again. A train derailment or plane crash will send National Transportation Safety Board officials scrambling to the scene within hours. Their investigation of one accident may lead to changes in an entire fleet of aircraft.

But medication errors in America's hospitals are different. Most medication errors are not investigated by anyone outside the hospital walls.

And when the lessons from those mistakes are kept within the hospital, the mistakes are doomed to be repeated at a cost measurable in human lives, ruined careers and costly lawsuits.

In examining how hospital medication errors are handled across America, the Post-Gazette found most states lack any program that could identify patterns of medication errors.

In two exceptions—New York and North Carolina—the decision to start such a program was spurred by ghastly mistakes.

The 1985 death of Lillian Cedeno, who was pregnant, helped to move New York to statewide mandatory reporting for hospital patients' injuries. And a series of three incidents that killed four patients prompted the North Carolina Board of Pharmacy to adopt mandatory reporting of fatal errors.

"As far as we can tell, any reporting out there is minimal if there's any at all," said David R. Work, executive director or North Carolina's board, which surveyed other states before enacting its reporting regulations.

"I think they just haven't thought about it."

Hospitals traditionally have operated under an honor system in which they investigate their own medication errors, then act to prevent a recurrence. Presumably the problem gets solved—at that particular hospital.

The U.S. Food and Drug Administration, with overriding authority for regulating medications and medical devices, requires manufacturers to report adverse reactions to their drugs, but makes no requirement that health professionals or hospitals report even fatal medication errors.

And the Joint Commission for Accreditation of Healthcare Organizations, a voluntary, independent organization that accredits about 80 percent of U.S. hospitals, says only that hospitals must have a policy for dealing with medication errors. It does not analyze those errors to spot recurring problems.

One disagreement among those who advocate better reporting is on the question of whether medication error reports should be voluntary or mandatory.

The voluntary approach encourages reporting, one side says. But without mandatory reporting, the picture will be incomplete because few will report, the other side counters. A third group favors mandatory reporting of fatal errors, but only with legal and professional immunities for the health care workers involved.

Under the current system, however, patients must accept hospital's word that it aggressively investigates mistakes and takes steps to prevent recurrences.

"We don't have any reason to disbelieve them," said Work. "However, if [medication error reporting] is being handled adequately, why shouldn't it be public?"

A SEARCH FOR ERRORS

One state—New York—has a comprehensive reporting system that allows health department officials to monitor hospital mishaps, including medication errors.

From Oct. 1, 1985 through June 15, 1993, New York's Hospital Incident Reporting Program collected 4,172 reports of medication errors from New York hospitals, 261 of which resulted in a patient's death. And officials believe those numbers represent only part of the total.

"Even with these regulations we know we're getting underreported. The hospitals nickel and dime us by saying, 'Oh, it was repaired immediately.' You wouldn't believe how many interpretations [of the law] we've had," said George Ennis, senior hospital administration consultant for New York's state Department of Health.

For example, Ennis said, they heard unconfirmed reports that doctors would "sit" on patients who developed blood clots shortly after surgery, rather than return them to surgery.

The reason: an immediate return to surgery would be a reportable incident under New York state law, something doctors wanted to avoid.

Ennis said: "What we were hearing from all over the place, is 'You know, you guys are preventing people from getting appropriate care.' Believe it or not, the doctors were blaming it on us."

Earlier this year, the system was modified so that hospital staff members are identified by code numbers known only to that hospital's administration. Non-serious incidents are reported in aggregate on a quarterly basis.

Ennis also said the state wants to handle the reports differently. "We were not making adequate use of the information. We were getting lots of information in but we weren't doing much with it. And, even more importantly, the hospitals weren't doing much with it."

But even with those limitations, the New York system enabled the health department in 1988 to send out statewide alerts after officials noted a series of mistakes in administering potassium chloride, a medication which showed up repeatedly in the Post-Gazette investigation of hospital medication errors.

The New York alert went out nearly five years before the U.S. Pharmacopoeia began enforcing a standard that calls for putting black caps imprinted with a warning on potassium chloride concentrate bottles.

New York also sent out alerts regarding laser surgery injuries and injuries occurring during a new procedure in which a patient's gallbladder is removed with the aid of a laparoscope.

Without mandatory reporting, Ennis said, none of that would have happened.

"I do not believe you accomplish anything by the voluntary system. If you don't have mandatory reporting, everyone will protect themselves."

ACTION IN NORTH CAROLINA

After learning that four patients were killed in North Carolina hospitals when the hospital pharmacies made mistakes, North Carolina's Board of Pharmacy last year became one of the few state licensing boards that requires reports on fatal errors.

In January 1988, a night pharmacist at Charlotte Memorial Hospital (now Carolinas Medical Center), accidentally dispensed bags of TPN, a liquid nourishment, instead of a cardioplegia solution that was ordered for two men scheduled for heart bypass surgery. Cardioplegia is used to bathe the resting heart during the operation.

The error was discovered after doctors could not restart either man's heart following the surgery. It became public after the Charlotte Observer newspaper broke the story.

As the North Carolina Board of Pharmacy prepared for its hearing in the case, it received word of another death at Charlotte Memorial: On June 13, 1988 a patient died within minutes after being given 10 times the prescribed dose of a hydrochloric acid solution.

When the board learned of a fourth death in 1991, it took action.

Brandon Quintero 5, had been treated at Duke University Medical Center with chemotherapy for a benign tumor on his arm. The physician order called for 4.8 milligrams of "Velban (vincristine)" to be given intravenously.

The problem: Velban is not vincristine. Velban is a trade name for vinblastine, a different cancer drug.

The pharmacist dispensed vincristine at the Velban dose, which was then administered intravenously to the youngster. The boy died from the overdose two weeks later.

"That's when I said we needed to do something about reporting these deaths," said Work. "From a public health standpoint, I don't think it's arguable. Public health and safety demands that it be reported. Not that it be reported if they feel like it, or if risk management people say they should."

But while fatal dispensing errors must now be reported to the pharmacy board, no similar regulations apply for the North Carolina's physician and nurse licensing boards.

PATCHWORK SAFETY NET

That inconsistency is reflected across the country, where the Post-Gazette contacted health officials in every state and found a patchwork of approaches to tracking medication errors.

Kansas, for example, requires hospitals to report any injury-causing error to the state health department but only its nursing board analyzes that information to spot patterns. The pharmacy and medicine boards don't do the same for errors made by pharmacists or doctors.

Colorado also has a reporting system but it doesn't cover all medication errors. Since January 1991, the health department has received only 17 reports of medication errors.

The Massachusetts health department requires reports on any "serious incidents . . . which seriously affects the health and safety of its patients." Does that include medication errors? "It could," said program administrator Margery Eramo.

Louisiana, like many states, does not require medication error reports.

"The problem we run into with trying to regulate it is, when do you report and when do you not report? If we report every little incident, then we will be inundated. Paperwork is not going to help anybody," said Board of Pharmacy Executive Director Howard B. Bolton.

"On the other hand if we ask hospital pharmacy directors to document mishaps, then perhaps we'll get a pattern of incidents that we might need to work on."

In Pennsylvania, where hospitals must report fires or power outages to state health officials, there is no requirement to report even fatal medication errors.

"We haven't found that there have been a lot of problems in the hospitals that should have been brought to our attention that weren't," said William F. White, director of the Division of Hospitals for the state health department.

"The other problem is the whole process of overregulation. If everyone started reporting every problem, I don't have the resources to deal with that."

White acknowledged that his staff has sometimes depended on news accounts to find out about medication errors.

"Every time when something happens like that, there's a question—'Shouldn't there be reporting?'

"And every time we look at it, we don't think that because of that incident the solution is to have every hospital report to us."

In West Virginia, Larry Barker, a member of the Board of Pharmacy since 1978, said the pharmacy board once learned "by chance" of a $25,000 civil settlement against a pharmacist for dispensing the wrong drug. It convinced him they need a mandatory reporting law, although the board has not yet voted for such a regulation.

"We'd get 500 percent more [reports] than we get now," Barker said.

One year ago, Kentucky appeared headed for its own mandatory reporting laws following a highly publicized case where Mark Sun, 20, was killed when a retail pharmacist dispensed a potent cancer-fighting drug instead of a diuretic.

A few years earlier, Sun had suffered permanent brain damage because of an anesthesiology mix-up while he was undergoing surgery.

For months, the Kentucky pharmacy board considered various reporting regulations, most versions modeled after North Carolina's. But, earlier this year, the idea lost steam.

Ralph Bouvette, who became executive director in January, said the board was troubled by North Carolina's emphasis on fatal errors.

"I don't know what they're gaining by that. They should investigate each and every complaint, regardless of the outcome," he said.

But state officials can't count on complaints to alert them, according to North Carolina's Work. He noted that the North Carolina board received 15 reports of deaths in the first year of its new reporting regulations. In each case, no complaint had been filed "and none of those [incidents] were in the newspaper, so we wouldn't have found out about them without our reporting rule."

In states without mandatory reporting, some officials concede they have only a fragmentary picture of medication errors in their hospitals.

"There are many, many medication errors that would never be brought to the board because the hospital takes care of it," said Ruth Ann Terry, supervisor and nursing education consultant for the California Board of Registered Nurses.

"There really may be a pattern [of errors] that nobody has looked at that could cause harm in patients. Right now we don't have a real view of what's happening."

MISSING THE BIG PICTURE

Nor does the nation as a whole. Instead, medication errors typically are viewed as individual mistakes rather than small pieces of a single, dangerous puzzle.

At the annual meeting of the American Society of Hospital Pharmacists in Orlando last December, one speaker said the problem of medication errors "is vastly underappreciated."

"It is underappreciated in health care because we never see it in the aggregate. We see it one patient at a time," said Bill Zellmer, an ASHP vice president.

The irony is that potentially valuable information on medication errors exists within key agencies such as the FDA.

The FDA's Adverse Drug Reaction Reporting System has a database of 675,000 adverse drug reaction reports going back to 1969, some of which the Post-Gazette found explicitly describe medication errors which led to patient deaths.

But the medication errors are not separated out or distinguished from reports of allergic reactions, unexpected side effects or other possible "adverse reactions."

So the information on errors literally is lost in a mountain of other data. And, an FDA official said the agency historically has not encouraged medication error reports, anyway.

"Mining the old stuff in the Adverse Drug Reaction system wouldn't be productive because I think the agency didn't particularly look for those [medication error] reports," said Dr. Peter H. Rheinstein, director of the medicine staff in FDA's Office of Health Affairs. "It could be done, but my top-of-the-head impression is that you wouldn't find much there."

Specific information about medication errors also is contained in the National Practitioner Data Bank. Established by Congress,

the Data Bank since September 1990 has collected information about medical malpractice payments.

The information, which an agency spokeswoman said contains descriptions of specific incidents, is available to hospitals, licensing boards, peer review organizations and other health care groups.

The idea is to prevent doctors and others with a history of problems from jumping from state to state.

But Congress included a provision in the law calling for a $10,000 fine against anyone releasing data bank information to the public.

In reality, the closest any national group comes in attempting to monitor medication errors is the U.S. Pharmacopeia in Rockville, Md., which sets industry standards for purity and labeling of drugs.

USP coordinates a voluntary, confidential medication error reporting program originated by Pennsylvania pharmacists Michael R. Cohen and Neil M. Davis.

In its first 18 months of operation, from January 1992 through June 30, 1993, the USP hotline had fielded 660 reports, or about 35-40 per month. Starting last year, those reports also have been reviewed by a special FDA subcommittee.

Cohen and Davis said the system has led to direct changes in drug packaging and labeling, but conceded they are only hearing about a fraction of the errors happening in hospitals across the country.

"I would say the effect [of the FDA subcommittee] is better than nothing, but it's not going to address the problem in a major way," said Kenneth N. Barker, head of pharmacy care systems at Auburn University in Alabama and one of the country's preeminent medication errors experts.

New York's Ennis was more direct: "Voluntary reporting is nothing. Nothing happens."

STOLEN GUNS ACT OF 1994

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana [Mr. FIELDS] is recognized for 5 minutes.

Mr. FIELDS of Louisiana. Mr. Speaker, today I am introducing a new bill, the Stolen Guns Act of 1994, to end the way stolen guns are openly bought and sold.

Currently, stolen guns are easily sold to unknowing gun dealers. The dealer then resells the gun, and the path is nearly impossible for law enforcement to discover or follow.

This legislation plugs that regulatory loophole, stemming the untraceable flow of stolen guns into the stream of commerce.

The Stolen Guns Act will provide an accurate, enforceable method for the dealer to discover whether a gun is stolen.

Stolen guns will be recaptured when offered for sale, and most important, without an easy market for resale, fewer guns will be stolen.

This law is not a solution to crime; nor is it just another gun law.

The Stolen Guns Act establishes a needed rule, tailored to prevent stolen guns from being bought and sold by gun dealers.

EVALUATING THE CLINTON ADMINISTRATION: DID THE AMERICAN PEOPLE VOTE FOR THIS?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. SOLOMON] is recognized for 60 minutes.

Mr. SOLOMON. Mr. Speaker, the Clinton administration is presently enjoying the 10th month of its 48-month lease on political life.

I put it that way because 3 years from next week the American people will be turning down an opportunity to renew that lease.

They will do so—in overwhelming numbers—because the gap between what they believe about our country and what, in fact, the Clinton administration actually represents will have widened into an unbridgeable gulf.

Indeed, today's credibility gap will be a credibility canyon by 1996.

Speaking as part of the 57 percent of the American electorate which did not vote to put Bill Clinton in the White House, far be it from me to explain the motives of the 43 percent who did.

But, Mr. Speaker, I can at least hazard a suggestion or two concerning what they didn't vote for.

I am convinced that the large majority of Bill Clinton's voters did not cast a vote in favor of reviving the counterculture of the 1960's.

Nor did they support a return to the drift, shift, and national embarrassment that characterized the Carter years.

Unfortunately, all of this is exactly what the American people are now getting—and things can only go from bad to worse over the next 3 years.

I believe Bill Clinton was elected President because he managed to convince just enough voters as necessary that he is some kind of "new democrat", that he represents some kind of new thinking in Democratic Party circles.

Fooling the American people is one thing—but fooling the left-wing activists, the moonstruck academics, and the careerist bureaucrats who are populating the Clinton administration is another thing altogether.

These are the people who saw the "help wanted" sign that was posted outside Clinton headquarters the day after the election.

And the word was put out early in the transition process after the election: Centrists, moderates, genuine "new Democrats", and nonlawyers need not apply.

Mr. Speaker, other Members have taken to this well in recent days to describe a cultural war that is presently raging across the country.

This is a struggle in which nothing less than the survival of our American way of life, the survival of a free society rooted in the Judeo/Christian ethic, is at stake.

I would suggest that today's cultural war in American society at large stems in large part from a civil war within the Democratic Party—a civil war that began in the 1960's and which shaped an entire generation of political and social activities who now find ample opportunity for employment in the Clinton administration.

In the 1960's the legislation that was enacted in pursuit of the new frontier and the great society spawned a dramatic increase in the size and scope of the Federal Government's activities and expenditures in all sectors of American life.

But when social engineering at home was overtaken by politico/military engineering abroad—the war in Vietnam—the liberal coalition which had dominated American politics since the 1930's completely disintegrated.

The stage was set for a massive disillusionment and rupture within the Democratic Party—a division that haunts the party to this very day.

The political collapse of the Johnson administration—made manifest most dramatically during the riots at the Democratic National Convention in Chicago in 1968—drove an entire generation of social activists underground.

Indeed, a virtual government-in-exile gradually took shape as refugees from the 1960's licked their wounds, wondered what went wrong, and plotted to reconstruct society in their own image.

Some of these people surfaced just long enough in the late 1970's to doom the Carter administration irretrievably.

But mostly they decided to bide their time—sheltered within their academic cloisters, bureaucratic pigeonholes, well-heeled law firms, and left-wing advocacy groups.

Cultivating the sense of intellectual certainty and superiority that only comes from not having any actual responsibility or contact with reality, this government-in-exile has spent the last 25 years nursing its grudges against American society and pursuing ever more bizarre fantasies about the way things ought to be.

When they weren't coining "rights", identifying "victims", or redefining even the most basic meaning of "justice", they were busy exploring the outer limits of human sexuality and celebrating even the most twisted forms of personal self-expression.

And then Bill Clinton hung out the "help wanted" sign.

The government-in-exile was given a new lease on life.

But, Mr. Speaker, did the American people really vote for this?

Even the 43 percent who voted for Bill Clinton—how many of them really voted for this?

This is an administration:

Whose Associate Director of Personnel at the White House proclaims himself as the "first fag" and announces that his status as a homosexual protects him from being fired;

Whose AIDs policy advisor declares that the United States is a "repressed victorian society" and that teaching sexual abstinence to teenagers is "criminal";

Whose Deputy Attorney General wrote the preface to an autobiography of a career criminal and praised the man as having personal qualities that would be useful on the White House Staff;

Whose Assistant Secretary of Education for elementary and secondary education believes the Boy Scouts cannot be tolerated working with young people.

This same official also promotes so-called results-based performance, in which teachers are prohibited from giving failing grades to students for fear of harming their self-esteem.

This is an administration:

Whose Assistant Secretary of Housing for Fair Housing and Equal Opportunity favors the addition of homosexuals as a protected class under the Fair Housing Act and requiring the lodging of homosexual support groups at homeless shelters.

This official, by the way, also has a particular hangup about the Boy Scouts—she was

the driving force behind banning the Boy Scouts from the San Francisco public school system and in cutting off financial support for them by the Bay Area United Way.

This is an administration—

Whose surgeon-general advocates sex education in kindergarten, believes abortion is a positive public health benefit, and equates any beliefs on these issues different from hers with slavery;

Whose assistant Secretary of HHS for health believes the real problem with the American health care system today is the presence of too many doctors.

Maybe that is why the Clinton administration wants to replace so many of them with lawyers.

This is an administration—

Whose Assistant Secretaries of Education for Civil Rights and Policy have both promoted various schemes whereby funding for all public school districts would have to be equalized—by means of class action lawsuits if necessary;

Whose Chairman of the National Endowment for the Humanities had carried "political correctness" to such hypocritical extremes in his previous job his appointment to Federal office was more like a rescue than a promotion.

And on and on and on it goes, Mr. Speaker.

The Lani Guinier episode was not an isolated fluke—she is not the only Clinton appointee to have suffered intellectual meltdown during those long and lonely years away from the Federal trough and the levers of power.

Indeed, the Lani Guinier episode is entirely symptomatic of Bill Clinton's preference for appointing to high office people whose political sensibilities were shaped by the struggles of the 1960's and whose philosophies have been migrating steadily leftward ever since.

All of this wouldn't matter, Mr. Speaker, if ideas had no consequences.

But ideas do have consequences—and the worst idea coming out of the 1960's counterculture was the whole notion that one's actions and one's personal accountability for such actions can be disconnected.

How else, then, could Bill Clinton have maintained a straight face throughout the 1992 campaign all the while trying to explain the inconsistencies and discrepancies in both his public and private lives?

Another question: How can a generation of social activists which worked overtime coining new "rights" not wonder if there was any connection between that exercise and the concurrent one of identifying all kinds of new "victims"?

If responsibilities had been emphasized as the necessary corollary to rights, the number of society's so-called victims would be significantly smaller—and the number of claimants on the Government would be significantly smaller.

But that is the whole point.

The 1960's Government-in-exile that Bill Clinton brought back to Washington in the 1990's is dedicated to increasing the power of the Federal Government over every individual, every home, every business place, every private institution in the country.

How else, for example, can one explain the health care proposal the Clinton team came up with?

That proposal—all 1,600 pages of it—is so convoluted, so fraught with social engineering, so intrusive in all sectors of society, and so bereft of any cost controls that I can only conclude it must actually be a stalking horse for outright socialized medicine.

Indeed, the so-called "single-payer", or socialized, scheme actually looks simple, efficient, and cost-effective by comparison.

All of this bodes badly enough for America at home, but what about overseas?

What about protecting the very security of our country?

There again, the Clinton administration sees no connection between actions and accountability.

How else can one explain a process whereby the administration decides first to reduce the defense budget and only after that decision is locked in decides to examine what the security needs of the country actually are?

Can it be any surprise that the projected defense spending over the 4-year span of the Clinton administration does not meet the minimum requirements identified by the so-called "bottom-up" review as needed to protect the security of the country?

And then we come to the issue of peacekeeping, the centerpiece of what the Clinton administration says is a foreign policy.

The architect of the policy on peacekeeping is named Morton Halperin—remember that name.

Here is another refugee from the counterculture of the 1960's, and he has been given a tailor-made position in the Defense Department as Assistant Secretary for Democracy and Peacekeeping.

I must be precise and say that he does not actually hold the position to which he has been appointed—because the Senate has thus far refused to confirm him.

But he doesn't need confirmation so long as he has an office in the Pentagon anyway and all the access he wants to senior officials.

And, frankly, I cannot imagine the day when the Senate of the United States would confirm the appointment to high office of a man who has expressed views such as these:

> Using secret intelligence agencies to defend a constitutional republic is akin to the ancient medical practice of employing leeches to take blood from feverish patients.
>
> Every action which the Soviet Union and Cuba have taken in Africa has been consistent with the principles of international law.
>
> The Soviet Union apparently never even contemplated the overt use of military force against Western Europe.
>
> In the name of protecting liberty from communism, a massive undemocratic national security structure was erected during the cold war. . . .

Mr. Speaker, I will have more to say in future special orders concerning Morton Halperin and others to whom Bill Clinton would entrust the future of our country.

Suffice to say right now that any Member who attended as I did the briefing in which Secretary of State Christopher and Secretary of Defense Aspin could neither explain, defend, or even confirm the existence of a United States policy in Somalia need look no further than Morton Halperin's desk in order to understand how things could go so seriously awry.

In conclusion, Mr. Speaker, I can only reiterate what I said at the very outset: The gap between what the American people believe about our country and the interests the Clinton administration truly represents will inevitably get wider and wider.

This administration is the living embodiment of a philosophy which believes actions can be divorced from accountability.

We have 3 more long years to wait until the day of reckoning finally comes—at the polls, that is.

In the meantime, who can predict what kind of storms our country and our people will have to endure as the Clinton administration gets its on-the-job training in learning how to deal with reality?

THE MINORITY HEALTH IMPROVEMENT ACT OF 1993

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. STOKES] is recognized for 10 minutes.

Mr. STOKES. Mr. Speaker, whereas, all groups lacking access to health care and experiencing a diminished health status, African-Americans and other minorities continue to top the list;

And, whereas, the 17th annual report card on health, the publication entitled, "Health United States 1992," continues to report that whether the focus is on the rate of minorities' mortality, morbidity, or the utilization of health services, disparities in health status remain widespread;

And, whereas, this disparity has remained despite significant advances stemming from the Nation's steadfast investment in biomedical and related research, and rapid improvements in the systems designed to provide essential health care services, racial and ethnic groups have not benefitted equally as well as the rest of the United States population;

I rise to introduce the Minority Health Improvement Act of 1993.

I am most eager about this legislation because the issue of health care for underserved, disadvantaged populations is a cause which I have championed since my first days in Congress. It is a known fact that our Nation must provide quality accessible and affordable health care for all Americans if the Nation is to strengthen its competitive edge and further improve the quality of life for all Americans.

Mr. Speaker, I am sure you know just how critical this legislation is to the minority community. Certainly, every racial and ethnic minority group experiences some health disparity. Unfortunately, for African-Americans, this situation continues to not only persist but to deteriorate. We know, for example, that the gap between blacks and whites in life expectancy has continued to widen. Life expectancy at birth for blacks overall was 69.1 years in 1990 compared to 76.1 years for whites. For black males, life expectancy was 64.5 years in 1990, a decline since its high of 65.3 years in 1984. For white males, the life expectancy is 72.7 years, 8.2 years longer than for African-Americans.

Blacks also have higher age-adjusted death rates than whites for 15 leading causes of

death. In the instance of homicide and HIV infection, the gap between black and white mortality rates is wider than for any chronic disease.

Although infant mortality declined among both blacks and whites between 1980 and 1990, it was still more than twice as high among blacks than whites. In fact, black mothers with a college degree have a higher infant mortality rate than white mothers with less than a high school education.

Added to these grim statistics is the fact that African-Americans and Hispanics account for over 50 percent of the number of Americans added to the rolls of the uninsured between 1977 and 1987—and that these individuals are disproportionately represented in the kinds of families at the greatest risk of being uninsured or underserved. These types of trends further exacerbate the disproportionate incidence of illness and death in our communities.

Mr. Speaker, because of these continued adversities, I introduce the Minority Health Improvement Act of 1993. This is a most critical time for improving minority health. It is at a time when our President has issued a call to his administration and experts around the United States to reform our health care system. To that end, we in the Congress must determine what must be done to make sure that the resulting system is responsive to the health care needs of all Americans. From my position as a member of the Labor-Health and Human Services Appropriations Subcommittee, and particularly as chairman of the Congressional Black Caucus Health Braintrust, I know that, if we listen and respond to the experts in the minority community, we have at our fingertips many of the answers to this critical problem.

Many of these solutions are provisions under the original law, the Disadvantaged Minority Health Improvement Act of 1990. They were enacted with the input and insight of those of us who deal regularly with these concerns. Our references were those individuals who every day are in the trenches touching, healing, and treating the medically indigent.

Mr. Speaker, you have only to visit my city of Cleveland, to see the success of the health services for residents in public housing section of the original Disadvantaged Minority Health Improvement Act. There has been such an overwhelming response to this program that the housing authorities cannot accommodate the need. This is in an area where only 5 minutes away is another health facility. But the success of this program is based upon its being targeted, for the first time, to the area where the underserved live. In this case, they live in public housing.

I have also been contacted by students and faculty at institutions across the Nation about their achievement in pursuing health professions careers and addressing the health care needs of unserved and underserved populations due to the provisions in the Minority Health bill. This would not have happened without the centers of excellence in minority health.

Undoubtedly, if this Nation ensures that every American has access to health care, we must also ensure the availability of culturally competent providers for all minority populations that are sicker and have very unique needs. Moreover, it is these providers who understand the cultural, linguistic, racial, educational, and attitudinal differences that impose special barriers to effective delivery of health care to minority Americans.

The Minority Health Improvement Act of 1993 which I am introducing today not only recognizes the importance of the original law, but also the need to strengthen and enhance it to ensure its continued responsiveness to improving the health status of minority Americans.

The Minority Health Improvement Act of 1993 recognizes the success of the office of minority health in fulfilling its mission throughout the Department of Health and Human Services [HHS], and also strengthens the coordination of minority health initiatives in every HHS agency. This will provide a guaranteed mechanism for activities the bill supports. Thereby, the bill improved upon the existing minority health bill by expanding and strengthening efforts in other areas to improve the health status of African-Americans, Hispanic-Americans, Native-Americans, and Asian-Americans. The bill addresses the needs of each group individually and collectively.

This approach is particularly important since the health problems among the various minority populations are immense, as well as diverse. Thus, any legislative remedy should require a strengthening of the Federal commitment to program with a long and successful history of addressing these concerns. At the same time, we need to recognize those programs that are newer, and others that have not yet been implemented.

Mr. Speaker, our colleague in the Senate, Senator KENNEDY from Massachusetts jointly sponsored this legislation in the 101st Congress, it was signed into law in November of 1990. The urgency of the enactment of this legislation is as pressing now as it was then. Mr. KENNEDY and I will again work to make this legislation and the improvements in the quality of life that stem from it a reality. The Nation cannot afford for the closing of the minority health gap to be just a sound byte. The physical, social, and economic burden and suffering is just too great to be ignored.

Mr. Speaker, I strongly urge my colleagues to meet the challenge in 1993 as they did in 1990 and enact this very important piece of legislation, the Minority Health Improvement Act of 1993.

PREPAYMENT PENALTIES ON SMALL BUSINESS FINANCINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. LAFALCE] is recognized for 60 minutes.

Mr. LAFALCE. Mr. Speaker, today I have introduced the Small Business Prepayment Penalty Relief Act of 1993.

This bill will assist some small businesses which are burdened with onerous interest rates on debentures held by the Small Business Administration or guaranteed by it and purchased by the Federal Financing Bank.

It is my intent in introducing this bill today to put forth a proposal for examination by the administration and the small business constituency it is designed to help. I am not wed to its provisions, and I solicit input from others. But any alternative proposals, I believe, must be equitable to all small business borrowers who are required to pay these excessive interest rates. Any solution must adhere to two principles.

First, it must provide some type of a refinancing mechanism. Merely reducing the penalty, without providing alternative means, would unfairly reward those small businesses who had become so successful that they have accumulated sufficient capital with which to pay off the principal amount of their indebtedness, while requiring less successful firms to continue paying, 10-, 12-, or even 14- or 15-percent rates.

And second, it must treat all of these SBA program participants the same, whether they are under the certified development company program, the small business investment company program or the specialized small business investment company program.

BACKGROUND AND EXPLANATION OF PROVISIONS

During the 1980's, small businesses came to seek assistance from the Small Business Administration through several different programs. Interest rates at the time were very high. The one thing that each of these borrowers has in common is that a hidden, and somewhat unintelligible clause, in the debenture agreement is interpreted by the Federal Financing Bank of the Department of the Treasury to effectively prohibit prepayment of the debentures, locking these companies in to prohibitively high rates.

Interest rates have since dropped substantially. But these borrowers can prepay or refinance only if they pay a penalty which is equal to the total amount of interest which would be required to be paid on the debenture if paid according to its full term, but reduced to its present value; that is, the prepayment penalty would be the amount of money which would be required to be invested at today's rates being paid by the Federal Government which would result in a return to the Government of the same amount of money which the Government would receive if the issuer of the debenture, or long-term loan, paid the interest each year according to the original terms and conditions. The provision holds the Government harmless, but does enormous harm to these small companies.

This excessive prepayment penalty inflicts a severe financial penalty on the affected small businesses, in some cases an amount equal to 50 percent or more of the amount of the loan. For some it means that they cannot sell their business; for others, if the owner dies, the heirs must continue the business or be subject to the penalty; and for others it means that the business cannot expand with new financing because a prospective lender requires a first lien position, and thus the borrower would have to prepay the existing debenture, including the penalty.

The small businesses subject to these penalties are small firms whose efforts serve important public policy goals. These debentures have been issued under the certified development loan company program, one of the primary purposes of which is job creation, and under programs to provide venture capital to small businesses and minority small businesses under the Small Business Investment

Company Program and the Minority or Specialized Small Business Investment Company Program. The prohibitive penalties which now exist are impending SBA's efforts to bring job growth and new capital to the small business community, including the minority small business community.

Mr. Speaker, based upon data supplied by the Federal Financing Bank, we estimate that if all of these debentures prepaid, the aggregate prepayment penalty would be almost $200 million. Under the Budget Enforcement Act, this would be treated as a loss of income to the Government if legislation was enacted eliminating these penalties. Thus, we cannot eliminate the penalties without crippling all other SBA programs, and I do not advocate doing so. But I do believe that we must mitigate the damage being inflicted on these small businesses which we tried to help with loans made years ago.

In prior Congresses, the House of Representatives has twice passed legislation to reduce the amount of this penalty. In the first instance, the bill was vetoed by President Reagan. And in the second instance, the Senate blocked consideration of a similar provision at the request of President Bush.

Fortunately, this year President Clinton has indicated that he believes that this prepayment penalty is so onerous that it must be modified. However, no formal request nor authorizing legislation to do so has been submitted to date.

I have long advocated the modification of the penalty, and in fact, I introduced the earlier House legislation to do so. However, our current budget situation indicates to me that it is impossible to fix the entire problem in one fiscal year. This problem was created over a number of fiscal years and its resolution should be paid for over a number of fiscal years.

Accordingly, my proposal is for a two-prong approach.

First, my bill would authorize the appropriation of funds each year to permit SBA to buy down the interest rate on these debentures to 7.5 percent. This is above the current Federal cost of money and still would result in a penalty being imposed upon these small business borrowers, but a much more reasonable one. This should reduce the overall pressure to exit the programs.

Second, my bill would authorize all of those small business borrowers with loans outstanding to bid on a reduced prepayment penalty or their debentures, with SBA paying the balance of the penalty. With our current budget situation, we probably cannot provide enough money to accommodate everyone. But SBA annually would supplement the bid price with the addition of some limited amount of funds so that borrowers who elected to do so could prepay—with those who agreed to pay the highest amount, but less than 100 percent of the calculated penalty receiving assistance first.

This approach would provide some help to all of these small business borrowers and would permit a few annually, depending upon the amount of an appropriation we were able to secure, to get completely out from under the onerous terms of their Federal loan.

It is my hope that the committee will explore a legislative solution along the lines I have proposed, with hearings to commence early in the second session of this Congress.

A sectional summary of the bill follows:

SECTIONAL SUMMARY

Provides that this Act may be cited as "The Small Business Prepayment Penalty Relief Act of 1993".

TITLE II

Buy-downs and interest rate reductions

Section 201. (a) Provides that upon the request of the issuer, annually the Administration is authorized to buy-down the interest rate of any debenture purchased by the Federal Financing Bank (1) which has been issued by a development company pursuant to the provisions of section 503 of the Investment Act or (2) which has been issued by a small business investment company pursuant to the provisions of section 303 of such Act.

It defines the term "buy-down" as a payment from the Administration to the Federal Financing Bank in an amount determined by the Administration to reduce the interest payment for that year to an amount equal to 7.5 percentum of the outstanding principal amount of the debenture.

Subsection (b) provides that upon the request of the issuer, annually the Administration is authorized to reduce the interest rate on any debenture issued by a small business investment company licensed pursuant to the provisions of section 301(d) of the Investment Act. The amount of the reduction would be an amount determined by the Administration to make the interest payment for that year equal to 7.5 percentum of the outstanding principal amount of the debenture.

TITLE III

Prepayments

Section 301(a) provides that annually, after the regular Appropriations Act has been signed into law providing funding for the Administration, the Administration shall calculate the amount needed to carry out the provisions of section 201 of this Act. It would then set-aside this amount and the balance would be available for title III.

Subsection (b) requires the Administration to promptly notify the issuer of each debenture subject to the provisions of section 201 of this Act that it will receive offers from any interested issuer to prepay the debenture in full. The issuer's offer would include all or part of the full prepayment penalty, or assumed prepayment penalty in the case of a specialized small business investment company. To assist the issuer in making his proposal, SBA's notification would provide basic information, including:

(1) the amount of funds available to carry out this title;

(2) a computation of the total amount of the prepayment penalties and assumed prepayment penalties if all issuers prepaid;

(3) the amount of the prepayment penalty or assumed prepayment penalty for the issuer receiving the notification;

(4) the time period during which offers may be submitted; and

(5) a description of the process under which the Administration will evaluate, give priority to, and accept submission of offers pursuant to this title.

Subsection (c) requires SBA within 30 days after termination of the period for submission of offers, to evaluate each offer and assign each a priority. The priority would be based upon the percentum of the prepayment penalty which the issuer offers to pay, with the highest percentum receiving the highest priority. The Administration would approve offers beginning with the one with the highest priority and continuing until it utilizes all funds available to carry out this title in the current fiscal year.

Prepaying Development Company Debentures

Section 302. (a) Defines the term "issuer' as the issuer of a debenture which has been purchased by the Federal Financing Bank pursuant to section 503 of the Investment Act, and the term "borrower" as the small business concern whose loan secures a debenture issued pursuant to such section.

Subsection (b) provides that the issuer of a debenture purchased by the Federal Financing Bank and guaranteed by the SBA under section 503 of the Investment Act may offer to prepay if:

(1) the debenture is outstanding on the date of enactment of this Act, and neither the loan that secures the debenture nor the debenture is in default on the date the prepayment is made;

(2) state or personal funds, which may include refinancing under the programs authorized by section 504 and 505 of the Investment Act are used to prepay the debenture; and

(3) the issuer certifies that the benefits, net of fees and expenses authorized herein, associated with prepayment of the debenture are entirely passed through to the borrower.

Subsection (c) prohibits any fees or penalties other than those specified in this section from being imposed as a condition of such prepayment against the issuer or the borrower, or the Administration or any fund or account administered by the Administration.

It also provides that if the debenture is prepaid or refinanced other than through section 504, the issuer may require the borrower to pay a fee to the issuer in an amount equal to one-half of one percent of the unpaid principal balance of the debenture, or if refinanced under section 504, the issuer may require the borrower to pay a fee to the issuer in an amount equal to one-fourth of one percent of the unpaid balance of the debenture.

Subsection (d) provides that debentures refinanced under section 504 shall be subject to all of the other provisions of sections 504 and 505 of the Investment Act and the rules and regulations of the Administration promulgated thereunder.

Prepaying Specialized Small Business Investment Company Debentures

Section 303. (a) provides that any specialized small business investment company which is the issuer of a debenture purchased by the Administration under title III of the Investment Act may offer to prepay the debenture if:

(1) the debenture is outstanding on the date of enactment of this Act and is not in default of the date the prepayment is made; and

(2) personal funds, which may include refinancing with the proceeds of debentures under title III of the Investment Act, are used to prepay the debenture.

Subsection (b) prohibits any fees or penalties other than those specified in this section from being imposed as a condition of such prepayment against the issuer, the Administration or any fund or account administered by the administration.

Prepaying Regular Small Business Investment Company Debentures

Section 304. (a) provides that any small business investment company which is the

issuer of a debenture guaranteed by the Administration under title III of the Investment Act and purchased by the Federal Financing Bank may offer to prepay the debenture if:

(1) the debenture is outstanding on the date of enactment of this Act and is not in default on the date the prepayment is made; and

(2) personal funds, which may include refinancing with proceeds of guaranteed debentures under title III of the Investment Act, are used to prepay the debenture.

Subsection (b) prohibits any fees or penalties other than those specified in this section from being imposed as a condition of such prepayment against the issuer, the Administration or any fund or account administered by the Administration.

Subsection (c) provides debentures refinanced under title III of the Investment Act shall be subject to all of the other provisions of such Act.

TITLE IV

Miscellaneous Provisions

Section 401. (a) provides that the provisions of this Act are exercisable at the option of the borrower under section 302 of this Act or at the option of a small business investment company under sections 303 and 304 of this Act and are in addition to any prepayment options otherwise authorized by law.

Subsection (b) requires SBA within sixty days of the date of enactment of this Act to issue regulations to implement this Act.

Subsection (c) provides that any new credit or spending authority provided for in this Act is subject to amounts provided in advance in appropriations Acts.

Authorization

Section 402. (a) Authorizes the appropriation of such sums as may be necessary to carry out the provisions of this Act.

Subsection (b) provides that in the administration of this Act, the Administration shall not obligate any funds pursuant to title III of this Act in any fiscal year unless it has provided the full amount of assistance authorized and requested pursuant to title II of this Act.

Subsection (c) provides that if sufficient funds are not appropriated for any fiscal year to fully carry out the buy-downs and reductions authorized and requested pursuant to title II of this Act, the Administration must buy down and reduce the interest rates to the extent that funds are available for that year, but may not utilize any funds to carry out title III.

Section 403 defines the term "Administration" as the Small Business Administration, and the term "Investment Act" as the Small Business Investment Act of 1958.

A TRIBUTE TO MANUEL HERNANDEZ

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DOOLEY] is recognized for 5 minutes.

Mr. DOOLEY. Mr. Speaker, I rise today to pay tribute to Manuel Hernandez, an immigrant American who for the past 40 years has contributed mightily to the well-being of Visalia, CA.

Mr. Hernandez was born in Torreon, Coahuila, Mexico, on September 1, 1913, and came to the United States at the age of 10. He has lived in Visalia since 1927. He and his wife, Helen, have four children: Ruben, Richard, Mary Lou, and Vicki; 13 grandchildren, and 8 great-grandchildren.

Mr. Hernandez has little formal education, but he has given a lifetime of benefit to the Visalia community. He was the first president of the Crowley School PTA on the northside of Visalia, and his dedication earned him an honorary life membership in the PTA. In the late 1950's, he served on the board of directors of the Visalia YMCA, and in the 1960's he represented working people as president of the Carpenter's Union Local No. 1484 in Visalia.

Beginning in 1965, Mr. Hernandez served as construction superintendent for Self-Help Enterprises, for which he helped establish affordable housing in the San Joaquin Valley. He continued to volunteer as a member of the self-help board of directors until 1979. From 1979 to 1985, he was a member of the board of directors of the Washington, DC-based Housing Assistance Council.

Mr. Hernandez is a former president of the Community Service Organization, and he was active for many years as a member of the Visalia Neighborhood Advisory Council and the North Visalia Concerned Citizens Committee. As a city volunteer, he served on the City of Visalia advisory committee and on the selection committee of the Leadership Visalia Program.

In 1983, Mr. Hernandez was awarded the outstanding citizen commendation by the Optimist Club, and in 1987 he was chosen as Visalia's Man of the Year, the first Visalian of Mexican descent to receive that honor. He served on the Tulare County Grand Jury from 1986 to 1989.

Mr. Hernandez currently is a board member of the Kaweah Delta District Hospital Foundation and of Tulare County Food Resources. He also is an active supporter of the Wittman Village Community Center. He continues his involvement with young Visalians through the Police Activities League.

As you can see, Manuel Hernandez has never recognized barriers in himself and in others. He has set a shining example as a devoted family man and community worker. His dedication and vision have done immeasurable good for Visalia and Tulare County.

Please join me, Mr. Speaker and my colleagues, in honor of Manuel Hernandez.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BROOKS) to revise and extend their remarks and include extraneous material:)

Mr. COYNE, for 5 minutes, today.

Mr. FIELDS of Louisiana, for 5 minutes, today.

Mr. STOKES, for 10 minutes, today.

Mr. LAFALCE, for 10 minutes, today.

Mr. HOYER, for 30 minutes, today.

Mr. FALEOMAVAEGA, for 60 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(Mr. STEARNS, and to include therein extraneous material notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $7,682.)

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. ROSE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 898. An act to authorize the Air Force Memorial Foundation to establish a memorial in the District of Columbia or its environs.

H.R. 1425. An act to improve the management, productivity, and use of Indian agricultural lands and resources.

H.R. 2330. An act to authorize appropriations for fiscal year 1994 for the intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

H.R. 3225. An act to support the transition to nonracial democracy in South Africa.

H.R. 3318. An act to amend title 5, United States Code, to provide for the establishment of programs to encourage Federal employees to commute by means other than single-occupancy motor vehicles.

H.R. 3378. An act to amend title 18, United States Code, with respect to parental kidnapping, and for other purposes.

H.R. 3471. An act to authorize the leasing of naval vessels to certain foreign countries.

H.J. Res. 75. Joint resolution designating January 16, 1994, as "National Good Teen Day."

H.J. Res. 159. Joint resolution to designate the month of November in 1993 and 1994 as "National Hospice Month."

H.J. Res. 294. Joint resolution to express appreciation to W. Graham Claytor, Jr., for a lifetime of dedicated and inspired service to the Nation.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 412. An act to amend title 49, United States Code, relating to procedures for resolving claims involving unfiled, negotiated transportation rates, and for other purposes.

S. 1670. An act to improve hazard mitigation and relocation assistance in connection with flooding, and for other purposes.

ADJOURNMENT

Mr. GEPHARDT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 3 minutes a.m.), the House adjourned until today, November 23, 1993, at 12 noon.

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. CONYERS: Committee on Government Operations. North American Free-Trade Agreement [NAFTA] Rules of Origin and Enforcement Issues (Rept. 103–407). Referred to the Committee of the Whole House on the State of the Union.

Mr. CONYERS: Committee on Government Operations. Reimbursement of Defense Contractors' Environmental Cleanup Costs: Comprehensive Oversight Needed to Protect Taxpayers (Rept. 103–408). Referred to the Committee of the Whole House on the State of the Union.

Mr. CONYERS: Committee on Government Operations. State Department Mismanagement of Overseas Embassies: Corrective Action Long Overdue (Rept. 103–409). Referred to the Committee of the Whole House on the State of the Union.

Mr. CONYERS: Committee on Government Operations. Bank Regulation and Bank Lending to Small Business (Rept. 103–410). Referred to the Committee of the Whole House on the State of the Union.

Mr. GONZALEZ: Committee on Banking, Finance and Urban Affairs. H.R. 3063. A bill to authorize U.S. participation in the replenishment of the resources of the International Development Association and the Asian Development Bank, to authorize a U.S. contribution to the Global Environment Facility, to authorize the provision of special debt relief for the poorest, most heavily indebted countries through the multilateral approach of the Paris Club, and for other purposes; with an amendment (Rept. 103–411). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee of Conference. Conference report on H.R. 1025. A bill to provide for a waiting period before the purchase of a handgun, and for the establishment of a national instant criminal background check system to be contacted by firearms dealers before the transfer of any firearm (Rept. 103–412). 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. WAXMAN (for himself, Mr. SYNAR, Mr. WYDEN, Mr. DURBIN, and Mrs. SCHROEDER):

H.R. 3614. A bill to prescribe labels for packages and advertising for tobacco products, to restrict the advertising and promotion of tobacco products, and for other purposes; to the Committee on Energy and Commerce.

By Mr. GONZALEZ (for himself, Mr. NEAL of North Carolina, and Mr. LEACH):

H.R. 3615. A bill to amend the Federal Deposit Insurance Act to require Federal Deposit Insurance Corporation approval for conversions of insured banks from mutual form to stock form, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. KENNEDY:

H.R. 3616. A bill to require the Secretary of the Treasury to mint coins in commemoration of the 250th anniversary of the birth of Thomas Jefferson, Americans who have been prisoners of war, the Vietnam Veterans Memorial on the occasion of the 10th anniversary of the memorial, and the Women in Military Service for America Memorial, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SHAW (for himself and Mr. DEUTSCH):

H.R. 3617. A bill to amend the Everglades National Park Protection and Expansion Act of 1989, and for other purposes; to the Committee on Natural Resources.

By Mr. WYDEN (for himself and Ms. FURSE):

H.R. 3618. A bill to amend title I of the Employee Retirement Income Security Act of 1974 to exempt from preemption thereunder certain provisions of law of the State of Oregon relating to the Oregon Health Plan; to the Committee on Education and Labor.

By Mr. ANDREWS of Texas (for himself, Mr. SUNDQUIST, and Mr. KOPETSKI):

H.R. 3619. A bill to amend the Revenue Act of 1987 to provide a permanent extension of the transition rule for certain publicly traded partnerships; to the Committee on Ways and Means.

By Mr. UPTON:

H.R. 3620. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and for other purposes; jointly, to the Committees on Energy and Commerce, Public Works and Transportation, and Ways and Means.

By Mr. BACHUS of Alabama:

H.R. 3621. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for costs incurred to cleanup contaminated property; to the Committee on Ways and Means.

By Mr. BAKER of California:

H.R. 3622. A bill to repeal the must-carry provisions of the title VI of the Communications Act of 1934, relating to cable television; to the Committee on Energy and Commerce.

By Mr. BARCIA of Michigan (for himself and Mr. DINGELL):

H.R. 3623. A bill to amend the Federal Crop Insurance Act to establish a pilot program to evaluate the feasibility of including crop insurance based on costs of production among the types of crop insurance available under the act; to the Committee on Agriculture.

By Mr. BOUCHER (for himself and Mr. UPTON):

H.R. 3624. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to establish a program for assigning shares of liability to liable parties at Superfund sites, and for other purposes; jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

By Mr. BROWN of California:

H.R. 3625. A bill to renew and improve the operation of title V of the Trade Act of 1974 (relating to the Generalized System of Preferences); to the Committee on Ways and Means.

By Mr. BROOKS (for himself and Mr. DINGELL):

H.R. 3626. A bill to supersede the modification of final judgment entered August 24, 1982, in the antitrust action styled U.S. v. Western Electric, civil action No. 82–0192, U.S. District Court for the District of Columbia; to amend the Communications Act of 1934 to regulate the manufacturing of Bell operating companies, and for other purposes; jointly, to the Committees on the Judiciary and Energy and Commerce.

By Ms. CANTWELL (for herself and Mr. MANZULLO):

H.R. 3627. A bill to amend the Export Administration Act of 1979 with respect to the control of computers and related equipment; to the Committee on Foreign Affairs.

By Mr. CHAPMAN:

H.R. 3628. A bill to establish the Regulatory Sunset Commission to review regulations of executive agencies, and to provide for the automatic termination of regulations that are not authorized by the Commission to continue in effect; jointly, to the Committees on the Judiciary and Government Operations.

By Mr. COPPERSMITH (for himself, Mr. CUNNINGHAM, Mr. KREIDLER, Mr. STENHOLM, Mr. FINGERHUT, Mr. CANADY, Mr. CRANE, Mr. MCCANDLESS, Mr. POSHARD, Mr. EWING, Mr. ARCHER, Mr. HOCHBRUECKNER, Mr. TAYLOR of Mississippi, Mr. GENE GREEN of Texas, Mr. LANCASTER, Mr. KINGSTON, and Mr. GALLEGLY):

H.R. 3629. A bill to rescind appropriations for the U.S. Postal Service in an amount equal to the amount expended by the Postal Service in the design and implementation of its new corporate logo; to the Committee on Appropriations.

By Mr. COYNE (for himself, Mr. CARDIN, Mr. LEWIS of Georgia, Mr. NEAL of Massachusetts, Mr. HOAGLAND, Mr. KOPETSKI, Mr. JEFFERSON, Mr. BREWSTER, Mr. SHAW, and Mr. SUNDQUIST):

H.R. 3630. A bill to amend the Internal Revenue Code of 1986 with respect to the treatment of tax-exempt bonds; to the Committee on Ways and Means.

By Mr. COYNE (for himself, Mr. JACOBS, Mr. NEAL of Massachusetts, Mr. HOAGLAND, and Mr. BREWSTER):

H.R. 3631. A bill to amend the Internal Revenue Code of 1986 to provide nonrecognition treatment for certain transfers by common trust funds to regulated investment companies; to the Committee on Ways and Means.

By Mr. COYNE (for himself and Mr. STARK):

H.R. 3632. A bill to require the mandatory reporting of deaths resulting from errors in the prescribing, dispensing, and administration of drugs, to allow the continuation of voluntary reporting programs, and for other purposes; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. CRAPO (for himself, Mr. HASTERT, Mr. HANSEN, Mr. HUTCHINSON, Mr. SANTORUM, Mr. ARMEY, and Mr. QUINN):

H.R. 3633. A bill to reform the House of Representatives, and for other purposes; jointly, to the Committees on Rules and Government Operations.

By Mr. DEFAZIO:

H.R. 3634. A bill to amend the Military Selective Service Act to terminate the registration requirement and to terminate the activities of civilian local boards, civilian appeal boards, and similar local agencies of the Selective Service System; to the Committee on Armed Services.

By Mr. DORNAN (for himself, Mr. HERGER of California, Mr. BAKER of California, Mr. POMBO, Mr. DOOLITTLE, Mr. TAYLOR of North Carolina, Mr. PACKARD, and Mr. YOUNG of Alaska):

H.R. 3635. A bill to require the withdrawal of the United States from the NAFTA supplemental agreements on labor and environmental cooperation; to the Committee on Ways and Means.

By Mr. MARKEY (for himself, Mr. FIELDS of Texas, Mr. BOUCHER, Mr.

OXLEY, Mr. HALL of Texas, Mr. MOORHEAD, Mr. BRYANT, Mr. BARTON of Texas, Mr. LEHMAN, Mr. HASTERT, Mr. RICHARDSON, Mr. GILLMOR, and Ms. SCHENK):

H.R. 3636. A bill to promote a national communications infrastructure to encourage deployment of advanced communications services through competition, and for other purposes; to the Committee on Energy and Commerce.

By Mr. DURBIN (for himself, Mr. MCDERMOTT, Mr. GORDON, Mr. DARDEN, Mr. DELLUMS, Mr. FRANK of Massachusetts, Mr. PETE GEREN of Texas, and Mr. WALSH):

H.R. 3637. A bill to require the Secretary of the Treasury to include organ donation information with individual income tax refund payments; to the Committee on Ways and Means.

By Ms. ESHOO:

H.R. 3638. A bill to suspend temporarily the duty on Mycophenolate Mofetil in bulk form; to the Committee on Ways and Means.

By Mr. FIELDS of Louisiana:

H.R. 3639. A bill to amend title 18, United States Code, to regulate the receipt of firearms dealers; to the Committee on the Judiciary.

By Mr. FILNER:

H.R. 3640. A bill to direct the Administrator of the Environmental Protection Agency to establish an office in a community in the United States located not more than 10 miles from the border between the United States and Mexico; to the Committee on Merchant Marine and Fisheries.

By Mrs. FOWLER (for herself, Mr. YOUNG of Florida, Mr. LEWIS of Florida, Mr. BACCHUS of Florida, Mr. GOSS, Mr. PETERSON of Florida, and Mrs. THURMAN):

H.R. 3641. A bill to make adjustments of maps relating to the Coastal Barrier Resources System; to the Committee on Merchant Marine and Fisheries.

By Mr. FRANK of Massachusetts (for himself, Mr. BAKER of Louisiana, Mr. MORAN, Mr. LEACH, Mr. FLAKE, Mr. MCCOLLUM, and Mr. LAROCCO):

H.R. 3642. A bill to provide regulatory capital guidelines for treatment of real estate assets sold with limited recourse by depository institutions; jointly to the Committees on Banking, Finance and Urban Affairs and Energy and Commerce.

By Mr. FRANKS of Connecticut:

H.R. 3643. A bill to amend the Internal Revenue Code of 1986 to provide tax incentives to encourage corporations to provide financing and management support services to enable welfare recipients to leave welfare an operate small business concerns; to the Committee on Ways and Means.

By Mr. GRAMS:

H.R. 3644. A bill to correct the tariff treatment of certain articles covered by the Nairobi Protocol; to the Committee on Ways and Means.

By Mr. GRAMS (for himself, Mr. HUTCHINSON, Mr. HASTERT, Mr. GINGRICH, Mr. ARMEY, Mr. MCCOLLUM, Mr. DELAY, Mr. HYDE, Mr. HUNTER, Mr. PAXON, Mr. SOLOMON, Mr. KASICH, Mr. ISTOOK, Mr. KNOLLENBERG, Mr. TALENT, Mr. CRAPO, Mr. MANZULLO, Ms. DUNN, Mr. BACHUS of Alabama, Mr. BARTLETT of Maryland, Mr. DICKEY, Mr. KINGSTON, Mr. KIM, Ms. PRYCE of Ohio, Mr. HOEKSTRA, Mr. LEVY, Mr. POMBO, Mr. MCKEON, Mr. BAKER of California, Mr. COLLINS of Georgia, Mr. INGLIS of South Carolina, Mr. QUINN, Mr. CANADY, Mr. HOKE, Mr. TORKILDSEN, Mr. LINDER, Mr. BLUTE, Mr. MCINNIS, Mr. KING, Mr. SMITH of Michigan, Mrs. FOWLER, Mr. MCHUGH, Mr. ROYCE, Mr. DOOLITTLE, Mr. BARTON of Texas, Mr. BURTON of Indiana, Mr. RAMSTAD, Mr. COX, Mr. SMITH of Oregon, Mr. DORNAN, Mr. HERGER of California, Mr. HEFLEY, Mr. GOSS, Mr. KYL, Mr. ZIMMER, Mr. STEARNS, Mr. ROHRABACHER, Mr. BAKER of Louisiana, Mr. INHOFE, Mrs. VUCANOVICH, Mr. BOEHNER, Mr. EWING, Mr. STUMP, Mr. SAM JOHNSON, Mr. MOORHEAD, Ms. MOLINARI, Mr. SANTORUM, Mr. PACKARD, Mr. SHAYS, Mr. SPENCE, Mr. HANCOCK, Mr. EMERSON, Mr. SMITH of Texas, Mr. SAXTON, Mr. RAVENEL, Mr. HOBSON, and Mr. GALLEGLY):

H.R. 3645. A bill to provide a tax credit for families, to provide certain tax incentives to encourage investment and increase savings, and to place limitations on the growth of spending; jointly, to the Committees on Ways and Means, Government Operations, and Rules.

By Mr. GUNDERSON:

H.R. 3646. A bill to amend the Federal Meat Inspection Act and the Poultry Products Inspection Act to permit the movement in interstate commerce of meat and meat food products and poultry products that satisfy State inspection requirements that are at least equal to Federal inspection standards; to the Committee on Agriculture.

By Mr. HINCHEY:

H.R. 3647. A bill to provide for the acquisition of certain lands formerly occupied by the Franklin D. Roosevelt family, and for other purposes; to the Committee on Natural Resources.

By Mr. HUNTER (for himself, Mr. EVERETT, Ms. KAPTUR, and Mr. TRAFICANT):

H.R. 3648. A bill to amend the Internal Revenue Code of 1986 to provide investment incentives for any corporation with a majority of its manufacturing operations in the United States; to the Committee on Ways and Means.

By Mr. HUNTER (for himself, Mr. BURTON of Indiana, Mr. CUNNINGHAM, Mr. EVERETT, Ms. KAPTUR, and Mr. TRAFICANT):

H.R. 3649. A bill to establish the Industrial Regulatory Relief Commission; jointly, to the Committees on Energy and Commerce, Banking, Finance and Urban Affairs, and Rules.

By Mr. WAXMAN (for himself and Mr. DINGELL):

H.R. 3650. A bill to amend the Federal Food, Drug, and Cosmetic Act to assure access to dietary supplements and to amend the Dietary Supplement Act of 1992 to extend the moratorium with respect to the issuance of regulations on dietary supplements, and for other purposes; to the Committee on Energy and Commerce.

By Mrs. JOHNSON of Connecticut (for herself, and Mr. THOMAS of California):

H.R. 3651. A bill to amend the Internal Revenue Code of 1986 with respect to the treatment of long-term care insurance policies, and for other purposes; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mrs. JOHNSON of Connecticut (for herself, Mr. THOMAS of California, Mr. MCMILLAN, and Mr. GUNDERSON):

H.R. 3652. A bill to improve the competitiveness, efficiency, and fairness of health coverage for individuals and small employers through promoting the development of voluntary Health Plan Purchasing Cooperatives; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. KOLBE (for himself, Mr. PORTER, Mr. SCHIFF, Mr. DORNAN, and Mr. HERGER of California):

H.R. 3653. A bill to amend title XI of the Social Security Act and title 18, United States Code, to extend criminal RICO provisions to health care fraud and to extend certain other criminal provisions to health care fraud under the CHAMPUS Program, the Indian health care program, health care programs for veterans and the Department of Defense, and the Federal employees health care program; jointly, to the Committees on Ways and Means and the Judiciary.

By Mr. KOPETSKI (for himself, Mrs. UNSOELD, Mr. FARR, Mr. YOUNG of Alaska, and Mr. SMITH of Oregon):

H.R. 3654. A bill to amend title 28, United States Code, to divide the ninth judicial circuit of the United States into two circuits, and for other purposes; to the Committee on the Judiciary.

By Mr. LAFALCE:

H.R. 3655. A bill to authorize the Small Business Administration to reduce the interest rate on certain outstanding debentures, and for other purposes; to the Committee on Small Business.

By Mr. LANTOS (for himself, Mr. GILMAN, Mrs. MALONEY, Mr. SWETT, Ms. MARGOLIES-MEZVINSKY, Mr. DEUTSCH, Mr. HASTINGS, Mr. BROWN of Ohio, Mr. ANDREWS of New Jersey, Mr. SCHUMER, Ms. LOWEY, Mr. PALLONE, Ms. ROS-LEHTINEN, Mr. BERMAN, and Mr. ACKERMAN):

H.R. 3656. A bill to restrict sales and leases of defense articles and defense services to any country or international organization which as a matter of policy or practice is known to have sent letters to U.S. firms requesting compliance with, or soliciting information regarding compliance with, the secondary or tertiary Arab boycott; to the Committee on Foreign Affairs.

By Mr. LAROCCO (for himself, Mr. LEHMAN, Mr. RAHALL, Mr. YOUNG of Alaska, Mr. RICHARDSON, Mr. SCHIFF, and Mrs. VUCANOVICH):

H.R. 3657. A bill to establish fees for communication sites on public lands; jointly, to the Committees on Natural Resources and Agriculture.

By Mr. LEHMAN (for himself, Mr. MOORHEAD, Mr. BERMAN, Mr. DOOLEY, Mr. MATSUI, Mr. DELLUMS, and Mr. ROHRABACHER):

H.R. 3658. A bill to amend the Fair Labor Standards Act of 1938 to provide that employees in classified positions in community colleges are not required to receive overtime compensation for service in a certified or other academic position; to the Committee on Education and Labor.

By Mrs. MALONEY (for herself, Mr. RANGEL, Mr. GILMAN, Mr. MANTON, Mr. NADLER, Mr. ENGEL, Mrs. LOWEY, Mr. OWENS, Mr. HINCHEY, Mr. HOCHBRUECKNER, Mr. MCNULTY, Mr. FLAKE, Ms. VELAZQUEZ, Mr. SCHUMER, Mr. ACKERMAN, Ms. SLAUGHTER, Mr. QUINN, and Mr. SERRANO):

H.R. 3659. A bill to amend title XIX of the Social Security Act to improve the Federal medical assistance percentage used under the Medicaid Program, and for other purposes; to the Committee on Energy and Commerce.

By Mr. MANZULLO (for himself and Mr. WELDON):

H.R. 3660. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to ensure that chaplains killed in the line of duty receive benefits; to the Committee on the Judiciary.

By Mr. McCOLLUM (for himself, Mr. LEWIS of California, Mr. SAM JOHNSON, Mr. LINDER, Mr. BACHUS of Alabama, Mr. GRAMS, Mr. MCCRERY, Mr. THOMAS of Wyoming, Mr. MCCANDLESS, and Mr. CASTLE):

H.R. 3661. A bill to amend the Federal Deposit Insurance Act to clarify the due process protections applicable to directors and officers of insured depository institutions and other institution-affiliated parties, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MEEHAN:

H.R. 3662. A bill to amend the Ethics in Government Act of 1978 to require that Members, officers, and employees of Congress required to file reports under this Act disclose in those reports additional information relating to travel financed by persons with any interest in legislation before the Congress, and for other purposes; jointly, to the Committees on the Judiciary, House Administration, and Post Office and Civil Service.

By Mrs. MEEK (for herself, Mr. GILMAN, Ms. BROWN of Florida, Mr. OWENS, Mr. MFUME, Mr. TOWNS, Mr. RUSH, Mrs. CLAYTON, Mr. SCOTT, Mr. LEWIS of Georgia, Mr. WATT, Mr. HILLIARD, Mr. ROMERO-BARCELO, Miss COLLINS of Michigan, Mr. FLAKE, Mr. TUCKER, Ms. WATERS, Mr. JEFFERSON, Mr. PAYNE of New Jersey, Mr. RANGEL, Ms. PELOSI, Mr. WYNN, Mr. JACOBS, Mr. FRANK of Massachusetts, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. CONYERS, Mr. HASTINGS, Mr. FOGLIETTA, Ms. MCKINNEY, Mr. SERRANO, Mr. WASHINGTON, Mr. DE LUGO, Mr. CLYBURN, Mr. ENGEL, and Mr. DELLUMS):

H.R. 3663. A bill to reaffirm the obligation of the United States to refrain from the involuntary return of refugees outside the United States, designate Haiti under temporary protected status, and for other purposes; jointly, to the Committees on Foreign Affairs and the Judiciary.

By Mr. MINGE:

H.R. 3664. A bill to direct the Secretary of the Interior to convey to the State of Minnesota the New London National Fish Hatchery production facility; to the Committee on Merchant Marine and Fisheries.

By Mrs. MORELLA (for herself and Ms. BYRNE):

H.R. 3665. A bill to amend title 49, United States Code, relating to penalty amounts for civil violations of Federal motor carrier safety regulations, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. MURPHY (for himself and Mr. MURTHA):

H.R. 3666. A bill to require the Secretary of the Treasury to mint and issue $1 coins in commemoration of the 50th anniversary of the end of World War II and General George C. Marshall's service therein; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MURPHY:

H.R. 3667. A bill to redesignate the Federal building located at Ninth and Pennsylvania Avenue, NW., Washington, DC, and known as the "J. Edgar Hoover Federal Bureau of Investigation Building" as the "Federal Bureau of Investigation Building"; to the Committee on Public Works and Transportation.

By Mr. NADLER (for himself and Mrs. MALONEY):

H.R. 3668. A bill to require the Secretary of the Treasury to mint coins in commemoration of the 125th anniversary of the founding of the American museum of Natural History; to the Committee on Banking, Finance and Urban Affairs.

By Mr. NADLER:

H.R. 3669. A bill to amend the Public Health Service Act with respect to determining the amount of a supplemental grant under the emergency relief program regarding the human immunodeficiency virus; to the Committee on Energy and Commerce.

By Mr. NADLER (for himself and Mrs. SCHROEDER):

H.R. 3670. A bill to provide a civil claim for individuals who are victims of crimes motivated by actual or perceived race, color, gender, religion, national origin, ethnicity, sexual orientation, or physical or mental disability; to the Committee on the Judiciary.

By Mr. NADLER (for himself, Ms. LOWEY, Mr. ENGEL, and Mr. SCHUMER):

H.R. 3671. A bill to amend the Internal Revenue Code of 1986 to provide for adjustments in the individual income tax rates to reflect regional differences in the cost-of-living; to the Committee on Ways and Means.

By Mr. NADLER:

H.R. 3672. A bill to require the Secretary of Labor to establish cost-of-living indexes on a regional basis; to the Committee on Education and Labor.

By Mr. HERGER:

H.R. 3673. A bill to minimize the impact of Federal acquisition of private lands on units of local government, and for other purposes; to the Committee on Government Operations.

By Mr. NADLER;

H.R. 3674. A bill to amend title XIX of the Social Security Act to increase the income eligibility limit for medical assistance for COBRA continuation coverage under a State medicaid plan from 100 percent to 185 percent of the poverty level; to the Committee on Energy and Commerce.

H.R. 3675. A bill to provide for the establishment of alternative use committees at defense facilities to assist in the economic adjustment of communities, industries, and workers as a result of reductions or realignments in defense or aerospace spending and arms exports and the closure or realignment of military installations; jointly, to the Committees on Armed Services, Education and Labor, Foreign Affairs, Science, Space, and Technology, and Merchant Marine and Fisheries.

By Ms. NORTON:

H.R. 3676. A bill to amend the District of Columbia Spouse Equity Act of 1988 to provide for coverage of the former spouses of judges of the District of Columbia courts; to the Committee on the District of Columbia.

By Ms. NORTON (by request):

H.R. 3677. A bill to extend to the Mayor of the District of Columbia the same authority with respect to the National Guard of the District of Columbia as the Governor of a State exercises with respect to the National Guard of that State; jointly, to the Committees on Armed Services and the District of Columbia.

By Mr. ORTIZ (for himself, Mr. WELDON, Mr. LEHMAN, and Mr. TAUZIN):

H.R. 3678. A bill to authorize the Secretary of the Interior to negotiate agreements for the use of Outer Continental Shelf sand, gravel, and shell resources; jointly, to the Committees on Natural Resources and Merchant Marine and Fisheries.

By Mr. ORTIZ (for himself, Mr. WELDON, Mr. HUGHES, Mr. DELLUMS, Mr. LIPINSKI, Mr. LAUGHLIN, Mr. YOUNG of Alaska, Mr. FROST, Mr. BONIOR, and Mr. WASHINGTON):

H.R. 3679. A bill to authorize appropriations to expand implemention of the Junior Duck Stamp Conservation Program conducted by the U.S. Fish and Wildlife Service; to the Committee on Merchant Marine and Fisheries.

By Mr. OWENS (for himself and Mr. HASTINGS):

H.R. 3680. A bill to amend the revised statutes to restore standards for proving international discrimination; jointly, to the Committees on Education and Labor and the Judiciary.

By Mr. OXLEY:

H.R. 3681. A bill to promote the establishment of qualified voluntary environmental response programs in States and to encourage the expeditious remediation of contaminated sites; jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

By Mr. PALLONE:

H.R. 3682. A bill to require that 4-gallon to 6-gallon buckets distributed in commerce bear a permanent label warning of a potential drowning hazard to young children, and for other purposes; to the Committee on Energy and Commerce.

By Mr. PETERSON of Florida:

H.R. 3683. A bill to amend the Community Reinvestment Act of 1977 to permit any loan by an insured depository institution, the proceeds of which are used for the certified rehabilitation of a certified historical structure, to be taken into account in connection with an assessment of such institution for purposes of such act; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PICKLE (for himself and Mr. ARCHER):

H.R. 3684. A bill to amend the Internal Revenue Code of 1986 to modify the pension plan rules applicable to State judicial retirement plans; to the Committee on Ways and Means.

By Mr. POMBO:

H.R. 3685. A bill to amend title 18, United States Code, to authorize prosecutions as adults of certain armed offenders who are juveniles; to the Committee on the Judiciary.

By Mr. ROBERTS (for himself and Mr. CONDIT):

H.R. 3686. A bill to amend the Safe Drinking Water Act to suspend the requirements of that act until the costs of implementing those requirements are fully funded by the Federal Government; to the Committee on Energy and Commerce.

By Mr. ROEMER (for himself, Mrs. MALONEY, Mr. PENNY, Mr. BARRETT of Wisconsin, Mr. FRANK of Massachusetts, Mr. SHAYS, Mr. RAMSTAD, Mr. POMEROY, Mr. HOEKSTRA, Mr. MEEHAN, Mr. STRICKLAND, Mr. DURBIN, Mr. VENTO, Mr. BARCA of Wisconsin, Mr. ANDREWS of Maine, Mr. POSHARD, Ms. DANNER, Mrs. ROUKEMA, Mr. KLEIN, Mr. LAROCCO, Mr. DEFAZIO, Mr. CONYERS, Mr. KLECZKA, Mr. HUGHES, Mr. SCHUMER, Mr. PORTER, Mr. PAYNE of New Jersey, Mr. SHARP, and Mr. HASTERT):

H.R. 3687. A bill to cancel the space station program; to the Committee on Science, Space, and Technology.

By Mr. SANGMEISTER (for himself and Mr. HASTERT):

H.R. 3688. A bill to extend the deadlines applicable to certain hydroelectric projects under the Federal Power Act; to the Committee on Energy and Commerce.

By Mr. SANTORUM (for himself and Mrs. ROUKEMA):

H.R. 3689. A bill to limit occupancy of nonelderly single persons in dwelling units located in public housing projects for elderly families; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SANTORUM:

H.R. 3690. A bill to require that development assistance may be provided to certain governmental or nongovernmental organizations only if those organizations use that assistance in democratic countries, and for other purposes; to the Committee on Foreign Affairs.

H.R. 3691. A bill to require that printing for the executive and legislative branches of the Government be procured through a competitive bid process conducted by the Administrator of General Services; jointly, to the Committees on Government Operations and House Administration.

H.R. 3692. A bill to limit the amount an executive agency may obligate for office furniture and decorating in fiscal years after fiscal year 1994, and to rescind amounts available for that purpose for fiscal year 1994; to the Committee on Government Operations.

By Mr. SCHAEFER:

H.R. 3693. A bill to designate the U.S. courthouse under construction in Denver, CO, as the "Byron White United States Courthouse"; to the Committee on Public Works and Transportation.

By Mrs. SCHROEDER (for herself, Mr. MARKEY, and Mr. KENNEDY):

H.R. 3694. A bill to amend title 5, United States Code, to permit the garnishment of an annuity under the Civil Service Retirement System or the Federal Employees' Retirement System, if necessary to satisfy a judgment against an annuitant for physically abusing a child; to the Committee on Post Office and Civil Service.

By Mr. SMITH of Texas (for himself, Mr. KASICH, Mr. COX, and Mr. FRANKS of New Jersey):

H.R. 3695. A bill to establish requirements relating to the issuance and review of regulations by Federal agencies; to the Committee on the Judiciary.

By Mr. STARK:

H.R. 3696. A bill to subject the income of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Student Loan Marketing Association to taxation by State and local governments, and to require the Mayor of the District of Columbia to submit a report to Congress on the economic impact of such entities on the District of Columbia; jointly, to the Committees on Banking, Finance and Urban Affairs, Education and Labor, and the District of Columbia.

H.R. 3697. A bill to amend the Internal Revenue Code of 1986 to impose excise taxes on acts of self-dealing and private inurement by certain tax-exempt organizations; to the Committee on Ways and Means.

By Mr. STEARNS (for himself, Mr. ARMEY, Mr. HASTERT, Mr. BAKER of California, Mr. CUNNINGHAM, Mr. DELAY, Mr. GINGRICH, Mr. RAMSTAD, Mr. GRAMS, Mr. HANCOCK, Mr. HYDE, Mr. TALENT, Mrs. VUCANOVICH, Mr. HUTCHINSON, Mr. DORNAN, Mr. HUNTER, Mr. GEKAS, and Mr. DUNCAN):

H.R. 3698. A bill to provide Americans with secure, portable health insurance benefits and greater choice of health insurance plans, and for other purposes; jointly, to the Committees on Energy and Commerce, Ways and Means, Education and Labor, the Judiciary, and Rules.

By Mr. STOKES (for himself, Mr. CLAY, Mrs. MEEK, Mr. LEWIS of Georgia, Mr. DELLUMS, Mr. HILLIARD, Mr. MFUME, Mr. JEFFERSON, Mr. TOWNS, Mr. BISHOP, Ms. NORTON, and Mr. THOMPSON):

H.R. 3699. A bill to amend the Public Health Service Act to establish, reauthorize and revise provisions to improve the health of individuals from disadvantaged backgrounds, and for other purposes; jointly, to the Committees on Education and Labor and Energy and Commerce.

By Mr. STRICKLAND:

H.R. 3700. A bill to provide for enforcement of State court judgments against federally forfeited assets of individuals who are delinquent in payment of child support; jointly, to the Committees on the Judiciary, Energy and Commerce, and Ways and Means.

By Mr. STUDDS:

H.R. 3701. A bill to deauthorize a portion of the project for navigation, Falmouth, MA, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. SYNAR:

H.R. 3702. A bill to amend section 1341 of title 28, United States Code, relating to the jurisdiction of the district courts over certain tax controversies; to the Committee on the Judiciary.

By Mr. THOMAS of California:

H.R. 3703. A bill to validate and confirm a conveyance of certain real property by the Southern Pacific Transportation Co., successor in interest to Southern Pacific Railroad Co., to the Redevelopment Agency of the city of Tulare, a public body, corporate and politic, and for other purposes; to the Committee on Energy and Commerce.

By Mr. THOMAS of California (for himself, Mrs. JOHNSON of Connecticut, Mr. GUNDERSON, and Mr. MACHTLEY):

H.R. 3704. A bill to provide comprehensive reform of the health care system of the United States, and for other purposes; jointly, to the Committees on Energy and Commerce, Ways and Means, Education and Labor, the Judiciary, and Rules.

By Mrs. THURMAN (for herself, Mr. CANADY, Mr. BACCHUS of Florida, Mr. BILIRAKIS, Ms. BROWN of Florida, Mrs. FOWLER, Mr. GIBBONS, Mr. GOSS, Mr. JOHNSTON of Florida, Mr. MILLER of Florida, Mr. PETERSON of Florida, and Ms. ROS-LEHTINEN):

H.R. 3705. A bill to amend the Fair Labor Standards Act of 1938 to provide an exemption from that act for inmates of penal or other correctional institutions who participate in certain programs; to the Committee on Education and Labor.

By Mr. TOWNS (for himself, Mr. BROWN of California, Miss COLLINS of Michigan, Mr. CONYERS, Mr. DELLUMS, Mr. EVANS, Mr. PETERSON of Minnesota, Mr. RICHARDSON, Mr. SANDERS, Mrs. SCHROEDER, Mr. WHEAT, and Mr. WYNN):

H.R. 3706. A bill to amend the Solid Waste Disposal Act to prohibit the international export and import of certain solid waste; to the Committee on Energy and Commerce.

By Mr. VENTO (for himself, Mr. HINCHEY, and Mr. BOUCHER):

H.R. 3707. A bill to establish an American Heritage Areas Partnership Program in the Department of the Interior; to the Committee on Natural Resources.

By Mr. VENTO:

H.R. 3708. A bill to reform the operation, maintenance, and development of the Steamtown National Historic site, and for other purposes; to the Committee on Natural Resources.

H.R. 3709. A bill to reform the process for the study of areas for potential inclusion in the National Park System, and for other purposes; to the Committee on Natural Resources.

H.R. 3710. A bill to strengthen the protections afforded to units of the National Park System and certain other nationally significant historic and natural places, and for other purposes; to the Committee on Natural Resources.

By Mrs. VUCANOVICH:

H.R. 3711. A bill to establish within the Department of Energy a National Test and Demonstration Center of Excellence at the Nevada test site, and for other purposes; to the Committees on Armed Services, Science, Space, and Technology, and Energy and Commerce.

By Mr. WHEAT:

H.R. 3712. A bill to award a congressional gold medal on behalf of President Harry S. Truman to commemorate the 50th anniversary of his 1st inauguration as President of the United States of America; to the Committee on Banking, Finance and Urban Affairs.

H.R. 3713. A bill to amend the Motor Vehicle Information and Cost Savings Act to establish certain safeguards for the protection of purchasers with respect to the sale of motor vehicles that are salvage or have been damaged, to require inspection of salvage vehicles that have been repaired in order to prevent the sale of unsafe vehicles or vehicles with stolen parts, and for other purposes; to the Committee on Energy and Commerce.

By Mr. WHITTEN:

H.R. 3714. A bill to provide for an interpretive center at the Civil War Battlefield of Corinth, MS, and for other purposes; to the Committee on Natural Resources.

By Mr. YOUNG of Alaska:

H.R. 3715. A bill to provide consultations for the development of Articles of Incorporation for territories of the United States; to the Committee on Natural Resources.

By Mr. ZIMMER;

H.R. 3716. A bill to limit amounts expended by certain Government entities for overhead expenses; to the Committee on Government Operations.

H.R. 3717. A bill to allow for moderate growth of mandatory spending; jointly, to the Committees on Government Operations and Rules.

By Mr. GEPHARDT:

H.J. Res. 300. Joint resolution providing for the convening of the 2d session of the 103d Congress; considered and passed.

By Mr. CRANE:

H.J. Res. 301. Joint resolution designating May 1994 as "National Sporting Goods Month"; to the Committee on Post Office and Civil Service.

By Ms. FURSE (for herself, Ms. SNOWE, Ms. MCKINNEY, Ms. VELAZQUEZ, Mr. ANDREWS of Maine, Mr. BARRETT of Wisconsin, Mr. BECERRA, Mr. BEILENSON, Mr. BILBRAY, Mr. BISHOP, Mr. BONIOR, Ms. BYRNE, Mrs. CLAYTON, Mr. CONYERS, Mr. COPPERSMITH, Mr. DEFAZIO, Mr. DELLUMS, Mr. DE LUGO, Ms. ESHOO, Mr. FALEOMAVAEGA, Mr. FAZIO, Mr. FISH, Mr. FOGLIETTA, Mr. FROST, Mr. GIBBONS, Mr. GREENWOOD, Mr. HINCHEY, Mr. HUGHES, Mr. HUTTO, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. KASICH, Mr. LANCASTER, Mr. LEWIS of Georgia, Mr. LIPINSKI, Mrs. LLOYD, Ms. LOWEY, Mr. MARTINEZ, Mr. MCDERMOTT, Mr. MCNULTY, Mrs. MEEK, Mr. MINGE, Mrs. MINK, Mr.

MOAKLEY, Mrs. MORELLA, Mr. NADLER, Ms. NORTON, Mr. OBERSTAR, Mr. OLVER, Mr. PASTOR, Ms. PELOSI, Mr. PETERSON of Minnesota, Mr. RANGEL, Mr. RAVENEL, Ms. ROYBAL-ALLARD, Mr. SCOTT, Mr. SERRANO, Mr. TOWNS, Mrs. UNSOELD, Mr. VALENTINE, Mr. WALSH, Mr. WASHINGTON, Ms. WATERS, Mr. WAXMAN, and Ms. WOOLSEY):

H.J. Res. 302. Joint resolution designating 1994 through 1999 as the "Years of the Girl Child"; to the Committee on Post Office and Civil Service.

By Mr. LANTOS (for himself, Mr. GEPHARDT, Mr. MICHEL, Mr. DELLUMS, Mr. SPENCE, Mr. MONTGOMERY, Mr. STUMP, and Mr. GIBBONS):

H.J. Res. 303. Joint resolution designating June 6, 1994, as "D–Day National Remembrance Day"; to the Committee on Post Office and Civil Service.

By Mr. SHARP (for himself, Mr. SWETT, Mrs. MORELLA, Ms. LAMBERT, and Mr. BOEHLERT):

H. Con. Res. 188. Concurrent resolution expressing the sense of the Congress that a dramatic new direction in Federal Government energy research, development, demonstration, and commercialization funding priorities should be adopted to improve environmental protection, create new jobs, enhance U.S. competitiveness, and reduce the trade deficit; jointly, to the Committees on Energy and Commerce and Science, Space, and Technology.

By Mr. McCLOSKEY (for himself, Mr. WILSON, Mr. HYDE, and Ms. MOLINARI):

H. Con. Res. 189. Concurrent resolution expressing the sense of the Congress that every effort should be made to avert a humanitarian disaster in Bosnia and Herzegovina and the other former Yugoslav republics during the winter of 1993–94; to the Committee on Foreign Affairs.

By Mr. GEPHARDT:

H. Con. Res. 190. Concurrent resolution providing for the sine die adjournment of the 1st session of the 103d Congress; considered and agreed to.

By Mr. FRANKS of New Jersey (for himself, Mr. JOHNSON of Georgia, and Mr. REGULA):

H. Con. Res. 191. Concurrent resolution to urge the Secretary of State to actively engage in negotiations with the signatories of the United Nations Convention relating to the status of refugees to establish international first safe haven procedures for aliens claiming political asylum; to the Committee on Foreign Affairs.

By Mr. NADLER:

H. Con. Res. 192. Concurrent resolution expressing the sense of Congress with respect to information on AIDS and HIV infections, and for other purposes; to the Committee on Energy and Commerce.

By Mr. REGULA (for himself, Mr. LEVIN, Mr. MINETA, Mr. OBERSTAR, Mr. YATES, Mr. COSTELLO, Mr. APPLEGATE, Mr. VISCLOSKY, Mr. HUGHES, Mr. EDWARDS of California, Mr. BOEHNER, Mr. FILNER, Mr. CONYERS, Mr. LIPINSKI, Mr. LANCASTER, Mrs. BENTLEY, Mr. MURTHA, Ms. LOWEY, Ms. ESHOO, Mr. DEFAZIO, Mr. CARDIN, Mr. GENE GREEN of Texas, Mr. PASTOR, Mr. RIDGE, Mr. WELDON, Mr. CARR, Mr. GEKAS, Mr. LAFALCE, Mr. CLAY, Ms. LONG, Mr. MCDADE, Mr. PALLONE, Mr. STOKES, Mr. DINGELL, Mr. HINCHEY, Mr. VENTO, Mr. MCHALE, Mr. PAYNE of Virginia, Mr. BROWN of Ohio, Mr. HUNTER, Mr. RUSH, Mr. CRAPO, Mr. SLATTERY, Mr. MARKEY, Mrs. MINK, Mr. BROWN of California, Ms. KAPTUR, Mr. COYNE, Mr. KILDEE, Mr. OBEY, Mr. RAHALL, Mr. SANGMEISTER, Mr. SAWYER, Mr. SYNAR, Mr. BOEHLERT, Mr. QUINN, Mr. ROEMER, Ms. FURSE, Ms. MARGOLIES-MEZVINSKY, Mr. MOLLOHAN, Mr. NEAL of Massachusetts, Mrs. KENNELLY, Mr. PICKLE, Mr. BONIOR, Mr. HOUGHTON, and Miss COLLINS of Michigan):

H. Con. Res. 193. Concurrent resolution to express the sense of the Congress regarding negotiations objectives for the Uruguay round of the General Agreement on Trade and Tariffs [GATT] to the Committee on Ways and Means.

By Mr. TALENT:

H. Con. Res. 194. Concurrent resolution expressing the sense of the Congress that any comprehensive health care reform legislation that is enacted should require a Senator or Representative in, or Delegate or Resident Commissioner to, the Congress to wait for a period equal to a national average waiting period before receiving a health care service; jointly, to the Committees on Energy and Commerce and House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Ms. MARGOLIES-MEZVINSKY introduced a bill (H.R. 3718) for the relief of Mark A. Potts; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 21: Ms. FURSE.
H.R. 39: Mr. LANTOS and Mr. WYNN.
H.R. 70: Mrs. FOWLER and Mr. JOHNSON of South Dakota.
H.R. 122: Mr. KLUG and Mrs. MALONEY.
H.R. 133: Mr. KLUG, Mr. COX, and Mr. HOKE.
H.R. 140: Mr. BURTON of Indiana, Mr. PORTMAN, Mr. OXLEY, Mr. SHAW, Mr. GALLEGLY, Mr. REYNOLDS, Mr. CANADY, Mr. BARTON of Texas, Mr. GRANDY, Mr. MURTHA, Mr. LANCASTER, Mrs. VUCANOVICH, and Mr. ARMEY.
H.R. 146: Mr. BACHUS of Alabama.
H.R. 163: Mr. HOKE and Mr. GORDON.
H.R. 173: Mr. GORDON.
H.R. 226: Mr. YATES, Mr. SWETT, and Mr. WISE.
H.R. 291: Mr. BUNNING, Mr. HUGHES, and Ms. FURSE.
H.R. 301: Mr. KLUG.
H.R. 306: Mr. FRANKS of Connecticut.
H.R. 383: Mrs. MEYERS of Kansas.
H.R. 388: Mrs. MEYERS of Kansas.
H.R. 401: Mr. HERGER of California.
H.R. 417: Ms. PRYCE of Ohio.
H.R. 425: Mr. BARCIA of Michigan.
H.R. 427: Mr. BARCIA of Michigan.
H.R. 429: Mr. KLUG and Mr. MICA.
H.R. 436: Ms. PELOSI and MS. FURSE.
H.R. 441: Ms. MOLINARI Mr. BLUTE, Mr. PALLONE, Mr. SCHAEFER, Mr. JOHNSON of South Dakota, and Mr. LAZIO.
H.R. 465: Mr. SCHAEFER, Mr. HOKE, and Mr. JOHNSON of South Dakota.
H.R. 476: Mr. GRAMS, Ms. FURSE, and MR. Jefferson.
H.R. 477: Mrs. MALONEY.
H.R. 502: Mr. GOODLATTE, Mrs. MALONEY, and Mr. BACCHUS of Florida.
H.R. 518: Mr. FORD of Michigan, Mr. SANDERS, Mr. SABO, Mr. GUTIERREZ, Mr. PALLONE, and Ms. KAPTUR.
H.R. 522: Mr. SERRANO.
H.R. 549: Mr. SCHIFF.
H.R. 551: Mr. BUNNING, Mr. ENGEL, and Mr. BARLOW.
H.R. 561: Mr. ARMEY Mr. HERGER of California, and Mr. UPTON.
H.R. 624: Mr. GOODLATTE, Mr. VENTO, Mr. HINCHEY, and Mr. ROMERO-BARCELÓ.
H.R. 643: Ms. MOLINARI.
H.R. 657: Mr. BATEMAN.
H.R. 662: Mr. SPENCE and Mr. COX.
H.R. 672: Mr. DORNAN, Mr. HINCHEY, Mr. QUINN, and Mr. KENNEDY.
H.R. 681: Mr. SHAYS.
H.R. 702: Mr. WYNN.
H.R. 723: Mr. BACHUS of Alabama and Mr. JOHNSON of South Dakota.
H.R. 746: Ms. NORTON and Mr. MATSUI.
H.R. 769: Mr. ANDREWS of Maine.
H.R. 778: Mr. ORTON, Mr. DARDEN, Mrs. LLOYD, and Mr. CLEMENT.
H.R. 814: Mr. SCHIFF and Mr. BACHUS of Alabama.
H.R. 846: Mr. GOSS.
H.R. 883: Mr. HOKE.
H.R. 895: Mr. BACHUS of Alabama and Mr. SCHAEFER.
H.R. 896: Mr. BATEMAN, Mrs. VUCANOVICH, and Mrs. FOWLER.
H.R. 943: Mr. CAMP, Mr. DUNCAN, Mr. ORTON, and Mr. LAZIO.
H.R. 961: Ms. MOLINARI, Mr. PALLONE, and Mr. JOHNSON of South Dakota.
H.R. 972: Ms. FURSE.
H.R. 1015: Mr. GILMAN.
H.R. 1026: Mr. BACHUS of Alabama.
H.R. 1048: Mr. STARK, Mrs. MALONEY, Mr. PENNY, and Mr. PASTOR.
H.R. 1055: Ms. FURSE and Mr. LEVY.
H.R. 1080: Mr. BLUTE, Mr. JOHNSON of South Dakota, and Mr. GILCHREST.
H.R. 1086: Mr. GEJDENSON.
H.R. 1099: Mr. MICA, Mr. STEARNS, Mr. LINDER, Mr. BACHUS of Alabama, Mrs. VUCANOVICH, Mr. COX, and Mr. RAMSTAD.
H.R. 1116: Mr. WYNN.
H.R. 1122: Mr. KNOLLENBERG, Mr. SCHAEFER, and Mrs. MALONEY.
H.R. 1124: Mr. BACHUS of Alabama and Mr. SCHAEFER.
H.R. 1125: Mr. BATEMAN.
H.R. 1126: Mr. MICA, Mr. SCHAEFER, and Mr. BACHUS of Alabama.
H.R. 1127: Mr. SCHAEFER.
H.R. 1128: Mr. COX, Mr. BACHUS of Alabama, and Mr. BLUTE.
H.R. 1129: Mr. KNOLLENBERG, Mr. COX, and Ms. MOLINARI.
H.R. 1130: Mr. SHAW and Mr. BACHUS of Alabama.
H.R. 1151: Mr. WAXMAN.
H.R. 1164: Mr. TOWNS.
H.R. 1167: Mr. BACHUS of Alabama.
H.R. 1168: Mr. COX, Mrs. FOWLER, Mr. BATEMAN, and Mr. QUINN.
H.R. 1169: Mr. BACHUS of Alabama and Mr. COX.
H.R. 1176: Ms. FURSE.
H.R. 1181: Mr. SWETT.
H.R. 1191: Mr. GILCHREST.
H.R. 1192: Mr. ZIMMER.
H.R. 1194: Mr. MCCLOSKEY and Mr. NADLER.
H.R. 1200: Mr. FIELDS of Louisiana, Mr. SYNAR, Mr. RICHARDSON, Mr. GONZALEZ, and Mr. WAXMAN.
H.R. 1209: Mr. BACHUS of Alabama and Mr. COX.
H.R. 1231: Mr. BARCA of Wisconsin.
H.R. 1241: Mrs. MEYERS of Kansas.
H.R. 1276: Mr. SARPALIUS and Mr. CRAMER.
H.R. 1293: Mr. LINDER, Mr. DOOLITTLE, Mr. BACHUS of Alabama, and Mr. SCHAEFER.

H.R. 1295: Mr. ANDREWS of Texas, Mr. HOBSON, Mr. HERGER of California, Mr. KYL, and Mr. ISTOOK.

H.R. 1322: Mr. LIVINGSTON, Mr. DICKEY, Mr. DOOLITTLE, Mr. ISTOOK, Mr. CRAPO, Mr. TUCKER, Mr. INGLIS of South Carolina, Mr. MACHTLEY, Mr. KASICH, Mr. DELAY, Mr. LIGHTFOOT, Mr. DARDEN, Mr. DIAZ-BALART, Mr. CAMP, Mr. EVERETT, and Mr. MCKEON.

H.R. 1349: Mr. COBLE, Mr. DEUTSCH, and Ms. FURSE.

H.R. 1354: Mr. TORKILDSEN, Mr. MILLER of California, Mr. NADLER, and Mrs. MORELLA.

H.R. 1392: Mr. HOKE.

H.R. 1402: Mr. FRANK of Massachusetts.

H.R. 1423: Mr. MATSUI, Mr. GRAMS, Mr. HILLIARD, Mr. APPLEGATE, and Mr. HINCHEY..

H.R. 1428: Mr. BACHUS of Alabama.

H.R. 1444: Mr. FRANK of Massachusetts.

H.R. 1455: Mr. YOUNG of Florida.

H.R. 1483: Mr. HOKE, Mr. SCHAEFER, and Mr. KLUG.

H.R. 1487: Mr. MICA, Mr. RAMSTAD, and Mrs. FOWLER.

H.R. 1493: Mr. BATEMAN, Mr. YATES, and Ms. FURSE.

H.R. 1505: Mr. PORTMAN, Mr. BLUTE, and Mr. COX.

H.R. 1518: Mr. SCHAEFER.

H.R. 1538: Mr. MORAN.

H.R. 1551: Mr. BURTON of Indiana, Mr. SMITH of Texas, Mr. MCCRERY, Mr. DORNAN, and Mr. EDWARDS of Texas.

H.R. 1552: Mr. LINDER, Mr. BACHUS of Alabama, Mr. BARCA of Wisconsin, Mr. DARDEN, and Mr. GILCHREST.

H.R. 1555: Mr. BARCA of Wisconsin.

H.R. 1571: Ms. MARGOLIES-MEZVINSKY.

H.R. 1602: Mr. OLVER, Mr. MURPHY, Mr. LEWIS of Georgia, and Mr. ZELIFF.

H.R. 1604: Mr. BACHUS of Alabama.

H.R. 1607: Mr. PALLONE.

H.R. 1609: Mr. RICHARDSON.

H.R. 1620: Mr. KLUG, Mrs. VUCANOVICH, Mr. GOODLATTE, Mr. LINDER, Mr. RAMSTAD, Mrs. FOWLER, Mr. BACHUS of Alabama, Mr. SCHAEFER, Mr. MICA, Mr. COX, and Mr. JOHNSON of South Dakota.

H.R. 1621: Mr. ZELIFF, Mr. ZIMMER, Mr. UPTON, Mr. JACOBS, Mr. PALLONE, and Mr. PENNY.

H.R. 1622: Mr. BATEMAN.

H.R. 1673: Mr. KLUG and Mr. PENNY.

H.R. 1687: Mr. WALSH.

H.R. 1703: Mr. GEJDENSON, Mr. GIBBONS, and Mr. FRANK of Massachusetts.

H.R. 1709: Mr. SMITH of Oregon, Mr. ROSE, Mr. PACKARD, Mr. HILLIARD, Mr. TANNER, Mr. OXLEY, Mr. MANTON, Mr. OWENS, Mr. GALLO, Mr. SKELTON, Mr. NEAL of North Carolina, Mr. WELDON, Mr. PAXON, Mr. YOUNG of Alaska, Mr. SMITH of New Jersey, Mr. BLILEY, Mr. HUTCHINSON, Mr. DELAY, Mr. UNDERWOOD, Mr. FORD of Tennessee, Mr. BEREUTER, Mr. GOODLING, Mrs. LLOYD, Mr. BILIRAKIS, and Mr. ANDREWS of Maine.

H.R. 1725: Mr. ZELIFF and Mr. KLUG.

H.R. 1775: Ms. LAMBERT.

H.R. 1785: Mr. ZELIFF, Mr. DOOLITTLE, Mr. KLUG, and Mr. SCHAEFER.

H.R. 1793: Mrs. MEYERS of Kansas, Mr. BISHOP, and Mr. GEJDENSON.

H.R. 1808: Mr. DEFAZIO, Mr. PAYNE of New Jersey, and Mr. ENGEL.

H.R. 1809: Mr. DEFAZIO, Mr. PAYNE of New Jersey, Mr. PORTER, and Mr. ENGEL.

H.R. 1810: Mr. DEFAZIO, Mr. PAYNE of New Jersey, and Mr. ENGEL.

H.R. 1815: Mr. MCDADE, Mr. SANTORUM, Mr. CANADY, Mr. GINGRICH, Mr. MCMILLAN, and Mr. GOODLING.

H.R. 1852: Mr. BACHUS of Alabama and Mr. COX.

H.R. 1853: Mr. BACHUS of Alabama.

H.R. 1857: Mr. BACHUS of Alabama.

H.R. 1860: Mr. BACHUS of Alabama.

H.R. 1864: Mr. MCKEON.

H.R. 1883: Mr. GONZALEZ, Mr. HASTINGS, Mr. BROWN of California, Miss COLLINS of Michigan, and Mr. YOUNG of Florida.

H.R. 1884: Mr. BEVILL and Mr. BARRETT of Wisconsin.

H.R. 1887: Mr. BATEMAN, Mr. HERGER of California, and Mr. BACHUS of Alabama.

H.R. 1900: Mr. THORNTON.

H.R. 1910: Mr. TAUZIN and Mr. SCHAEFER.

H.R. 1921: Mr. HOKE.

H.R. 1950: Mr. BALLENGER, Mr. HOBSON, Mr. SOLOMON, and Mr. HERGER of California.

H.R. 1961: Ms. BYRNE.

H.R. 1968: Mr. ANDREWS of Maine.

H.R. 1989: Mr. ZIMMER.

H.R. 1999: Mr. COMBEST and Mr. GREENWOOD.

H.R. 2013: Mr. MCKEON, Mr. CALVERT, Mr. EVANS, and Mr. ROMERO-BARCELÓ.

H.R. 2014: Mr. KLUG, Mr. BATEMAN, Mr. SCHAEFER, Mr. DARDEN, and Mr. GORDON.

H.R. 2022: Mr. HOUGHTON and Mr. SUNDQUIST.

H.R. 2023: Mr. HERGER of California and Mr. EWING.

H.R. 2032: Ms. FURSE and Mr. JEFFERSON.

H.R. 2035: Mrs. MALONEY.

H.R. 2036: Mrs. MALONEY.

H.R. 2037: Mr. SCHAEFER.

H.R. 2038: Mr. SCHAEFER.

H.R. 2043: Mr. KENNEDY and Mr. ZIMMER.

H.R. 2059: Mr. BACHUS of Alabama.

H.R. 2062: Mr. ACKERMAN and Ms. MOLINARI.

H.R. 2073: Mr. ZIMMER.

H.R. 2088: Mr. CLYBURN, Mr. EDWARDS of Texas, Mr. RAVENEL, and Mr. WELDON.

H.R. 2132: Mr. HILLIARD.

H.R. 2145: Mr. DEUTSCH and Mr. PASTOR.

H.R. 2159: Mr. SMITH of New Jersey.

H.R. 2171: Mr. BROWN of Ohio and Mr. GILMAN.

H.R. 2175: Mr. DOOLEY.

H.R. 2192: Mr. BACCHUS of Florida.

H.R. 2207: Mr. BARLOW, Mr. SMITH of Oregon, Mr. OXLEY, Mr. MURPHY, Mr. CLEMENT, and Mr. BACHUS of Alabama.

H.R. 2210: Mr. NADLER.

H.R. 2219: Mr. BACHUS of Alabama.

H.R. 2220: Mr. HERGER of California.

H.R. 2229: Ms. WOOLSEY, Mr. ANDREWS of Maine, Mr. GONZALEZ, Mr. SABO, Ms. PELOSI, Mr. NADLER, and Mr. MORAN.

H.R. 2238: Mrs. MALONEY.

H.R. 2292: Mr. UPTON and Mr. KLEIN.

H.R. 2308: Mr. TUCKER and Ms. VELAZQUEZ.

H.R. 2319: Mr. BONILLA, Mr. DIAZ-BALART, Mrs. FOWLER, Mr. FRANKS of New Jersey, Ms. FURSE, Mr. GRANDY, Mr. HOKE, Mr. KING, Mr. KNOLLENBERG, Mr. LEVY, Mr. MCCANDLESS, Mr. MCCOLLUM, Mr. MCDADE, Mr. PACKARD, and Mr. PORTMAN.

H.R. 2393: Mr. BACHUS of Alabama.

H.R. 2418: Mr. SMITH of Texas and Mr. FRANK of Massachusetts.

H.R. 2427: Mr. WISE.

H.R. 2429: Mr. GIBBONS, Ms. PRYCE of Ohio, Mr. TOWNS, and Mr. STOKES.

H.R. 2434: Mr. PORTMAN and Mr. SCHAEFER.

H.R. 2441: Mr. DELLUMS.

H.R. 2443: Mr. BROOKS, Mr. MCCURDY, Mr. HUFFINGTON, Mr. HORN of California, Mr. POMBO, Mr. COYNE, Mr. BEILENSON, Mr. CONYERS, Mr. ABERCROMBIE, Mr. EDWARDS of California, Mr. COX, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. BYRNE, Mr. CONDIT, Mr. BECERRA, Mr. GORDON, Mr. SAXTON, Mr. ORTIZ, Mr. DREIER, Mr. BLILEY, Mr. TORRES, Mr. SMITH of Texas, Mr. TAYLOR of North Carolina, Mr. WHITTEN, Mr. MYERS of Indiana, Mrs. SCHROEDER, Mr. DELAY, Mr. BONILLA, Mr. ENGLISH of Oklahoma, Mr. PETRI, Mr. DUNCAN, Mr. MFUME, Ms. DELAURO, Mr. ARMEY, Mr. SWIFT, Mr. ROTH, Mr. RAMSTAD, Mr. KLECZKA, Mr. ROBERTS, Mr. WYNN, Mr. PORTER, Mr. GRAMS, Mr. LEHMAN, and Mr. SCOTT.

H.R. 2452: Mr. ANDREWS of New Jersey.

H.R. 2464: Mr. TORRES.

H.R. 2484: Mr. LIPINSKI and Mr. HYDE.

H.R. 2488: Mr. ANDREWS of Maine, Mr. LANTOS, and Mr. PALLONE.

H.R. 2525: Mr. CALLAHAN and Mr. BALLENGER.

H.R. 2526: Mr. SANDERS.

H.R. 2527: Mr. SANDERS.

H.R. 2541: Mr. COX.

H.R. 2543: Mr. HINCHEY.

H.R. 2572: Mr. WYNN.

H.R. 2600: Mr. FLAKE.

H.R. 2602: Mr. GILCHREST.

H.R. 2605: Mr. POMEROY.

H.R. 2617: Mr. FISH and Mr. HERGER of California.

H.R. 2638: Mr. ANDREWS of Maine and Mr. MORAN.

H.R. 2640: Mr. DELAY.

H.R. 2641: Mr. LAROCCO, Mr. BACCHUS of Florida, Mr. SANDERS, and Mr. DURBIN.

H.R. 2646: Mr. BACHUS of Alabama, Mr. JACOBS, Mr. LINDER, Mr. RAMSTAD, Mr. SCHAEFER, Mr. HOKE, Mr. ZIMMER, and Mr. GORDON.

H.R. 2649: Mr. RAMSTAD and Mr. HINCHEY.

H.R. 2662: Mr. JEFFERSON, Mr. ENGEL, Mr. TUCKER, Mr. WASHINGTON, Mr. GUTIERREZ, Mr. COYNE, Mr. CRAMER, Mr. UNDERWOOD, Mr. FALEOMAVAEGA, and Mr. WYNN.

H.R. 2671: Mr. ZIMMER.

H.R. 2676: Mr. FORD of Tennessee.

H.R. 2705: Mr. HOKE.

H.R. 2721: Mr. JACOBS and Mr. ENGEL.

H.R. 2728: Mr. DELLUMS, Mr. EVANS, and Mr. FISH.

H.R. 2736: Mr. VENTO, Mr. TRAFICANT, Ms. NORTON, and Ms. VELAZQUEZ.

H.R. 2738: Mr. TOWNS.

H.R. 2756: Mr. GORDON.

H.R. 2759: Ms. FURSE.

H.R. 2786: Mr. SLATTERY.

H.R. 2787: Mr. VENTO.

H.R. 2788: Mr. MARTINEZ.

H.R. 2790: Mr. BISHOP and Mr. ENGEL.

H.R. 2816: Mr. MILLER of Florida, Mr. CANADY, Mr. SMITH of New Jersey, and Mr. FISH.

H.R. 2826: Ms. KAPTUR, Mr. YATES, Mr. COBLE, Mr. FINGERHUT, Mr. INSLEE, Mr. WAXMAN, Mr. HOCHBRUECKNER, Mr. ROSE, Mr. JACOBS, Mr. DIXON, Mr. FORD of Michigan, Mr. KENNEDY, Mr. TORRES, Mr. MURPHY, Mr. LEVIN, Mr. JEFFERSON, Mr. SABO, Mr. SHAYS, Mr. DURBIN, Mr. OLVER, Mr. SCHIFF, Mr. MARKEY, Mr. HOLDEN, Mr. BILBRAY, Mr. APPLEGATE, Mr. PETERSON of Florida, Mr. REED, Mr. LEHMAN, Mr. SHEPHERD,, Mr. MATSUI, Mr. MILLER of California, Mr. RAVENEL, Mr. THOMAS of Wyoming, Mr. BATEMAN, Mr. LANTOS, Mr. WALSH, Mr. KING, Mr. PICKETT, Mr. HOAGLAND, Mr. EVANS, Ms. PRYCE of Ohio,, Mr. TAYLOR of North Carolina, Mr. STARK, Mr. JOHNSON of South Dakota, Mr. SWETT, Mr. BROWN of Ohio, Mr. REGULA, Mr. NADLER, Mr. DINGELL, Mr. KLEIN, Mr. SANDERS, Mr. HORN of California, Mr. LEVY, Mr. HOBSON, Mr. FAWELL, Mr. BLUTE, Mr. WOOLSEY, Ms. MARGOLIES-MEZVINSKY, Mr. WATT, Mr. SANTORUM, and Mr. CONDIT.

H.R. 2835: Mrs. JOHNSON of Connecticut.

H.R. 2848: Mr. BAESLER, Mr. KNOLLENBERG, Mr. THOMAS of Wyoming, Ms. LAMBERT, and Mr. MCDADE.

H.R. 2853: Mr. BAKER of California.

H.R. 2873: Mr. JEFFERSON, Mr. CLYBURN, Mr. DIAZ-BALART, and Mr. SWETT.

H.R. 2886: Mr. FISH, Mr. WALKER, Mr. CHAPMAN, Mr. BARCA of Wisconsin, Mr. PACKARD, and Mr. QUINN.

H.R. 2889: Mr. ABERCROMBIE, Mr. BARLOW, Mr. BOUCHER, Mr. COX, Mr. DICKEY, Mr. EVANS, Mr. EVERETT, Mr. FRANK of Massachusetts, Mr. GILLMOR, Mr. GORDON, Mr. GENE GREEN of Texas, Mr. HINCHEY, Mr. HOLDEN, Mr. INSLEE, Mr. KILDEE, Mrs. MORELLA, Mr. PAYNE of Virginia, Mr. PETRI, Mr. POSHARD, Ms. SHEPHERD, Mr. SANGMEISTER, Mr. SUNDQUIST, and Mr. TALENT.

H.R. 2898: Mr. NADLER.

H.R. 2912: Mr. FRANK of Massachusetts, Mr. EDWARDS of California, Mrs. LLOYD, Mr. FOGLIETTA, and Ms. FURSE.

H.R. 2918: Mr. HOCHBRUECKNER, Mr. KOPETSKI, Mr. SANGMEISTER, Ms. MCKINNEY, Mr. GENE GREEN of Texas, Mr. ROMERO-BARCELO, Mr. JOHNSON of South Dakota, and Mrs. MEEK.

H.R. 2923: Ms. VELAZQUEZ.

H.R. 2933: Mr. YATES, Mr. FROST, Mr. FRANK of Massachusetts, and Mrs. MINK.

H.R. 2957: Mr. CASTLE, Mr. ZELIFF, and Mr. BACHUS of Alabama.

H.R. 2962: Ms. WOOLSEY.

H.R. 2980: Mr. MARTINEZ, Mr. KOPETSKI, and Ms. PELOSI.

H.R. 3005: Mr. ARMEY and Mr. HERGER of California.

H.R. 3017: Mr. GINGRICH.

H.R. 3025: Ms. PELOSI, Mr. LEWIS of Georgia, Ms. SLAUGHTER, and Mr. ROMERO-BARCELÓ.

H.R. 3026: Mr. WAXMAN, Mr. MCDERMOTT, Ms. PELOSI, Mr. ROMERO-BARCELÓ, and Mr. WYNN.

H.R. 3030: Mr. HERGER of California.

H.R. 3031: Mr. HERGER of California.

H.R. 3039: Mr. MCKEON.

H.R. 3041: Mr. WYNN.

H.R. 3059: Mr. FROST, Mr. HUGHES, and Mr. NADLER.

H.R. 3065: Mr. PICKETT, Mr. PAYNE of Virginia, Mr. HANCOCK, Mr. PARKER, Mr. LAUGHLIN, Mr. EMERSON, Mr. ROWLAND, Mr. HALL of Texas, Mr. STUMP, Mrs. BENTLEY, Mr. ROBERTS, Mr. MYERS of Indiana, Mr. HOBSON, Mr. BALLENGER, Mr. COBLE, Mr. SPENCE, Mr. BAKER of California, Mr. GALLEGLY, Mr. ZELIFF, Mr. MCCOLLUM, Mr. ISTOOK, Mr. BLILEY, Mr. HERGER of California, Mr. ARMEY, Mr. SKEEN, Mr. DELAY, Mr. LINDER, Mr. GINGRICH, Mr. ROHRABACHER, Mr. WOLF, Mr. RAMSTAD, Mr. KASICH, Mr. CAMP, Mr. HUNTER, Mr. LIGHTFOOT, Mr. QUILLEN, Mr. KOLBE, Mr. HOUGHTON, and Mr. ALLARD.

H.R. 3075: Ms. MARGOLIES-MEZVINSKY, Mr. SAWYER, and Mr. GEJDENSON.

H.R. 3080: Mr. STEARNS, Mr. ZIMMER, and Mr. ROGERS.

H.R. 3086: Mr. PORTMAN, Mr. DOOLITTLE, Mr. RAMSTAD, Mr. LINDER, Mr. SCHAEFER, Mr. SCHIFF, Mr. HERGER of California, Mr. COX, and Mr. HOKE.

H.R. 3087: Ms. ESHOO, Ms. FURSE, and Mr. DIXON.

H.R. 3088: Mr. WYNN and Mr. BARCA of Wisconsin.

H.R. 3097: Ms. SHEPHERD.

H.R. 3102: Mr. BARRETT of Nebraska, Mr. BEILENSON, MR. BREWSTER, MR. CANADY, MR. CHAPMAN, MR. COLLINS of Georgia, Mr. FAWELL, Mr. FIELDS of Texas, Mr. FISH, Mr. GEJDENSON, Mr. GINGRICH, Mr. GUNDERSON, Mr. KNOLLENBERG, Mr. SCHAEFER, Mr. STUMP, and Mr. SWETT.

H.R. 3109: Mr. SANDERS.

H.R. 3125: Mr. ROYCE and Mr. BARCA of Wisconsin.

H.R. 3128: Mr. COPPERSMITH and Ms. PELOSI.

H.R. 3163: Mr. DARDEN, Mr. WYNN, Mr. ZELIFF, Mr. LAUGHLIN, Mr. BARCIA of Michigan, and Mr. ZIMMER.

H.R. 3182: Mr. ZELIFF.

H.R. 3183: Mr. UPTON and Mr. MACHTLEY.

H.R. 3205: Ms. LAMBERT, Mr. WYNN, and Mr. SWETT.

H.R. 3206: Mr. SANDERS.

H.R. 3222: Ms. ENGLISH of Arizona and Mr. CAMP.

H.R. 3224: Mr. DEUTSCH and Mr. TUCKER.

H.R. 3227: Mrs. MORELLA, Mr. SWETT, and Mr. MANZULLO.

H.R. 3250: Mr. ARMEY.

H.R. 3251: Mr. HERGER of California.

H.R. 3255: Mr. COMBEST, Mr. MCCRERY, Mr. CRANE, Mr. POMBO, Mr. BOEHNER, Mr. ARMEY, Mr. DOOLITTLE, Mr. DORNAN, Mr. SAM JOHNSON, and Mr. DELAY.

H.R. 3256: Mr. LANCASTER, and Mr. GENE GREEN of Texas.

H.R. 3266: Mr. LAZIO, Mr. SAXTON, Ms. MARGOLIES-MEZVINSKY, Mr. GINGRICH, Mr. WALKER, Mr. DELAY, Mr. MCMILLAN, Mr. ALLARD, Mr. BARRETT of Nebraska, Mr. CAMP, Mr. CUNNINGHAM, Mr. GILCHREST, Mr. HOBSON, Mr. SAM JOHNSON, Mr. KLUG, Mr. NUSSLE, Mr. SANTORUM, Mr. TAYLOR of North Carolina, Mr. GRANDY, Mr. RAVENEL, Mr. SMITH of Texas, Mr. UPTON, Mr. BALLENGER, Mr. BARTON of Texas, Mr. COBLE, Mr. LIGHTFOOT, Mr. MYERS of Indiana, Mr. HANCOCK, Ms. MOLINARI, Ms. ROS-LEHTINEN, Mr. HUNTER, Mr. MCCOLLUM, Mr. DREIER, Mr. MCCANDLESS, Mr. LIVINGSTON, Mrs. VUCANOVICH, Mr. WALSH, Mr. LEWIS of California, Mrs. THURMAN, Mr. DICKEY, Mr. SHUSTER, Mr. KOLBE, and Mr. BLILEY.

H.R. 3283: Mr. SANGMEISTER.

H.R. 3293: Mr. GENE GREEN of Texas and Mr. HASTINGS.

H.R. 3294: Mr. SANDERS.

H.R. 3296: Mr. FRANK of Massachusetts, Mr. OLVER, Mrs. KENNELLY, Mr. ANDREWS of Maine, Mr. HINCHEY, Ms. DELAURO, and Mr. SWETT.

H.R. 3328: Mr. TRAFICANT, Mr. MCINNIS, Mr. WELDON, Mr. BREWSTER, Mr. LEWIS of Florida, and Mr. DORNAN.

H.R. 3342: Ms. FURSE.

H.R. 3349: Mr. HALL of Ohio, Mr. TRAFICANT, Mr. SAWYER, and Ms. KAPTUR.

H.R. 3357: Mr. GENE GREEN of Texas and Mr. BEILENSON.

H.R. 3359: Mr. ARMEY.

H.R. 3363: Mr. VALENTINE and Mr. GILCHREST.

H.R. 3364: Mr. RANGEL, Mr. WATT, and Mr. SERRANO.

H.R. 3365: Mr. ANDREWS of Maine and Mr. WAXMAN.

H.R. 3366: Ms. FURSE.

H.R. 3367: Mr. SANTORUM.

H.R. 3372: Mr. DOOLEY, Mr. HEFNER, Mrs. THURMAN, Miss COLLINS of Michigan, Mr. LAUGHLIN, Mr. VOLKMER, Mr. GEJDENSON, Mr. SCHIFF, Ms. SLAUGHTER, Mr. LEVIN, Mr. HUGHES, Mr. BORSKI, Mr. HOAGLAND, Mr. HYDE, Mr. DINGELL, Mr. SKEEN, Mr. MYERS of Indiana, Mr. LIVINGSTON, Mr. RAVENEL, Mr. VALENTINE, and Mrs. MEYERS of Kansas.

H.R. 3373: Ms. FURSE and Mr. NADLER.

H.R. 3374: Ms. FURSE.

H.R. 3392: Mr. JOHNSON of Georgia, Mr. COLEMAN, Mr. STENHOLM, Mr. THOMAS of Wyoming, and Mr. PETE GEREN of Texas.

H.R. 3398: Mr. PORTER, Mr. LIPINSKI, and Mr. MILLER of California.

H.R. 3404: Mr. SANDERS.

H.R. 3421: Mr. ARMEY and Mr. HERGER of California.

H.R. 3429: Mr. KING.

H.R. 3434: Mr. CONYERS, Mr. JACOBS, Mr. JEFFERSON, and Mr. NADLER.

H.R. 3440: Mr. DEUTSCH.

H.R. 3442: Mr. HERGER of California.

H.R. 3446: Mr. ISTOOK.

H.R. 3458: Mr. HOEKSTRA, Mr. BALLENGER, Mr. JACOBS, and Mr. SANDERS.

H.R. 3470: Mr. KINGSTON.

H.R. 3475: Mr. FRANK of Massachusetts, Mr. DELLUMS, Mr. PALLONE, Mr. RAVENEL, Mr. MANTON, and Mr. BONIOR.

H.R. 3477: Ms. FURSE, Mr. RUSH, and Mr. SANDERS.

H.R. 3480: Mr. GONZALEZ, Mr. CASTLE, Mr. TEJEDA, Mr. SARPALIUS, Mrs. MEEK, Mr. KLEIN, Mr. WALSH, Mr. HUTTO, Mr. CANADY, and Mr. THORNTON.

H.R. 3483: Mr. SHAYS, Mr. HEFLEY, Mr. HOEKSTRA, and Mr. ZELIFF.

H.R. 3488: Mr. WELDON, Mr. KIM, Mr. SOLOMON, and Mr. GILLMOR.

H.R. 3490: Mr. JOHNSON of South Dakota, Mr. LIGHTFOOT, Mr. MCDADE, and Mr. WHITTEN.

H.R. 3492: Mr. HYDE, Mr. SMITH of Texas, Mr. DIXON, Mr. OWENS, Mr. GENE GREEN of Texas, Mr. WYNN, Mr. HINCHEY, and Mr. MCCOLLUM.

H.R. 3495: Mr. TRAFICANT and Mr. FRANK of Massachusetts.

H.R. 3497: Mr. DORNAN.

H.R. 3498: Mr. TOWNS and Mrs. MINK.

H.R. 3500: Mr. MYERS of Indiana.

H.R. 3519: Mr. HOCHBRUECKNER, Mr. LIPINSKI, Mr. HANSEN, Mr. BARCA of Wisconsin, and Mr. REGULA.

H.R. 3546: Mr. SOLOMON, Mr. BARLOW, Mr. VOLKMER, and Mr. BLUTE.

H.R. 3548: Mr. GOODLATTE.

H.R. 3552: Mr. PORTER.

H.R. 3567: Mr. YATES.

H.R. 3611: Mr. EDWARDS of California.

H.J. Res. 129: Mr. GILCHREST.

H.J. Res. 133: Mr. CLYBURN.

H.J. Res. 175: Mr. BROWN of Ohio, Mr. WATT, and Ms. MARGOLIES-MEZVINSKY.

H.J. Res. 209: Mr. HOYER and Mr. SMITH of New Jersey.

H.J. Res. 229: Mr. DOOLITTLE, Mr. EWING, Mr. HASTERT, and Mr. SOLOMON.

H.J. Res. 234: Mr. HOYER.

H.J. Res. 246: Mr. DE LUGO, Mr. DIAZ-BALART, Ms. DUNN, Mr. MOLLOHAN, Mr. PAYNE of New Jersey, Mr. RICHARDSON, Mr. SCOTT, Mr. TANNER, Mr. VALENTINE, Mr. VOLKMER, and Mr. WATT.

H.J. Res. 252: Mr. ACKERMAN, Mr. ANDREWS of New Jersey, Mr. ARCHER, Mr. BACCHUS of Florida, Mr. BAESLER, Mr. BALLENGER, Mr. BARCA of Wisconsin, Mr. BARCIA of Michigan, Mr. BATEMAN, Mr. BEVILL, Mr. BILIRAKIS, Mr. BISHOP, Mr. BLACKWELL, Mr. BLUTE, Mr. BONIOR, Mr. BORSKI, Ms. BYRNE, Mr. BROWN of California, Mr. BUYER, Mr. CALLAHAN, Mr. CALVERT, Mr. CARR, Mr. CLAY, Mrs. CLAYTON, Mr. CLEMENT, Mr. CLINGER, Miss COLLINS of Michigan, Mr. CONYERS, Mr. COPPERSMITH, Mr. COYNE, Mr. CRAMER, Mr. EDWARDS of Texas, Mr. DARDEN, Mr. DEUTSCH, Ms. DELAURO, Mr. DE LUGO, Mr. DICKEY, Mr. DICKS, Mr. DOOLITTLE, Mr. DUNCAN, Mr. ENGEL, Mr. EVANS, Mr. FALEOMAVAEGA, Mr. FAWELL, Mr. FIELDS of Louisiana, Mr. FINGERHUT, Mr. FISH, Mr. FROST, Ms. FURSE, Mr. GALLEGLY, Mr. GEKAS, Mr. PETE GEREN of Texas, Mr. GILMAN, Mr. GENE GREEN of Texas, Mr. GREENWOOD, Mr. GORDON, Mr. GUTIERREZ, Mr. HANSEN, Mr. HEFNER, Mr. HINCHEY, Mr. HILLIARD, Mr. HOBSON, Mr. HOAGLAND, Mr. HOCHBRUECKNER, Mr. HOLDEN, Mr. HUTTO, Mr. HYDE, Mr. INHOFE, Mr. INSLEE, Mr. JACOBS, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. JOHNSON of South Dakota, Mr. KANJORSKI, Mr. KASICH, Mr. KENNEDY, Mr. KILDEE, Mr. KING, Mr. KLEIN, Mr. KNOLLENBERG, Mr. KOPETSKI, Mr. KREIDLER, Mr. LAFALCE, Mr. LANCASTER, Mr. LANTOS, Mr. LEACH, Mr. LEVIN, Mr. LEVY, Mr. LIVINGSTON, Mr. MCDERMOTT, Mr. MCINNIS, Mr.

MCNULTY, Mrs. MALONEY, Mr. MANTON, Mr. MARKEY, Mr. MARTINEZ, Mr. MATSUI, Mr. MEEHAN, Mrs. MEEK, Mrs. MEYERS of Kansas, Mrs. MINK, Mr. MONTGOMERY, Mr. MOAKLEY, Mr. MENENDEZ, Mr. MINGE, Mr. MORAN, Mr. MOORHEAD, Mrs. MORELLA, Mr. MURPHY, Mr. MURTHA, Mr. NADLER, Mr. NATCHER, Mr. NEAL of Massachusetts, Ms. NORTON, Mr. OBERSTAR, Mr. OBEY, Mr. OWENS, Mr. PALLONE, Mr. PARKER, Mr. PAYNE of Virginia, Ms. PELOSI, Mr. PETERSON of Florida, Mr. PORTER, Mr. POMEROY, Mr. POSHARD, Mr. PRICE of North Carolina, Mr. QUINN, Mr. RAVENEL, Mr. REED, Mr. REGULA, Mr. REYNOLDS, Mr. ROEMER, Ms. ROYBAL-ALLARD, Mr. SABO, Mr. SAWYER, Mr. SCHAEFER, Mr. SCHIFF, Mr. SERRANO, Mr. SHAYS, Mr. SKEEN, Mr. SLATTERY, Mr. SMITH of Texas, Mr. SPENCE, Mr. SPRATT, Mr. STARK, Mr. TANNER, Mr. TAUZIN, Mr. TAYLOR of North Carolina, Mr. TRAFICANT, Mr. TUCKER, Mr. VALENTINE, Ms. VELÁZQUEZ, Mr. VOLKMER, Mr. WALSH, Mr. WAXMAN, Mr. WOLF, Ms. WOOLSEY, Mr. WYNN, Mr. YOUNG of Alaska, and Mr. MCCOLLUM.

H.J. Res. 253: Mr. FISH, Mr. JOHNSON of South Dakota, and Mr. VALENTINE.

H.J. Res. 285: Mr. LIPINSKI, Mr. DEUTSCH, Ms. FURSE, Mr. MARTINEZ, and Mr. WALSH.

H. Con. Res. 20: Mr. GEJDENSON and Mr. WAXMAN.

H. Con. Res. 49: Mr. FRANK of Massachusetts.

H. Con. Res. 52: Mr. NEAL of Massachusetts.

H. Con. Res. 61: Mr. LANTOS, Mr. CONYERS, Mr. EVANS, Mr. BORSKI, Ms. NORTON, Mr. HINCHEY, Mr. NADLER, and Mr. GILMAN.

H. Con. Res. 91: Mr. APPLEGATE, Mr. VOLKMER, Mr. MFUME, Mr. SISISKY, Mr. DICKS, Mr. TAYLOR of Mississippi, Mr. MURPHY, Mr. STENHOLM, Mr. NADLER, Mr. COSTELLO, Mr. BEREUTER, Mr. CASTLE, Mr. GINGRICH, Mr. GOSS, Mr. GRAMS, Mr. KIM, Mr. MCDADE, Mr. WHEAT, Mr. JOHNSON of Georgia, Mrs. MEYERS of Kansas, Mr. MICHEL, Mr. POMBO, Mr. SCHIFF, Mr. SKEEN, Mr. SMITH of Oregon, Mr. TAYLOR of North Carolina, Mr. WALKER, Mr. ARCHER, Mr. STUPAK, and Mrs. MORELLA.

H. Con. Res. 98: Mr. BLUTE, Mr. TRAFICANT, and Mr. HALL of Texas.

H. Con. Res. 107: Mr. WYNN.

H. Con. Res. 110: Ms. FURSE, Ms. PELOSI, and Mr. BARCA of Wisconsin.

H. Con. Res. 126: Mr. NADLER.

H. Con. Res. 138: Ms. DELAURO, Mrs. MEEK, Mr. TEJEDA, Mr. EVANS, Mr. BARRETT of Wisconsin, Mr. FARR, and Mr. BARCA of Wisconsin.

H. Con. Res. 141: Mr. GILLMOR and Mr. BATEMAN.

H. Con. Res. 154: Mr. SCHIFF.

H. Con. Res. 159: Mr. SMITH of New Jersey and Mr. TORKILDSEN.

H. Con. Res. 166: Mr. SERRANO and Mr. MARTINEZ.

H. Con. Res. 176: Ms. MARGOLIES-MEZVINSKY.

H. Con. Res. 177: Mr. PORTER and Ms. FURSE.

H. Con. Res. 185: Mr. CASTLE and Mr. BATEMAN.

H. Res. 165: Mr. BROWDER, Mr. CALLAHAN, Ms. DUNN, and Ms. LONG.

H. Res. 166: Ms. SLAUGHTER and Mr. BORSKI.

H. Res. 236: Mr. COPPERSMITH, Mr. STUMP, Mr. HANSEN, Mr. DE LA GARZA, Mr. WALSH, Mr. PASTOR, Mr. OBERSTAR, Mrs. FOWLER, Mr. BUNNING, Mr. KASICH, Mr. JOHNSON of South Dakota, Ms. PRYCE of Ohio, Mr. BARLOW, Mr. DEUTSCH, Ms. BYRNE, Mr. FALEOMAVAEGA, Mr. SPENCE, Mr. MOORHEAD, Mr. POMEROY, Mr. NUSSLE, Mr. BAKER of California, Mr. SLATTERY, Mr. CALLAHAN, Mr. MANN, Mr. YATES, Mr. MENENDEZ, Mr. DICKEY, Mr. HALL of Ohio, Mr. COLLINS of Georgia, Mr. HYDE, Mr. CASTLE, Mr. SWETT, Mr. MORAN, Mr. ARCHER, Mr. RAHALL, Mr. TAYLOR of North Carolina, Mr. HUTCHINSON, Mr. MONTGOMERY, Mr. HUNTER, Mr. SUNDQUIST, Mr. SOLOMON, Mr. MICHEL, Mr. GONZALEZ, Mrs. MEEK, Mr. COOPER, Mr. KILDEE, Mr. SCHAEFER, Mr. MCDADE, Ms. BROWN of Florida, Mr. REYNOLDS, Mr. SKEEN, Mr. THOMAS of Wyoming, Mr. VALENTINE, Mr. BISHOP, Mr. HUTTO, Mr. BATEMAN, Mr. ROBERTS, Mr. EMERSON, Mr. LIPINSKI, Mr. GREENWOOD, Mr. SYNAR, Mr. BILIRAKIS, Mr. PETE GEREN of Texas, Mr. SMITH of New Jersey, Mr. TORRICELLI, Mr. UNDERWOOD, Mr. HILLIARD, Mr. JACOBS, Mr. SMITH of Texas, Mr. DE LUGO, Mr. JEFFERSON, Mr. JOHNSON of Georgia, Mr. MCCOLLUM, Mr. RAMSTAD, Mr. FRANKS of Connecticut, Mr. SAXON, Mr. GOODLATTE, Mr. STENHOLM, Mr. SERRANO, Mr. VOLKMER, Mrs. CLAYTON, Mr. WYNN, Mr. DARDEN, Mr. MFUME, Mr. DIAZ-BALART, and Mr. GIBBONS.

H. Res. 237: Mr. BAKER of California, Mr. SHAW, and Mr. WELDON.

H. Res. 239: Mr. HERGER of California.

H. Res. 255: Mr. BOEHNER, Mr. JACOBS, Ms. PRYCE of Ohio, and Mr. MILLER of Florida.

H. Res. 266: Mr. ZIMMER.

H. Res. 277: Mr. BURTON of Indiana.

H. Res. 281: Mr. REGULA, Mr. TRAFICANT, Mr. PETERSON of Florida, Mr. NUSSLE, Mr. HEFNER, Mr. MICHEL, Mr. GRANDY, Mr. MCINNIS, Mr. BEREUTER, Mr. SKELTON, Mr. WHITTEN, Mr. MURTHA, Mr. VOLKMER, Mr. PETRI, Mr. COOPER, Mr. YOUNG of Florida, Mr. HOKE, Mr. BORSKI, Mr. HOBSON, and Mr. TAUZIN.

H. Res. 323: Mr. GILMAN and Mr. TORRICELLI.

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. 7: Mrs. MALONEY.
H.R. 526: Mr. MFUME.
H.R. 634: Mr. GORDON.
H.R. 937: Mr. GORDON.
H.R. 1078: Mr. GORDON.
H.R. 1151: Mr. MFUME.
H.R. 1200: Mr. MFUME.
H.R. 1246: Mr. MACHTLEY.
H.R. 1296: Mr. GORDON and Mr. MFUME.
H.R. 1699: Mr. MFUME.
H.R. 1705: Mr. FINGERHUT.
H.R. 3457: Mr. HANCOCK.

EXTENSIONS OF REMARKS

THE FORGOTTEN FLEET OF WORLD WAR II—COAST GUARD-MANNED GUNBOATS IN THE PACIFIC

HON. ROBERT K. DORNAN
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. DORNAN. Mr. Speaker, I insert today in the RECORD the inspiring story of Coast Guard-manned gunboats serving as part of the Navy's Seventh Fleet. These combat Coast Guardsmen were called the Seventh Amphibious Force under the command of Adm. Daniel E. Barbey and came to be known as MacArthur's Navy.

Please take a moment to read about the exploits of these brave Coast Guardsmen who continue to serve our Nation today as brave warriors of the sea.

[From Sea Classics, September 1993]

ASSAULT AGAINST NEW GUINEA

(By Frank A. Manson)

On a bright summer day in 1942, a weird and wonderful mechanical contrivance rumbled down 14th Street in Washington. It was indeed a hybrid thing, with the body of a barge and the wheel tracks of a tank. It behaved like an automobile, besides, when it came to traffic lights and stop signs. After crossing the Potomac, the nightmare thing slid into a lake with the nonchalance of a duck. Immediately, a man on the shore began to scream wildly and wave his hands at the "thing." When the ugly monster emerged from the water, all the occupants were put under arrest for invading a wild waterfowl sanctuary.

This was the first recorded action taken against an amphibious vehicle.

One of the occupants was a Navy captain named Daniel E. Barbey, who held the unique post of head of the Navy's Amphibious Warfare Section, thus placing himself well on the road to acquiring the nickname "Uncle Dan, the Amphibious Man."

When the Japanese dropped the first bomb on Pearl Harbor, amphibious warfare had not progressed much since the British went ashore in small boats from warships during the Battle of New Orleans. With the convenient use of pierheads denied to us by the enemy in this war, it was necessary to devise some method of getting troops and heavy equipment ashore and on the beaches.

One of the prototypes of the strange new family of ships, boats, and small craft that were to confuse even naval officers with their alphabetical designations was the "Alligator." It was in an Alligator that Barbey got into trouble with one of Secretary Icke's bird watchers.

The Alligator was an invention of Donald Roebling, of the world-famous family of bridge builders. It was not conceived to be a naval craft, but as a carrier of cargoes and hunting parties through the weedy, sandbarred, log-snagged Florida bays and swamps. Something that could travel over any mixture of land and water.

It was not even an engineer, but a scholar with a ready hand for tools, who devised the unique propulsion gear of the Alligator, Noyes Collinson, house guest and lifelong friend of Roebling. With tape, cardboard, rubber bands, and an oblong wooden cream-cheese box he built a model whose caterpillar track was equipped with rubber flanges that would serve as elongated paddle wheels in water, on land as treads pliant to rocks or logs, and as self-cleansing grips in mud or quicksand. The first embryo Alligator triumphantly traversed the Roebling swimming pool, climbed its tiled edge and proceeded to give birth to a huge family of hybrid mechanical saurians at home in surf or jungle.

Into their evolution went the landing ramp, experimented with by our Navy and Marine Corps and used by the Japanese on shallow-draft small boats employed in the invasion of the East Indies, and the half-keeled invasion ships experimentally built by the British from Admiral Lord Keye's designs. Marine Corps and Navy expert contributed new ideas, or demands for performance which inspired new ideas, and in the midst of it all came General MacArthur's request for an amphibious admiral. The obvious man for the assignment was Dan Barbey, who not only had worked on the construction of the new fleet, but had also assisted in training the 1st Marine Division (later to land at Guadalcanal) and the 1st Army Division (used in the North African invasion) in the techniques of amphibious warfare.

On 15 December 1942, Barbey was nominated a rear admiral and ordered to Australia, as Commander Amphibious Force Southwest Pacific. At the time Admiral Barbey had only a paper fleet but it was to grow into the mighty Seventh Amphibious Force, which as part of the Seventh Fleet, was to take part in 56 amphibious landings, move more than a million men over the Eastern seas, and transport cities of supplies to the malaria-ridden jungles of New Guinea and to the shores of the liberated Philippines.

The Seventh Fleet was a far cry from the type of fleet that was later to pound a path across the Central Pacific. Lacking were the large heavy units that men think of as traditionally belonging to a fleet. There were no battleships, no aircraft carriers, and only a few cruisers, some of them Australian. True, these larger units were to be added in the future, but there were many long miles of New Guinea coast to mop up before the mighty landings in the Philippines saw the Seventh Fleet full-blown and strong enough to combat the remains of the Japanese Navy.

When men of the Pacific spoke of "MacArthur's Navy" they meant the Seventh Fleet. This was true from both an operational and an administrative standpoint. The primary function of the fleet was the support of land operations, and because of this the core of the fleet became the Amphibious Forces.

Admiral Barbey arrived in Australia in January 1943. The organization he proceeded forthwith to create was destined, except for two occasions, to lead all the major combined landing operations of our sweaty advance along the jungled coast of New Guinea and into the heart of the Philippines and Borneo. The story of his Amphibious Force is the history of the Seventh Fleet.

The problems of amphibious warfare were known to Barbey from his Atlantic days, but as this whole conception of warfare was new, rough, original ideas had to be painfully polished up by trial and error methods.

Without ships, however, the problems of amphibious warfare were academic, so Admiral Barbey with Brisbane as his base of operations, went out in search of shipping. Pickings were lean, to put it mildly, for other theaters of war had a priority on things that floated, but enough was scraped together for a beginning.

The *Henry T. Allen*, formerly the liner *President Jefferson* converted into an attack transport (APA), was acquired from the South Pacific in March 1943, for troop training. The Australian Government kicked in with three former passenger ships previously used as merchant cruisers. These, *Westralia*, *Manoora*, and *Kanimbla*, were converted into Landing Ships, Infantry (LSIs), the British equivalent of our APAs, and were put to immediate use. These four ships formed the slim beginnings of the Seventh Amphibious Force and were to serve with that force until the end of the war.

At Port Stephens, north of Sydney, The Royal Australian Navy had an amphibious training base known appropriately as HMAS *Assault*. The facilities were offered to Admiral Barbey, who immediately set up the Amphibious Training Command for the purpose of accustoming Australian and American soldiers to flying spray and bouncing boats.

The Amphibious Forces were ready for their first show in June 1943. The objectives were two islands in the western Solomon Sea off the coast of New Guinea—Woodlark and Kiriwina.

Admiral Barbey's flagship was the USS *Rigel*, a repair ship. The *Rigel* was so small that there were bunks for only a fraction of the Admiral's staff, and consequently the wardroom—the officers' dining room, recreation room, and library—became office, wardroom, or sleeping quarters according to the greatest need at the time. Off to Milne Bay she wallowed with an overload of humanity to prepare for the first operation. The Kiriwina invasion force was to stage, as best it could, out of Milne Bay; the Woodlark force used the better facilities of Townsville, Australia, for its preparation.

On 30 June 1943, while amphibious forces of Admiral Halsey's South Pacific Command were going ashore on Rendova and New Georgia, Admiral Barbey's hybrid fleet ground their virgin noses and keels on the sand and coral of Woodlark and Kiriwina. To some the instant plethora of mishaps and confusion seemed almost like something taken from a Mack Sennet comedy film. The invasion fleet itself was a motley mix of begged, borrowed and some claimed stolen vessels of every description. Few of the ships had worked as a team before, crews had been hastily assembled or transferred. Many aboard the new landing craft lacked sufficient seagoing experience and officers with any amphibious operational skills were at a precious premium.

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

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

Barbey's "borrowed" fleet came from a multitude of sources, all hastily assembled. In addition to the loaned Australian liners it consisted of four old flush-deck destroyers that had been converted to small assault transports (APDs). These had been wrestled from Halsey's Third Fleet along with six LSTs. Eleven other LSTs had newly arrived from the states. These were jointed by 20 LCIs, 20 LCTs, ten SC patrol boats, four YMS mine-sweepers and a civilian-manned salvage tug. Offensive Reconnaissance was provided by submarines and PT boats patrolling the northern end of Solomon Sea.

The absence of any Japanese opposition to the practice landings helped to keep the tragicomedy from becoming a major disaster. With many of the new landing craft snagged on jagged coral reefs or with props damaged by uncharted rocks much of the equipment had to be torturously unloaded by hand fifty to a hundred feet from the beach. But despite the initial confusion the landings proceeded and allowed the Army to soon carve out vitally needed airstrips on the two islands.

The landings at Kiriwina and Woodlark were a good drill for Barbey's neophyte Seventh Amphibious Force. Lessons learned there would hold them in good stead for the tough, often harrowing landings yet to come.

Meanwhile, the boys manning the PTs of the Seventh Fleet felt that their kin across the way in the Solomons were having all the fun. They had big game targets like Japanese cruisers and destroyers charging down the slot, whereas in New Guinea the hunting was mainly elusive enemy motor barges that were impossible to torpedo and difficult as corks to sink.

The first PT boats moved into the New Guinea area in December 1942, more than six months before the Seventh Amphibious Force made its amateurish bow in the empty theater of Woodlark and Kiriwina. The beginnings were small, only six boats and a tender, the converted yacht *Hilo*.

Commander Edgar T. Neale's chief problem as commander of motor torpedo boats in the Southwest Pacific area was to cut off supplies for the Japanese advanced forces, which were shipped down the coast on 80-foot-armed wooden power barges. It was a gunboat war, and a night war, the adversaries hiding in jungle-screened bays by day. One of the greatest dangers, besides the intense return fire from the barges, was uncharted reefs.

The first major action against enemy barges took place the night of 17 January 1943. The *PT 120* was on the prowl near Douglas Harbor when, across the calm water, she saw three Japanese barges heading south, as usual hugging the coast. Immediately, the PT went to full speed and headed in, all guns blazing. Simultaneously, the barges opened up with machine guns and 20mms, the long strings of greenish-blue tracer showing the surprised Japanese to be consistently firing too high. At top speed the PT circled the barges, raking them from stern, beam, and stem, from every angle, for 25 minutes.

Even ordnance can't work without rest, and the *120*'s guns were glowing hot as all but two jammed, and the action had to be broken off. But two of the barges had been sunk, and the third was ablaze. The PT had been hit twice; one 20mm shell pierced the wooden bow and exploded in the chain locker and another 20mm hit the aft 50-caliber gun mount. Chief Motor Machinist's Mate J.J. Master, Jr., was badly wounded and died ashore twelve hours later.

Not much of a battle, of course. It does not appear in history books as the Battle of Douglas Bay. But Masters was just as dead as any of the thousands who died in the big fleet engagements, his ten shipmates fought as gallantly against odds, and the small victory left some thousands of Japs short of food, ammunition, and medical supplies. A two-bit contribution to a ten-billion-dollar victory, maybe, but the one example of what the PT boys' chore was, night after night, along the New Guinea coast.

BATTLE OF THE BISMARCK SEA

By the end of January the Australian 7th Division, after slugging its way across the Owen Stanley Mountains, and the US 32nd Division had mopped up the last Jap in the Buna-Sanananda area, and began pushing slowly up the fever-haunted coast.

The Japanese had no choice but to reinforce the Lae-Salamaua area with troops from their great base at Rabaul on New Britian. On the last day of February a convoy of six transports, ranging from 2,700 to 6,900 tons, two small freighters of about 500 tons apiece, set out across the Bismarck Sea escorted by eight destroyers. On the evening of the next day, 1 March 1943, the convoy was sighted by a patrolling B-24. Word was flashed back to headquarters at Port Moresby, but it was too late to strike that day.

All that night the convoy was shadowed by the Navy's "Black Cats," black-bodied Catalina Flying Boats whose night patrols became famous throughout the South Pacific. The Navy fliers kept Port Moresby informed of the ships' course and speed. The next morning dawned clear and the bombers came back for the kill, guided by the Black Cats' over-the-spot directions. The convoy was now only 60 miles east of its destination, Salamaua, but it was never to arrive there.

Throughout the day Allied fighters and bombers shuttled over the Owen Stanley Mountains between Port Moresby and the convoy—Beaufighters, Flying Fortresses, Havocs, Mitchells, Lightnings, Kittyhawks, Airacobras—gassing up, rearming, and dumping death and destruction. At one time there were more than 109 planes over the convoy, or what was left of it by then. By nightfall only four destroyers and two cargo ships were reported to be afloat, and both cargo ships were burning.

To finish the work of the bombers eight PTs were sent out that night, and two of them, the *143* and *150*, polished off the only Japanese ship of the convoy left afloat. The surviving destroyers had fled.

The now-famous Battle of the Bismarck Sea was over and the Japanese had lost all of the eight ships in convoy, four of the escorting destroyers, and the special service vessel. Loss of life was high among the troops of the 51st Japanese Division. About 2,900 men were drowned. Japanese destroyers and submarines picked 2,734 survivors out of the water.

The Battle of the Bismarck Sea convinced the Japanese that sea routes from Rabaul to Lae and Finschhafen were unhealthy for any ship as large as a destroyer. No more could the positions around Lae and Salamaua be reinforced by cargo ships and fast destroyer transports. Supplies had to be muscled overland through swamps, toted in handfuls by submarine, or brought in on barges sneaking along the coast from Wewak. It was in the strangulation of this barge traffic that the PT boats were use toilsomely to demonstrate their hell-raising potentialities. The doughty little giants were not to find heftier game again until the Leyte operation.

Two months after the dress rehearsal at Kiriwina and Woodlark, Admiral Barbey's Seventh Amphibious Force was ready for the Japanese. The picked point of contact was on the rugged Huon Peninsula, 14 miles east of Lae. Here it was planned to put the 9th Australian Division ashore for a drive as the Japanese stronghold, 14 miles through mangrove forest and other stinking, miry river deltas. Of the 56,000 enemy troops estimated to be in New Guinea, 12,000 were believed to be in the Lae-Salamaua area.

The Lae Task Force formed up in the Milne Bay area and headed up the coast.

Before dawn on 4 September, the destroyer *Conyngham* eased in toward the dark low coast. The mountains that rise abruptly from the flat, wooded coastal plain could not be seen in the darkness. Landing beaches were hard to identify. Aboard the *Conyngham* Admiral Barbey studied a chart with an Australian naval lieutenant, who before the war had been part owner of a plantation near the beach area. Before sunrise the two sandy strips had been found, and the APDs, LSTs, and LCIs were drawn up ready to empty their troops.

For almost three weeks prior to the Lae operation Allied planes hammered at the enemy's airfields in Wewak, Hansa Bay, Alexishafen, and Madang. At Wewak, alone, over 200 planes were destroyed on the ground and 64 in the air by American and Anzac Army fliers. Japanese air support was pushed back 300 miles to Hollandia.

The morning of the landing, however, there was still grave danger of air attack from Rabaul. The destroyer *Reid* took position off Cape Cretin to sweep the eastern horizon with radar and to direct our fighters to enemy planes that might head from that direction.

As the first waves of boats started in from the APDs, the destroyers *Lamson* and *Flusser* began to rake Yellow Beach with 5-inch fire while *Perkins, Smith* and *Mahan* gave Red Beach the same treatment. But, the enemy made no response.

But if the Japs were not on hand to greet us from the shore, he was quick to leap on us from the air. At 0705, little over half an hour after the first boat had snubbed its nose on the beach, seven Mitsubishi bombers and three Zeros came diving down from the mountains, undetectable by radar.

At that time the *LCI 339* was approaching the beach, dropping her stern anchor and in no position to maneuver. A shout of warning, a few seconds to swing the AA guns on the target, and then three Zeros ripped her bow to stern with their bullets.

Close behind came the bombers. Two "paint-scrapers" exploded in the water to port and to starboard, staggering the little ship and then, in a perfect bracket, a third bomb bore into the deck amidships, blasting a jagged hole seven feet across, buckling decks, rupturing bulkheads, and riddling the superstructure with large holes. The doctor's quarters were smashed and the pilothouse wrecked beyond recognition. Listing badly to port the LCI made a dying lunge onto the beach and settled in the shallow water.

On the blasted decks Australian and American blood flowed together. Twenty Australian soldiers had been killed and just as many wounded. Eight Americans were wounded, among them the ship's doctor, Lieutenant (jg) Fay B. Begor, who lay with both thighs shattered by shrapnel. He died a few days later aboard the *LST 464* the converted landing ship that had been fitted out as a firstline hospital ship of the Seventh Amphibious Corps. (The LST hospital ship was not protected by the rules of the Geneva convention. She looked the same as her

fighting sisters and bristled with as many guns.)

The troop-filled *LCI 341* was caught in the same attack. A near miss blasted a gaping hole in her port side, starting numerous fires. Lieutenant (jg) Robert W. Rolf calmly ordered the troops to starboard to counteract the port list, and, like a battle-wise veteran (which he wasn't), skillfully brought his craft into the beach, firmly snubbing her upon the sand. When the troops were unloaded, Rolf personally lead a fire-fighting party and soon the flames were smothered. The craft was so badly hurt that the crew had to be assigned to other duties. But Rolf stayed with his ship, sure that it could be salvaged.

On 6 September he was still checking damage when a flight of Japanese bombers came in over the western mountains. It happened very quickly. One explosion bathed the *341* with a hot shower of shrapnel, and Rolf was deeply wounded in the right thigh. His ship—for which he had risked his life—would fight again, but not he. Forty-five minutes later Rolf died on the operating table. Beside him, tight-lipped, stood the Army colonel whose men he had landed safely on the beach.

On the first day of the Lae landings over 7,800 fully equipped troops had been put ashore, quickly so as not to overexpose the almost defenseless landing craft to avoidable air attacks. When Jap planes struck at the landing beaches the afternoon of 4 September they found only the two injured LCIs and one of those tough little bulldogs of the Navy, the tug *Sonoma*. But more men and more supplies were on the way.

In the wheelhouse of the *LST 473* stood Johnnie Hutchins, Seaman 1st Class. The ship was at General Quarters and his station was lee helmsman. He peered over the shoulder of the man at the wheel, watching the gyro click back and forth to either side of 132, the course being steered. Soon it would be time for him to relieve the man at the helm. Meanwhile he wished he could smoke.

Then—"Bogies on the port bow!"

Nine of them, all enemy, dive bombers and fighters. Simultaneously twin-engined torpedo planes slanted out of the sun on the port beam. The *LST 473*, under attack for the first time in its career, was blanketed with four bombs, all of which seemed to explode together. Two were near misses, but two hit all too true. One demolished the commanding officer's station and blew up a 20mm gun, including the ammunition, killing six and wounding 13. The other ripped through to the bottom of the ship and exploded near the keel amidships, bulging the deck four feet out of true.

In the smoke and debris of the wheelhouse the helmsman lay dead, and beside him lay Johnnie Hutchins, bleeding badly, both feet a pulp of shattered bone and flesh. But he wasn't dead. He could see—and he saw the helm untended. He could hear—and from what seemed to be miles away he heard the order from the officer of the deck: "Right full rudder!"

Torpedo planes were coming in fast at masthead height.

Through the puzzling blackness that fogged his eyes, Johnnie reached for the wheel and twisted it to the right with his last ounce of strength.

As the ship swung right, the straight white wake of a torpedo passed 20-feet astern. Johnnie's turn had saved the ship.

After the attack, the boy's dead fingers had to be pried loose from the wheel. Johnnie David Hutchins, age 21, had given his life for his shipmates, and had earned the Congressional Medal of Honor. The next year, at a shipyard in Orange, Texas, his mother christened a sleek, new destroyer escort—the USS *Johnnie Hutchins*.

Other ships of the convoy were being attacked at the same time the *LST 473* was absorbing so much punishment. Evidently mistaking the mine sweepers for destroyers, several dive bombers peeled off for the attack but succeeded in scoring only near misses. The *LST 471* (Lieutenant George L. Cory) also was receiving the one-two punch of dive bomber and torpedo plane, but a damage control party led by Lieutenant Albert E. Craig, the executive officer, kept her afloat.

The casualties were relatively heavy. We counted six of our men dead, one missing, five injured. The Australian dead numbered 45, with two missing and 17 wounded. The Japanese lost two planes out of the attacking dozen.

The two crippled LSTs were taken in tow to Morobe, where, next day, the dead were buried ashore.

The Japanese in the Lae-Salamaua sector now found themselves caught in a master squeeze play. The day after the landings on Red and Yellow Beaches, units of the 7th Australian Division were dropped by parachute in the Markham River valley, the first use of the airborne troops in the Southwest Pacific.

There was no escape for the trapped Japanese. Retreat overland was cut off. Withdrawal in barges or submarines across the Huon Gulf was made disastrously unhealthy by our PT boats and destroyers.

The enemy retaliated with air attacks on our convoys that kept the vital supplies pouring onto the beaches east of Lae. The destroyer *Conyngham*, with Admiral Barbey aboard, fought off a swarm of bombers while returning from the initial landings. On 12 September, by which time the Seventh Amphibious had landed over 16,500 troops on Red and Yellow, bombers attacked our advanced base at Morobe and damaged the *LST 455*, but the fire was put out with the aid of that veteran tug, the *Sonoma*, who, having undergone three intense air attacks in one week, felt as if she were fighting a single-handed war against the Japanese. Two of her men, unable to stand the strain, broke down with hysteria, as truly wounded as if by bullets.

On the morning of 16 September, troops of the 7th Australian Division, after fighting their way down the Markham Valley, entered Lae, still smoldering from the attacks of Allied heavy bombers. The Japanese who remained offered only slight resistance before they fled into the brush.

With the capture of Lae, the last serious threat to southeastern New Guinea and the possible threat to Australia were removed. The Allies now had control of Huon Gulf, with all its strategic advantages, and Vitiaz Strait was not wide open for Allied aerial and surface patrols against enemy barge traffic between New Guinea and New Britain.

Things had gone well at Lae. So well, in fact, that the schedule of attack in New Guinea could be stepped up considerably.

The assault date for Finschhafen was moved up three and a half weeks to 22 September. Plans were literally still being made for the operation as the first echelon moved toward the beaches.

Just before midnight on D-minus-2 day, six LSTs pulled away from Buna and headed for George Beach, east of Lae, escorted by four destroyers and the omnipresent tug *Sonoma*. The following morning 16 LCIs shoved off from Buna. With them were four destroyers of the bombardment group plus the *Henley*.

Admiral Barbey, his flag again on the *Conyngham*, preceded the group.

The beach selected, "Scarlet," was on a small bay six miles north of Finschhafen, flanked at either end by steep cliffs. Not much was known about the area. Photographic coverage had been inadequate, and the party of ten scouts, landed the night of 11 September from PT boats, had not obtained all the information they were after because Japanese activity kept them lying low.

The time selected for the landing was a compromise. The Navy, at this stage of the war having in mind the continuous menace of aircraft, preferred night landings. The Army, on the other hand, wanted a dawn landing so that their troops could see what they were doing. The compromise hour was 0445, permitting a landing in darkness and at the same time giving the troops good light shortly after they had hit the beach.

The stage was now set. Before midnight the heterogeneous fleet weighed anchor and headed east, some of the ships trailing canvas in bridal-veil fashion to conceal their phosphorescent wakes from night-flying Japanese.

First blood was drawn by the PTs *133* and *191* on patrol north of Finschhafen when they sighted a 120-ton coastal trawler scouting near Fortification Point. Like a dog after a thrown stick the two boats went to flank speed and closed, blowing the scout out of the water and breaking its keel.

Precisely on schedule, at 0433, four destroyers, commenced the beach bombardment. While the destroyers were still sending their whistling 5-inch shells through the darkness, the first wave of boats from the destroyer transports started in toward the beach. Our troops found the beach defenses fully manned.

Machine gun and mortar fire was intense. Sniper fire also was heavy, and in an effort to silence it, several of the ships opened up at the treetops.

Landing in the darkness caused some confusion. Two LCIs, one leaving and one approaching the beach, collided. One LCI had its port ramp carried away when it attempted to land troops in deep water. Operations all along the line were delayed when the LCMs and LCVs carrying units of the 2nd Engineering Special Brigade lost their way.

But in spite of all, by 0935, the last LST had unloaded and another beachhead was firmly established on the Road to Tokyo.

The first air attack—ten torpedo planes—that broke through the tight umbrella that the Army fighters capped over the area, came a little after noon when the last three LSTs, the *Sonoma*, and the destroyers *Perkins*, *Smith*, *Reid*, *Mahan*, *Henley* and *Conyngham* were retiring south. Captain Jesse H. Carter, in command of the escorting destroyers, immediately signaled the prearranged maneuver against aircraft attack. The destroyers rang up full speed and started circling the convoy in a counterclockwise movement while the tug and LSTs kept course and formation, wiggling right and left like agitated polliwogs.

Two of the planes were hit at long range by the destroyers' 5-inch fire and were down before they could loose torpedoes. A third, hit at long range, dropped its torpedo 90 degrees from its proper course.

Wakes of seven torpedoes crisscrossed the water, but none hit. By the time the P–38s arrived to take charge of the situation our ships had knocked out eight of the attackers, and the two others were heading for Rabaul. Added to the 37 planes that the

Army fighter-cover had knocked down over the beach that day, the total bag left the sky empty of Japanese planes.

After cleaning out Japanese mortar batteries and machine gun implacements on Scarlet Beach, Allied troops advanced rapidly southward along the coastal plain. Another Allied force moving eastward along the coast cut off the southern escape route of the Japanese. Again, the PTs and Allied patrol planes made withdrawal across Vitaiz Strait in barges to New Britain extremely dangerous for the bottled Japanese. On 2 October, within ten days following the initial landings, Finschhafen fell after hard fighting to elements of the Australian 9th Division.

But the sweet taste of victory was bittered by the next day by the loss of one of the desperately few combatant ships the Seventh Amphibious Force possessed. At six in the evening the destroyers *Reid*, *Smith* and *Henley* were in a loose column formation about to commence an anti-submarine sweep off Finschhafen, when suddenly the *Smith* sheered out of column to starboard. Four torpedo wakes wrote the reason in the water. As the *Henley* came left, increasing speed to 25 knots in pursuit, the commanding officer, Commander Carlton R. Adams, saw two torpedoes approaching his ship from the port side—one heading for the bow, one for the stern.

"Hard left rudder!"

The slim ship seemed to pivot around her mast, heeling to the turn. One torpedo passed clear of the bow by about 30 yards and another skittered ten yards astern on the surface. It looked as if the ship had avoided certain death, but five seconds later a third torpedo tore in, heading straight for the ship's belly. It hit the port side amidships and dug into the fire room before exploding, destroying the boilers and snapping the keel. Within three minutes, with the main deck awash, Commander Adams gave the order that tears at the heart of Navy skippers: "Abandon ship!"

The *Smith* and *Reid* immediately jumped after the submarine, but after a number of attacks lost contact and were not able to regain it. That night the seas were carefully combed for *Henley* survivors floating in rafts. When the last oil-coated man was hauled aboard, only one officer and 14 enlisted men were missing.

With the capture of Finschhafen the first phase of the New Guinea campaign was over. During the next few months the main Allied effort was devoted to the neutralization of the great Japanese bases at Rabaul and Kavieng. Once this was accomplished, "MacArthur's Navy" would be in a position to commence the 1200 miles of leapfrogging the troops up the northern New Guinea coast to poise for the long jump to the Philippines.

HONORING PASTOR ELIAS MINOR

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. ENGEL. Mr. Speaker, I am pleased to join with the United Christian Baptist Church of the northeast Bronx in saluting Pastor Elias Miner for 33 years of service to the community.

On May 15, 1996, Pastor Miner organized the United Christian Baptist Church after serving for 12 years with the late Jasper Reaves at the Community Baptist Church. Since that time, the church has grown in size as well as in stature within the community. The fact that so many people rely on the United Christian Baptist Church for support and inspiration is a credit to the dedication of Pastor Miner.

Beyond his work in the church, Pastor Miner has also contributed to the successes of many other organizations, including the Baptist Ministers of New York State, the Williamsbridge branch of the NAACP, and the 47th Precinct Clergy Coalition. These and other affiliations show that Pastor Miner is deeply involved in working toward a more just and secure society.

On behalf of all my constituents who have been touched by the efforts of Pastor Miner, I congratulate him for 33 years of devoted and inspiring work, and I wish him many more years of good health and success.

TRIBUTE TO BENJAMIN TODD DESAULNIER

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. GEJDENSON. Mr. Speaker, I rise today to express my sympathy and regret at the passing of Benjamin Todd Desaulnier, a remarkable young man from Danielson, CT. Far exceeding his 17 years in maturity, Benjamin touched many people through his citizenship and scholarship. He was the quintessential leader, outstanding athlete and all-around good citizen.

I would like to submit for the CONGRESSIONAL RECORD remarks delivered by John Fulco and David Sweet, two of Benjamin's teachers, who have eloquently expressed what made Benjamin so special, and the sadness felt by all in his death.

KILLINGLY HIGH SCHOOL,
Danielson, CT, October 8, 1993.

Mr. and Mrs. EDWARD DESAULNIER,
Danielson, CT.

DEAR ED AND MARY LOU: Carpe Diem! Seize the day. For the past nine months, the Renaissance Program at K.H.S. has recognized students for academic accomplishment and perfect attendance. Another facet of this program strives to recognize students for good deeds and accomplishments. I thought you should know that I caught Ben doing good deeds. There are few opportunities in the day to day operation of a school to witness what I saw last Friday. Generally, students go through their days being tolerant of each other and interacting on a very superficial level. Rarely do you see students giving of themselves as I saw Ben doing last week.

During one of the lunch waves, a special education student was having great difficulty with his lunch. While carrying his bagged lunch, he had inadvertently shaken his soda to the point of explosion. When he opened it, it sprayed all over the floor and table, soaking his lunch and his clothing. Many students would have laughed, but Ben came to his rescue. He assisted in the clean-up of the soda, wiping off the table and even the floor. At this point you would think his job was done. Ben wasn't finished. He then sat down and ate lunch with Jamie and appeared to have a great time. Jamie loves to talk about sports and the WWF. I'm sure Ben enjoyed his time during that lunch.

Ben has a keen humanitarian sense and I am very proud of him. Not just for this one kind act, but for all he does. He is becoming a real leader at Killingly High School. You can be very proud of Ben, he is a fine young man.

It is a great pleasure to write a letter like this to parents. I sincerely thank you for sending such a great guy like Ben to Killingly High School.

Sincerely,

DAVID A. SWEET,
K.H.S. Renaissance Committee.

A TRIBUTE TO BEN

(By John J. Julio)

School began in late August in the year 1992. My classroom had been decorated and organized, and I awaited the arrival of the new students. Each year began with the expectations of new promise, new hope and new lessons of life. Little did I know the lessons that would be taught to me over the next year.

Ben Desaulnier was a member of my College English 3 class. He stood out among the twenty-four students that I had in that class that year. I remember his seat in the classroom, row 1 seat 3, next to the window with the white birch tree growing outside. Surrounding him sat Ron "Joe" Barbeau, Big Dave Irish, Julie Golaski, Tammy Larkin, Michael Boledovic, and Angela Lemoine. Ben, the student, ever attentive, ever thoughtful, ever questing to understand. Ben, the student, never fearful to say, "Mr. Fulco, I don't understand," or, "I don't see it that way." Ben, the student, who would leave the classroom with a smile on his face shaking his head and saying, "That was one great class, Mr. Fulco."

Ben was willing to take chances in the classroom. He was willing to try and see life in a different way. One day, Ben stood on the top of my desk and looked out over his classmates. He encouraged his classmates like Michael Boledovic and Angela Lemoine to stand with him and see the world from another perspective.

When a student in the class had difficulty with a drinking problem, and when other students would make crass comments, it was Ben who came after class, concerned about the welfare of the boy.

So very often, it was I who played the actor in the class. I played the Devil's advocate and challenged the students to expand their horizons of thought. It was I who entertained the students while making them question their own values. It was I who attempted to put the foundations under their feet so they would grow tall and strong. It was Ben, however, that received the applause from the class on one particular day. Ben came into the classroom dressed in a minister's white collar and black suit. He stood before his peers, fearful with knees shaking. He became a persona, Rev. Leumel Wiley, a character from Spoon River Anthology by Edgar Lee Masters. It was Ben who recited.

I preached four thousand sermons,
I conducted forty revivals,
And baptized many converts.
Yet no deed of mine
Shines brighter in the memory of the world,
And none is treasured more by me:
Look how I saved the Blisses from divorce,
And kept the children free from that disgrace,
To grow up into moral men and women,
Happy themselves, a credit to the village.

Ben was a leader in the classroom. In class projects on the Joy Luck Club, or doing

Video presentations, Ben would take the lead to insure that everyone got a good grade, and that everyone in his group did the best that the group could do. It was Ben who made sure that the project was neat and eye-appealing, and it was Ben who would be chosen to come and speak to me if, for some reason, the project could not be finished within the allotted time. It was Ben who helped to set the calendar for due assignments, and it was he who worked around the sporting, recreational and school functions to try and meet everyone's needs.

Ben was a natural. In his term paper he wrote about Roy Hobbs, a character from Bernard Malamud's novel. The Natural. Many of the heroic attributes found in Roy Hobbs, could so easily be found in Ben himself. Ben wrote. "As a boy, Roy Hobbs (Ben Desaulnier) grew up with good values. Due to his outstanding baseball ability and talent, he became an instant hero with almost everyone. He entered manhood 'with a child-like innocence' ".

In describing other traits of the hero, Ben continued, "Another one of Roy's (Ben's) more impressive qualities is his willingness to sacrifice himself for others. He made it a point, since their funds were low, not to ask for anything at all."

Roy Hobbs (Ben Desaulnier), as a heroic figure, proved himself to his peers. Hobbs (Desaulnier) had outstanding baseball talent and a bright future ahead of him in the game of baseball. Members of the crowd thought of him as a hero. One bystander echoed the feelings of many of Ben's admirers when she said, "My hero, let me kiss your hand".

Unlike the character about who Ben wrote, Ben never lost his values, nor did he allow his ego to swell where he might lose perspective of his role in life. Instead, I like to remember Ben as the young, impressionable, idealistic boy who believed that he could make a difference. Ben wonderfully spoke about these qualities when he wrote a story entitled "Team Spirit."

"I was at bat, and the tying run for our team was on second base. There was one out, and I was facing the most ferocious, yet talented, pitcher in the tournament. He stood on a raised dirt mound sixty feet away from me. As my calm stare met the pitcher's eye. I knew that I was ready to meet his challenge. My knees, secretly shaking beneath my leggings, gave no hint of the anxiety I felt. I took the signals from my third base coach. I stepped into the box and the pressure built tremendously.

"The first pitch flew past me, and the umpire shouted, 'Strike one!' Everyone in the park made a comment by either booing or cheering the umpire's call. I checked my spirit, and then I prepared myself for the next pitch.

"Like a meteor speeding through space, the ball was hurled toward me, landing high and outside its mark.

'Ball one!'

"With the count one and one, I knew that the next pitch would probably be a fast ball. I eyed the pitcher carefully as he reared back and fired the ball. I ripped out at the spiralling sphere as hard as I had ever swung a bat in my life. The ball fouled off the tip of my bat and landed in the left field bleachers.

"The umpire yelled, 'Foul ball. Strike two!'

"With the count now standing at one ball and two strikes, I was filled with apprehension. My teammates hollered their support over the shouts of the crowd. Their team spirit made me rise to the occasion.

I believed that the following pitch was going to be a curve ball which I could unload and knock into the next county. I could be the hero of the game. I could be lifted onto the shoulders of my buddies and carried across the field. Honor would be bestowed upon me."

While I believe that Ben held the ideals of baseball and the belief in the goodness of all human beings highly in his life, he also knew the pain of falling short of his own hopes and desires. He beautifully wrote about failure and disappointment, and yet, his character, like Ben himself, was able to rise above the situation, and lend a helping hand to support his friend in time of triumph. Ben wrote,

"As the pitcher began his wind-up, I shifted my stance, cocked back my arms, and focused upon the oncoming ball. I took a huge, home-run cut. The ball resounded like thunder into the catcher's mitt. I had struck out.

The world collapsed around me. I had choked! My spirit was devastated.

I walked into the dugout, and sat with my head between my knees, experiencing a state of total dejection. The entire season had been a waste. We'd never win this "big" game. Spirit or not, I had failed my team. I had never felt such anguish and despair in my life.

Our final hope, the last ember of spirit, approached the plate. I lifted my head to see my teammate, Sean O'Leary, take a killer swing as the ball cracked off the bat. The ball flew over the fence. The flame of victory filled my heart, as I watched Sean trot around the bases and cross home plate. Our bench emptied, as I led my teammates to congratulate Sean. All of my feelings of despair were gone, I was no longer a loser. I was part of a team, and I was sharing in the team spirit. We were the champions.

The excitement of celebration, cheering and back slapping, rose to a level of acclamation. Being first in line, I was able to help lift Sean to my shoulders, and with the help of the team, we carried him around the field.

The fans in the park absolutely wild. The reporters were frantically writing in their notebooks. We had come from behind, and we had won the championship. An air of superiority was thrust upon us. We were the champs, and that feeling could never be taken away from us. Our team spirit continued to rise as we carried Sean back to home plate and into the locker room.

That evening when the fans, vendors, and reporters had left, I returned to the park. There in the stillness of a warm summer night, I relived that one moment of victorious glory, when team spirit congealed with the ideals of a young baseball team, and I was given an experience that I would always remember."

Ben has given everyone so many experiences to remember. We have been blessed in just knowing the boy. He has been able to touch the hearts, souls and minds of peers, and the people with whom he worked. His kindness, generosity, and well-being to all people will always be remembered. Ben Desaulnier was Student Government President, Homecoming King, Homecoming Prince, Junior Prom King, basketball player, baseball catcher, golfer. Ben was loved.

Ben was unable to attend the performance of "Arsenic and Old Lace" which I appeared in at the Bradley Playhouse during the month of October. On the night of one of the shows, Mr. Desaulnier, his father, was asked to appear as one of the thirteen men buried in the cellar of the Brewster household. When Mr. Desaulnier came through the backstage doorway, he saw me sitting in my Reverend Dr. Harper costume. He came over to me and said, "Ben wanted me to tell you, 'Break a leg.' "

Ben was cast as the Eagle in the senior play, "Alice in America Land". Here is a role that I assigned to Ben that will never be fulfilled. Last Wednesday, October 27, 1993, Ben stood on the stage and told me that he hadn't found his voice for the Eagle. I told him that we had time, and that we would be able to work on the voice on another day. Instead, we worked on the Eagle's dance. Amy Strandson, Ben and I laughed as we danced to our made-up tango. Ben tripped over his feet as he tried to execute a turn on the stage. He tried repeatedly to get his footing right. The last time that Ben was on the stage, he danced forwards and backwards, linked arms with Amy and turned her around. Ben made it back to his designated spot on the stage without tripping or falling. He stood tall and proud and flapped his arms like an eagle ready to take flight. In my eye, the Eagle flew.

I am deeply saddened at the death of Ben. He had such wonderful potential and he accomplished so much. He did so much good, and he asked for so little in return. I believe that his parents have accomplished the greatest goal in life. They helped to form Ben into a person of whom we all can be proud. Their son, Ben, made a difference in the world, and for a short while there was again light at the castle in Camelot.

We can never know the direction that life is going to take us, but there are those people, like Ben, who believe that there is a purpose and a direction that we must all follow. Ben probably put it best when he wrote, "God leads the birds in a pattern to their final resting place. Just as He guided William Cullen Bryant on the lonely road to his new job, so God would insure that the birds would never be lost." Just as the birds would find their way to their final resting place, so with God's guidance, will Ben find his peace in his final resting place.

Ben Desaulnier came to me a year and two months ago just another student. He became my leader, my student, my Eagle. With love, I set him free.

IN HONOR OF UNIVERSITY HOSPITAL, AUGUSTA, GA

HON. DON JOHNSON

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. JOHNSON of Georgia. Mr. Speaker, I rise today to pay tribute to a remarkable medical facility located in the 10th District of Georgia. On Saturday, September 11, University Hospital celebrated 175 years of service to Augusta, GA, and the surrounding area.

What began as the 10-bed, 2-story City Hospital in 1818 has grown into Georgia's second-largest hospital, with 700 beds and a staff of 3,000. It continues today a tradition of exemplary medical care and devotion to the teaching of medical practices. I want to share with you some of the history of this institution.

In 1829, just 11 years after City Hospital was founded, Dr. Milton Antony established Georgia's first medical school on the premises. In 1833, the City of Augusta provided $5,000 for the construction of a new medical college building, and the tradition of fine medical instruction in Augusta had begun.

Drs. Henry and Robert Campbell opened a surgical infirmary for the city's black community in 1854 and operated that facility until the

Freedman's Hospital was opened after the Civil War. In 1891, the Medical College of Georgia named a woman, Ella Thomas, to serve as chief executive officer. Her appointment and the opening of the infirmary for the area's black community demonstrate the hospital's devotion to serving all humanity and recognizing the talents of both men and women at a time when such recognition was unusual.

City Hospital battled smallpox for two decades beginning in 1851. It sent aid to those in need by horse-drawn ambulance and served as a medical center for Confederate soldiers. That proud tradition of service and excellent medical care has been passed down through these 175 year to University Hospital.

Mr. Speaker, I am proud to have such a facility in my district and I am proud to join the entire central Savannah River area in congratulating University Hospital on its 175th anniversary.

INTRODUCTION OF H.R. 3586, DEFENSE ACQUISITION REFORM ACT OF 1993

HON. JAMES H. BILBRAY

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. BILBRAY. Mr. Speaker, after months of development and discussions, I would like to inform my colleagues, that as chairman of the Subcommittee on Procurement, Taxation and Tourism of the Committee on Small Business I have introduced H.R. 3586, the Defense Acquisition Reform Act of 1993.

Over the last several months, my subcommittee staff has been involved in a number of discussions with the staffs of the full Committees on Small Business, Armed Services, and Government Operations. These discussions have been particularly fruitful due to their bipartisan nature as they have included the staffs of Chairman DELLUMS, Chairman CONYERS, Chairman LAFALCE, ranking member CLINGER, ranking member MEYERS, Congressman WELDON, Congressman MFUME, and the ranking member of my subcommittee, Congressman BAKER of Louisiana. Our goal has been nothing less than legislation to reinvent the U.S. Government's procurement system and to bring it into the 21st century.

To this end, our discussions have centered around a number of proposals that have been put forth by my colleagues, Members of the other body and the administration. These have included the Department of Defense's section 800 panel, Chairman CONYER's H.R. 2238, the Senate's S. 1587 and the work of the Vice President's National Performance Review. Our goal has been and will remain to afford the maximum protection and competition for America's small businesses as we revamp the antiquated and complicated Government procurement system.

The bill includes a number of far-reaching reforms including the institution of commercial items, increasing the small purchase threshold to $100,000, the implementation of governmentwide electronic commerce, and the reform of contract administration and contract protest procedures.

As the President and Vice President stated on October 26 to Chairman DELLUMS, Chairman CONYERS and myself, procurement reform is a cornerstone of the White House's efforts to reinvent government and has received their highest priority. To this end, I maintain my commitment to the administration to pass acquisition reform legislation with all due diligence.

It is my subcommittee's intention to hold hearings on this legislation in late January. In the meantime, I am aware of a number of issues and questions that remain unanswered. H.R. 3586 remains an open document, open to suggestion and negotiation. I would encourage the private sector, the administration and any of my colleagues who have questions or concerns regarding this legislation, to contact myself or my subcommittee staff.

It is my hope that we will have taken the time over the recess to craft and perfect the best procurement reform proposals that we can, and by early spring, we will have enacted legislation with substance, not merely promises or an empty shell. I hope that these discussions will truly lead to reform that will modernize and improve our procurement system while maintaining small business protections and increasing competition within our system .

HONORING JOHN F. ALLARD, INTERNATIONAL REPRESENTATIVE, UNITED AUTO WORKERS, RETIRED

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. TORRES. Mr. Speaker, I rise today to recognize John F. Allard, as he is honored at a special dinner on December 15, 1993, for his 56 years of service and dedication to the working men and women of the International Union, United Auto Aerospace Workers [UAW].

John's life is like a page from the "Grapes of Wrath." Born and raised on a farm in Soldier, KS, watching his parents till the land, only to see them lose it in the wake of the droughts and dust bowl conditions that prevailed during the Great Depression. He had his mother stitch his savings, two $20 dollar bills, into his shorts as he traveled west to California. Settling in Bell Garden, then Billy Goat Acres, he promised his parents and blind brother that he would send for them and he took a job at the Chrysler plant in nearby Maywood. The work was backbreaking at the plant docks and on the line; the bosses were tough and the workers had accumulated grievances. Unionism was on the rise, John and others applied for a union charter from the AFL for local 230 of the United Automobile Workers of America [UAWA]. Sitdown strikes from Detroit to Los Angeles fueled the recognition of local 230 under the leadership of John and others such as Bill Goldmann, Noah Tauscher, Ken Gillie, and Sim Huff.

The forces of antilabor set about to destroy the momentum of union membership and targeted the local 230 leadership to make an example of them by charging them with conspiracy. The county district attorney had them arrested and brought to trial. The trial went on for 90 days with great sacrifice by the defendants and their families. The result was a hung jury.

A second trial was ordered and again lasted 90 days. Were it not for the solidarity of the workers to sustain the men on trial and their destitute families, the back of the union would have been broken. In the end they were acquitted. John and his wife Irene played a crucial role in the support of the workers families. Without question, John Allard had displayed great skill at leadership and in 1939 was elected recording secretary of local 230.

In 1942, under the guidance and organization of President Roosevelt, John served on the War Manpower Commission and the Southern California Aircraft Committee of the War Labor Board.

On the very day President Roosevelt died in 1945, John was inducted into the U.S. Army. He served his country with distinction as an infantryman and later as a sergeant in charge of personnel matters at Camp Butner, NC. It was during his Army service that he met Doug Fraser, a Chrysler worker, who would later become the president of the international union, UAW. Returning to civilian life and Chrysler, John was elected as president of local 230 and under his leadership, the local established itself as the leader in a precedent-setting strike at Chrysler in 1950 that won workers pension fund benefits.

From 1950 to 1955, John was appointed as an international representative serving as coordinator of the National Aircraft Department. As coordinator, John successfully headed negotiations in all three of the major aircraft companies on the west coast: McDonnell-Douglas, North American, and Ryan.

From 1955 to 1958, John worked with UAW Vice President Norman Matthews in the technical, office and professional [TOP] department. Organizing white collar workers at Ryan Corp., John met Bruce Lee who would later join the region 6 organizing staff. From 1958 to 1966, as John became coordinator for the west coast organizing staff under UAW Vice President Pat Greathouse, he was assigned two new organizers to supervise: they were Bruce Lee, local president from Ryan, and myself, a chief steward from local 230. Under John's direction, we brought many new members to the UAW.

In 1967, John worked on the servicing staff and later, 1970, transferred to the UAW retired workers department. Mr. Speaker, I have had the high honor and personal privilege of having known and worked with John Allard for 40 years. He has been an unquestionably sage mentor and counsel to me in many areas of national concern. While we may be in disagreement on some matters of national policy, nonetheless, I am grateful for his friendship and support.

Mr. Speaker, John Allard is being honored by the UAW, his family, friends and civic leaders for his exemplary contribution to working men and women of the Los Angeles community and the Nation as a whole. I ask my colleagues assembled in the House to join me in thanking and saluting him for his outstanding record of service.

TO SUPPORT THE DIETARY SUPPLEMENTS HEALTH AND EDUCATION ACT OF 1993, H.R. 1709

HON. DONALD A. MANZULLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. MANZULLO. Mr. Speaker, I have received hundreds of letters from constituents in my district who are users of legal dietary supplements. They are afraid that they may soon be denied access to products that help keep them healthy if the Congress does not act soon.

The 1-year moratorium on the Federal Drug Administration [FDA] rules on dietary supplements proposals will soon expire. This will leave the FDA open to impose their proposed regulations on the vitamin industry and take safe products off the shelves. The FDA has proposed three troublesome regulations.

First, the FDA will view single amino acids and mixtures of amino acids as equal to prescription drugs.

Second, the FDA will arbitrarily remove most supplements—including herbs from the market by citing them as unsafe food additives.

Finally, the FDA will prohibit the use of health claims for dietary and health food supplements, with the sole exception of the nutrient/disease link between calcium and osteoporosis.

I am a proud cosponsor of H.R. 1709 the Dietary Supplements Health and Education Act of 1993 introduced by my colleague from New Mexico Representative BILL RICHARDSON. This legislation represents a reasonable, rational, and fair approach for Congress to provide urgently needed direction to the FDA. There are currently 183 cosponsors of this legislation. H.R. 1709 includes these provisions.

First, it establishes that dietary supplements are not drugs or food additives.

Second, H.R. 1709 would prohibit the FDA from seizing safe and legal products from the market. Under this legislation substantiated health claims would be allowed.

Finally, the potency limits on dietary supplements that the FDA seeks to impose would not be mandated.

My colleagues may be surprised to learn that 100 million Americans use dietary supplements on a regular basis. Eight out of ten doctors in a recent survey said they took vitamin E to protect against heart disease. Scientific evidence has convincingly demonstrated that vitamins and minerals protect against a number of disease conditions, including cancer, osteoporosis, heart problems, cataracts, and neural tube birth defects.

The current health care reform initiatives emphasizing the importance of prevention should provide added impetus for stopping these proposed onerous regulations by the FDA and replace them with the commonsense provisions contained in H.R. 1709. Optimal use of dietary supplements costing only pennies per day can save billions of dollars in health care costs. It's preventative health care in the best sense of the word.

I urge my colleagues to cosponsor H.R. 1709 and move this legislation to the floor of the House. It makes good health sense and just asks the Government not to interfere.

FEE SCHEDULE FOR TOWER SITE USE

HON. LARRY LaROCCO

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. LAROCCO. Mr. Speaker, I rise today to introduce legislation which resolves the issue of fees paid by broadcasters for the use of tower sites that are located on Federal land managed by the Forest Service and the Bureau of Land Management.

Government agencies and the broadcast industry have been struggling with this issue for years. While it is reasonable for broadcasters to expect fee increases over time, some actual proposals for increases of over 1,000 percent have been put forth by the Forest Service and the Bureau of Land Management. These proposals have been so far out of line with fair market values associated with the sites in question, that the Appropriations Committee has repeatedly rejected the fee increases proposed by the agencies and has imposed moratoriums in response.

To finally resolve this longstanding problem, Congress established an advisory committee to study this issue, develop an acceptable and equitable fee schedule, and report those findings back to Congress. The Committee completed its task and developed a fee schedule which contains reasonable fee increases that ranged from 200 to 900 percent for broadcasters with tower sites located on Federal lands. The legislation I am introducing today will simply codify those recommendations.

The time has come to settle this issue. We had an opportunity during budget reconciliation, but it slipped away from us at a critical moment. But while it is disappointing to return to this subject yet again, continually placing moratoriums on site fee increases makes no sense and costs us money every year. This legislation will put an end to the question, and establish a stable process for future decisionmaking by the agencies and the broadcasters.

I appreciate the support of those Members who have joined with me as original cosponsors, and I look forward to working with the other members of the Natural Resources Committee next year to pass this legislation.

IN HONOR OF JACK E. WILSON

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. DARDEN. Mr. Speaker, I rise today to ask my colleagues in the House to join me in paying tribute to a man of great service and dedication: Jack E. Wilson of Marietta, GA. Jack, a successful businessman and devoted community volunteer, was recently recognized for his service to the citizens of Marietta, GA, when he was named Marietta Citizen of the Year this past Friday.

Mr. Speaker, without a doubt, Jack Wilson has made many outstanding contributions, too numerous to mention, to the people of Marietta and the citizens of all of Cobb County. However, I would like to note just a few of the ways he has made our community a better place to live.

Jack has been instrumental in encouraging economic growth for the community through his service as director and vice president of the Cobb County Chamber of Commerce. He is responsible for starting the first leadership Cobb class, which is still going strong after 10 years. In addition, Jack Wilson founded the honorary commanders, which matches community leaders with the area's military leaders to give both a better understanding of each other's role in Marietta.

A devoted father and grandfather, Jack looks to the future with experience from the past. As a successful insurance executive, he has seen and helped Cobb County grow from a sleepy, rural community to a dynamic, suburban area. Jack also has a sense of adventure. He surprised and impressed many of his friends earlier this year as a participant in the annual running of the bulls in Pamplona, Spain.

Jack Wilson is a visionary leader, a steadfast worker, and a great and loyal friend to many people. His legacy of service is something all of us should strive to emulate.

EDNA SPENCER: CHARLES COUNTY'S "MOST BEAUTIFUL PERSON"

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. HOYER. Mr. Speaker, I rise today to congratulate Mrs. Edna Spencer, a resident of Potomac Heights, MD, who was recently named Charles County's "Most Beautiful Person." This annual event is sponsored by "Maryland, You Are Beautiful," and recognizes outstanding volunteers for their generosity.

Mrs. Spencer was one of 17 nominees from Charles County and was nominated by the Potomac Heights Leisure Club, of which she is an active member. Edna Spencer is most deserving of this award, Mr. Speaker. She delivers food for the Charles County's Meals on Wheels Program, transports cancer patients to clinics and hospitals, and serves as an adopted grandmother to an unwed mother.

I would like to share with my colleagues an article which appeared in the Maryland Independent which tells of Edna's outstanding contributions to her community. I urge my colleagues to join me in recognizing Edna Spencer, Charles County's "Most Beautiful Person."

[From Maryland Independent, Oct. 29, 1993]

YOU CAN DEPEND ON EDNA—SPENCER SELECTED CHARLES COUNTY'S "MOST BEAUTIFUL"

(By James Hettinger)

Edna Spencer has never forgotten what life was like without a car.

When Spencer and her husband Kenneth were married in 1943, World War II was on.

money was scarce, her husband was in the Navy and she was home alone with no transportation.

"You would depend on your neighbors and friends," Spencer recalled, noting that it was at times a lonely feeling. "It's a rough time when you're trying to get groceries and do things with no car."

That feeling stayed with her, and prompted Spencer to adopt helping people get around as one of her objectives in life.

Spencer, 68, of Potomac Heights, drives cancer patients to clinics and hospitals for treatments, and delivers hot meals to the elderly and handicapped through Charles County's "Meals on Wheels" program.

She also transports elderly people to grocery stores and the hairdresser, takes flowers to patients at the Fort Washington Nursing Home and serves as the adopted grandmother to an unwed mother and her child by buying the food, clothing and small gifts.

"(If) anybody needs transportation, if there's any way possible, I try to give it to them," Spencer said.

Spencer's good deeds are typically known only to the recipients of her kindness, and that's fine with her. "I'm not a person that likes to be in the spotlight," she said. "I like to be in the background."

Tuesday afternoon, though, the spotlight found Spencer, when she was named Charles County's "Most Beautiful" person in a "Maryland You Are Beautiful" awards ceremony at the Charles County Government Building in La Plata. She will represent Charles County in a statewide "Maryland's Most Beautiful People" ceremony next month in Annapolis.

When her name was announced Tuesday as the "most beautiful" of the 17 nominees, Spencer's hand came up to cover her mouth in surprise, and for a moment she couldn't stand up.

"You've heard that commercial, 'I'm down and I can't get up'? That's what I felt like," Spencer said Wednesday afternoon at her home in Potomac Heights.

Despite being nominated for the award—by the Potomac Heights Leisure Club, a seniors' group—Spencer was "some kind of surprised" to win. "On my way over there, I kept naming the people I thought would get it," she recalled.

Spencer questions whether she deserves to be called the "most beautiful" volunteer in Charles County. "I'm sure there are a lot of people who deserve it more than I do," she said. "There are so many people who volunteer and do things that people don't know about."

But she has no doubts about the value of her volunteer work. She has volunteered for more than 20 years, and served as a "Meals on Wheels" driver since the program started about five year ago.

Spencer and her partner, Marian Robey, deliver meals to about 15 people. "It gives you a lot of satisfaction to know you'll be taking a hot meal to these people," Spencer said. Most of the recipients live alone, and Spencer and Robey take time to visit with them. "Sometimes, (we) might be the only people they see during the day," Spencer said.

She and Robey often wonder what their meal recipients eat on days when there are no Meals on Wheels.

A former cancer patient herself, Spencer added that her driving patients to and from medical services "means a lot to someone with no transportation."

Spencer's cancer occurred five years ago. She and her husband—Virginia natives who came to Charles County in 1959—recently celebrated their 50th wedding anniversary. The couple has one daughter, Ann Spencer of Waldorf.

Looking to the future, "I hope I'll always be able to do things for other people. I think what you do for others, it comes back to you," Spencer said. "There are a lot of people who need help. . . . There's a lot more we can do. I'm sure there's a lot more I can do."

NATURAL FAMILY PLANNING

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. SMITH of New Jersey. Mr. Speaker, natural family planning is often scoffed at as "the old rhythm method." However, the September 18, 1993 issue of the British Medical Journal carries a report which concludes that natural family planning, particularly the Billings method, can be as effective as artificial means of contraception. "Natural family planning is cheap, effective, without side effects, and may be particularly acceptable to and efficacious among people in areas of poverty," the author states.

Dr. R.E.J. Ryder reports on a World Health Organization [WHO] multinational study of the ovulation method of natural family planning. He notes that the study found a pregnancy rate approaching zero among 19,843 poor women in India. I believe that all who have concern about population issues, as well as the health of women, will find this study of special interest.

The British Medical Journal report follows:

NATURAL FAMILY PLANNING: EFFECTIVE BIRTH CONTROL SUPPORTED BY THE CATHOLIC CHURCH

(R.E.J. Ryder, consultant physician, Department of Endocrinology, Dudley Road Hospital, Birmingham B18 7QH

During 20-22 September Manchester is to host the 1993 follow up to last year's "earth summit" in Rio de Janeiro. At that summit the threat posed by world overpopulation received considerable attention. Catholicism was perceived as opposed to birth control and therefore as a particular threat. This was based on the notion that the only method of birth control approved by the church—natural family planning—is unreliable, unacceptable, and ineffective.

In the 20 years since E L Billings and colleagues first described the cervical mucus symptoms associated with ovulation natural family planning has incorporated these symptoms and advanced considerably. Ultrasonography shows that the symptoms identify ovulation precisely. According to the World Health Organisation, 93% of women everywhere can identify the symptoms, which distinguish adequately between the fertile and infertile phases of the menstrual cycle. Most pregnancies during trials of natural family planning occur after intercourse at times recognised by couples as fertile. Thus pregnancy rates have depended on the motivation of couples. Increasingly studies show that rates equivalent to those with other contraceptive methods are readily achieved in the developed and developing worlds. Indeed, a study of 19,843 poor women in India had a pregnancy rate approaching zero. Natural family planning is cheap, effective, without side effects, and may be particularly acceptable to and efficacious among people in areas of poverty.

The 1993 follow up to last year's "earth summit" in Rio de Janeiro is to take place in Manchester during 20-22 September and is entitled "Partnerships for change." The Rio earth summit focused considerable attention on the expanding population of the world as an important issue in relation to resources, environment, and poverty. In the media the "opposition of the Catholic Church to birth control" was discussed (BBC Radio 4, *Today Programme*, 18 May 1992) and considered to be an important factor with the many millions of Catholics in the world, particularly the Third World, such as Brazil. In the medical press the "Pope's continuing opposition to birth control" was condemned[1] and powerful Vatican opposition was considered likely to wreck hope of useful progress at the earth summit with regard to global overpopulation as a most urgent ecological hazard.[2]

The widespread beliefs that the Catholic Church is opposed to birth control,[1] that the urgent provision of artificial contraception within the Third World is the only answer to overpopulation, and that the Catholic Church is opposed to this[2] all stem from the perception that the so called "natural methods of family planning," which are approved by the Catholic Church, are unreliable, unacceptable, and ineffective. Historically, this perception is based on the unreliability of the rhythm method of contraception ("Roman roulette"), which attempt to identify the fertile phase of the woman's cycle by calendar calculations. Is this perception as accurate today as it may have been in the past?

The ovum has a life span of not more than 24 hours and is fertilisable for only part of that time[3]. The life span of the sperm may be measured in hours under adverse conditions. Under optimum conditions, however, sperms may remain viable for four or five days, and a life span of up to seven days has been postulated.[3] Thus a woman is potentially fertile for no more than six to eight days of her cycle, probably less in most cases. To what extent can these potentially fertile days be accurately identified and avoided by most women as a method of birth control?

CYCLICAL CHANGES IN CERVICAL MUCUS SECRETION

In 1972 Billings *et al* reported the characteristic changes in cervical mucus secretion which occur during the menstrual cycle.[4] After menstruation there are a variable number of "dry" days with little or no mucus secretion and a feeling of dryness in the vaginal area. Then, as ovulation approaches under the influence of increasing oestrogen concentrations'[3,5] the dry feeling ends and there is increasing secretion of cervical mucus, which at the time of ovulation becomes an abundant discharge of substance like the raw white of an egg. After ovulation the first secretion of progesterone abruptly reverses the effect of oestrogen on cervical mucus and causes it to become thick and rubbery forming a plug in the cervix.[3,5] The fertile-type, "raw egg white" cervical mucus is of low viscosity and high threadability (spinnbarkeit) with glycoprotein fibrils in a micelle-like structure which aids sperm migration. It contains sugars and trace elements necessary for sperm survival, capacitation, and transport and it can maintain by sperm cable of fertilisation for several days.[3,5,6] By contrast, the thick, white, non-

Footnotes at end of article.

stretch mucus which occurs at other times in the cycle is impenetrable by sperm and hostile to its survival.

Other symptoms have been described in association with ovulation, in particular periovulatory pain and the progesterone induced postovulatory rise in basal body temperature. Hormonal studies have confirmed the close relation of the various symptoms with ovulation.[4 7] and more recently ovarian ultrasonography has suggested that the day of most abundant secretion of fertile-type egg white mucus identifies the day of ovulation as precisely as does the luteinising hormone peak.[8] Other symptoms associated with the cyclical changes in oestrogen and progesterone concentrations include changes in the cervix, breast tissue, skin, hair, libido, and moods.[3 5]

PREGNANCY AND CONTRACEPTION

Reported pregnancy rates (pregnancies per 100 woman years; Pearl index) in well motivated couples using the condom, diaphragm, intrauterine device, and progestogen only and combined oestrogenprogestogen oral contraception are 3–6, 1–9, 1–4, 1–2, and 0–18 respectively.[9] Much higher rates have been recorded, particularly among less motivated couples—for example, pregnancy rates of 21 and 22 in condom users[10] and 23 in diaphragm users.[10] Pregnancy rates of 23 and 28 have also been reported in users of oral contraceptives in the developing world.[11] As shown in Oxford, even the contraceptive pill may fail if the woman forgets to take it, runs out of tablets, or has diarrhea and vomiting or other illness.[12]

Early trials of birth control based on symptom observation[13–17] yielded pregnancy rates of 6–0[17] to 25.4.[13] Most conceptions occurred because of intercourse on days designated by the family planning method as fertile. Controversy therefore ensued[18–21] between those who thought that all pregnancies occurring in trials should be considered as failures of the particular method[19–21] and those who thought that the method could not be blamed if couples had intercourse during a phase which they knew to be fertile.[18 20] It was also possible that initial scepticism about natural family planning methods led to a casual approach by couples.[13]

WHO STUDY

Given a natural pregnancy rate—that is, the Pearl index without any birth control—estimated as 80,[22] the cheapness of natural family planning, and the acceptability of natural family planning to many cultures and religions, the World Health Organization undertook an international study.[23–27] A total of 869 women of proved fertility and widely varying cultural, educational, and economic backgrounds were studied in five centres (Auckland, Bangalore, Dublin, Manila, and San Miguel, El Salvador). Regardless of culture and education, 93% of the women recorded an interpretable ovulatory mucus pattern. Of the El Salvador women, 48–1% were illiterate and yet recognized the mucus symptoms.[23]

Detailed analysis in the WHO study confirmed the potential effectiveness of mucus symptom observation as a means of family planning. The probability of conception from intercourse outside the period of fertility cervical mucus observation was 0–004.[24] Intercourse on days designated as fertile by cervical mucus observation resulted in conception with increasing frequency the nearer to ovulation that intercourse occurred, intercourse on the peak day of cervical mucus secretion resulting in a probability of conception of 0–667.[25] Thus it is clear that women of all cultures and educational backgrounds can learn to recognize when they ovulate and when they are potentially fertile and that if intercourse is avoided on potentially fertile days pregnancies will not occur.

INCREASED CONFIDENCE IN NATURAL CONTRACEPTION

After the early studies,[13–17] increased confidence in and experience with natural family planning methods tended to lead to progressively lower overall pregnancy rates. The rates, however, remain variable, depending on the standard of teaching and the motivation to avoid pregnancy.[24 28–39] A study in Chile confirmed the importance of good initial natural family planning teaching, experienced teachers achieving a pregnancy rate of 4•7, inexperienced teachers achieving a rate of 16•8.[28] Studies have underlined the importance of motivation, one international study finding a pregnancy rate of 4•13 in couples wishing to limit their families but a rate of 14•56 in couples wishing only to space their families.[29] Studies suggest that methods combining several indicators of ovulation yield lower pregnancy rates.[3] The cost issue has been addressed, studies from Liberia and Zambia showing pregnancy rate of 4•3 and 8•9 and user costs of $40 and $30 respectively.[39] A study of natural family planning in general practice in the United Kingdom also found it to be by far the cheapest method.[39]

The largest natural family planning study combined effective teaching with high motivation and showed the natural family planning can be extremely effective in the Third World.[33] The study was of 19,843 predominantly poor women in Calcutta, 52% Hindu, 27% Muslim, and 21% Christian. Because of poverty motivation was high both among the users and among the well trained teachers of natural family planning. The failure rate was similar to that with the combined contraceptive pill—0•2 pregnancy/100 women users yearly.[33] The result suggests that poverty as the motivation can greatly improve the effectiveness of natural family planning. A similar result, however, was achieved in Germany in a study with a pregnancy rate of 0•8.[34]

An Italian study found an overall pregnancy rate of 3•6, all the pregnancies occurring in couples wishing to space but not limit their families. The pregnancy rate was zero in couples who wanted no more children.[30] With other German studies finding pregnancy rates of 1•8[31] and 2•3,[36] a study in general practice in the United Kingdom finding a rate of 2•7,[39] and a study among 3003 illiterate and semiliterate women in India yielding a pregnancy rate of 2•04[37] the accumulating data confirm that natural family planning can be as effective as any method of family planning.

IMPLICATIONS FOR THE THIRD WORLD

In the WHO study most couples in the three developing countries who practised natural family planning were satisfied with the frequency of intercourse, whereas in the two developed countries one-third of subjects and half of their partners who practised the method would have preferred more frequent intercourse.[27] It might be argued that natural family planning being cheap, effective, without side effects, and potentially particularly effective and acceptable in areas of poverty may be the family planning method of choice for the Third World. The case for and against this may be argued and debated, but whatever the standpoint there is no doubt that it would be more efficient for the ongoing world debate on overpopulation, resources, environment, poverty, and health to be conducted against a background of truth rather than fallacy. It is therefore important that the misconception that Catholicism is synonymous with ineffective birth control[1 2] is laid to rest.

Understanding the simple facts about the signs of fertility confers considerable power to couples to control their fertility, for achieving as well as preventing conception. The widespread dissemination of these simple facts would be useful everywhere but might be of particular value in the Third World.

FOOTNOTES

[1] Godlee F. Going backwards in Rio. BMJ 1992;304:1525.
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TRIBUTE TO PRESIDENT KENNEDY

HON. RICK LAZIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. LAZIO. Mr. Speaker, I was 5 years old and watching "As the World Turns" with my mother when Walter Cronkite broke in with a news bulletin. I was too young to know anything other than something tragic had happened. It was 30 years ago today.

In the years since John Kennedy's life and promise were taken from us—through the Vietnam war and Watergate—the American people have grown increasingly cynical of, and negative toward, its elected officials.

Perhaps the reason is that people get what they expect as much as who they elect. My theory is that elected representatives tend to rise to levels consistent with the expectations of their constituents. If people expect their elected representative to be a bum, they will be fortunate to do better. But if they expect a statesman, a genuine legislator, then they have a better chance of getting one.

Mr. Speaker, as we think about that fateful day 30 years ago, perhaps we should look in the mirror and ask if we are living up to the expectations of those who elected us to represent them and act accordingly. Perhaps then our constituents would reciprocate by raising their expectations of us. That would be a fitting tribute to John F. Kennedy.

HELP THE HOMELESS WEEK

HON. ALBERT RUSSELL WYNN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. WYNN. Mr. Speaker, in the Washington Metropolitan area, it is often easy to walk by the homeless on our streets. On November 20, 1993, the employees of 63 Washington-area companies walked for the homeless. This Help the Homeless walkathon was the culmination of a weeklong fundraising and educational campaign and their goal is to raise $500,000 to support nonprofit groups that provide a range of services for homeless families and individuals in Maryland, Washington, and Northern Virginia.

In 1988, in response to employees' concerns about the homeless, Fannie Mae, the Federal National Mortgage Association, initiated the Help the Homeless Program. The week prior to Thanksgiving was chosen for Help the Homeless Week because of its symbolic significance. Since 1988, the Help the Homeless campaign has raised more than $1 million and has grown into a collaborative effort of local community and religious organizations, schools, and businesses. Employees from each of the sponsoring organizations raise money during the weeklong campaign through activities such as bake sales, silent auctions, raffles, and basketball and volleyball challenges.

This annual campaign has motivated and inspired Washington area employees to increase their efforts on behalf of the area's homeless each year. As the Help the Homeless Program has grown, additional benefits beyond raising money have been realized—a greater awareness of the problems of the homeless and appreciation for the services offered by nonprofit organizations. More than anything else, however, is the recognition that individuals working together can have a significant impact on their communities.

I would like to take this opportunity to commend the companies and their employees who are taking a part in this effort. I especially would like to recognize the employees of Fannie Mae who, 6 years ago, responded to the needs of our area's homeless individuals and families by creating the Help the Homeless Program.

DRINK BOX RECYCLING TOPS 2 MILLION HOUSEHOLDS—MORE THAN 1,700 SCHOOLS ALSO RECYCLING ASEPTIC PACKAGING

HON. JOHN BRYANT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. BRYANT. Mr. Speaker, I would like to bring to my colleagues' attention a new and innovative type of recycling program that is underway throughout the country: namely, recycling of drink boxes and milk cartons.

A little over 2 years ago, programs to collect and recycle drink boxes and milk cartons were virtually nonexistent. Today, thanks to the efforts of the Aseptic Packaging Council, a trade association comprised of the makers of the drink box, substantial progress has been made toward collection and recycling of polycoated paperboard materials. Drink boxes and milk cartons are being collected and recycled from nearly 1,700 schools and nearly 1.8 million homes in 22 States. The high quality paper fiber recovered from these containers is being recycled into a variety of consumer products, including writing paper, paper towels, and napkins. Over 5 million Americans have had this recycling program made available to them in just 2 years.

In my own State of Texas recycling programs have begun in schools in the Denton Independent School District. The Texas Legislature this year recognized the importance of recycling new materials and passed legislation to encourage school districts, universities, and other State institutions to separate from the waste stream, collect, and recycle drink boxes and milk cartons. This is important recognition of the fact that there are many materials beyond the traditional glass, aluminum, and newsprint which can and should be recovered from the waste stream.

According to a recent article in Waste Age, there are several reasons why recycling these nontraditional materials has been a successful endeavor and is expanding around the country. First, the paper fiber used in drink boxes and milk cartons is the highest quality postconsumer paper fiber available. It is high quality fiber in the first instance, does not require expensive deinking since all printing is done on the plastic coating and not on paper itself, and is easily recovered using a well known process called hydrapulping. Paper mills want this type of high value fiber to meet the new and growing demand for postconsumer recycled content in paper products.

I am encouraged by the realization in some parts of the business community that good environmental practices are also good business. I also believe the drink box recycling programs throughout the country are an excellent example of joint public and private partnerships needed in recycling. As former Speaker Tip O'Neill used to say, "all politics is local." The same is true for recycling. Recycling programs vary from municipality to municipality and they work best when government, industry and local citizens work together.

One good example of a successful public/private partnership is the National Recycling in the Schools program sponsored by the U.S. Conference of Mayors and the Aseptic Packaging Council. Through this program, children of all ages are provided first hand lessons in environmental stewardship. According to Mr. David Gatton, senior environmental advisor at the Conference of Mayors, "Schools are the training ground of the future. By creating partnerships with cities, schools districts, and communities, we can expand the recycling of milk cartons and drink boxes in a way that ensures we teach our kids good environmental habits right from the start."

Mr. Speaker, I commend the Aseptic Packaging Council for its voluntary efforts in the area of recycling and encourage it to keep working on this most important issue. Commitment to and progress in this effort can and should be a guide for us as we consider legislation at the Federal level designed to address the Nation's solid waste problems.

FORMER MEMBERS OF CONGRESS VIEW THE ROLE OF POLITICAL PARTIES

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. THOMAS of California. Mr. Speaker, I wish to share with my colleagues the exceptionally interesting findings of a survey of former Members of Congress conducted by the Center for Party Development, a nonprofit research and educational organization associated with The Catholic University of America. I have the pleasure of serving the advisory board of the center and was fascinated by the information gathered by the study. The report is entitled "Former Members of Congress View the Role of Political Parties in the U.S. Congress", Essay 93–1. Complete copies may be obtained by addressing the center at the department of politics, Catholic University, Washington, DC 20064. The excerpts that I quote are from the foreword and the conclusion sections of the report.

Political parties are the managers of legislative business in most of the parliaments and congresses of the world. When the 102d Congress of the United States established an Ad Hoc Joint Committee on the Organization of Congress, the Joint Committee was directed to make a full and complete study of the organization and operation of the Congress and to recommend to the 103d Congress improvements in that organization and operation with a view toward strengthening the effectiveness of Congress, simplifying its operations, improving its relationships with, and oversight of, other branches of the government, and improving the orderly consideration of legislation. The authorizing resolution, House Concurrent Resolution 192, mentioned political parties only in passing. From the perspective of the Center for Party Development, this seemed to be one more reflection of the low esteem in which the political parties of the United States are held by many in the Nation's leadership and citizenry.

While the membership of the sitting 103d Congress is able to express its views on party management of congressional business directly to the Joint Committee, views that are likely to be somewhat influenced by current headlines, another experienced and much more detached group of experts on this subject, namely, the former Members of Congress, was less likely to be heard. Believing that former Members may have useful insights into the role of the parties in congressional management, the Center for Party Development embarked upon this survey as a contribution to the public interest and the deliberations of the Ad Hoc Joint Committee on the Organization of the Congress.

The questions raised by the survey focus on the role of political parties in the management of the membership and the work of the Congress. The questionnaire was brief. The specific survey populations were: First, the membership of the U.S. Association of Former Members of Congress; and second, in a somewhat less systematic way, those incumbents retiring from the 102d Congress in 1993. As a group of oft-forgotten experts on the workings of Congress, former Members of Congress are in a special position to make assessments from experience and with detachment. The center's staff concluded that these expert views should be heard in as systematic a way as possible.

[NOTE.—Ninety-six former Members responded to the mail questionnaire, four of whom wrote extended comments.]

In sum, those former Members of Congress who responded to this survey did so thoughtfully and explicitly. Several broad conclusions may be drawn from their responses to questions about specific subjects. On the matter of the general management of the work of Congress by the parties, two-fifths considered the parties' role adequate, but as many as a third believed the role to be insufficient. Four-fifths were satisfied with the way the parties selected their leaders, but only three-fifths were satisfied with the agenda-setting function performed by the parties. As for the issue of divided government so much lamented by pundits and political scientists, three-fifths of the former Members dismissed this as an issue.

With respect to the recruitment function of the parties, more than half of the former Members thought that the parties should play a greater role, although less than a fourth experienced important party involvement in their own candidacies. Nearly one-half of the respondents anticipated that party influence in recruitment would increase if term limits were adopted. As self-recruiters themselves, two-fifths strongly disagreed with the suggestion that petition requirements to get on the ballot be made more stringent. On the controversial issue of term limits, the expectations were that term limitation would make Members more representative, create difficulties in their acquiring expertise, increase the influence of congressional staff, and increase the influence of the parties in the recruitment of candidates.

Who should enunciate their parties' program? The President, if their party holds that office, otherwise, a titular leader—an office of parliamentary systems. Very few picked the Speaker, majority or minority leaders, or the caucuses for this job.

If nothing else, parties are presumed to be campaign organizations. Yet, nearly 51 percent of the former Members said that their party was very little involved in their own campaigns. What they found valuable, however, was the legitimacy lent their candidacy by the party name and the occasional ability of their party to provide volunteers for the campaign. Only about one-fourth thought that the party should provide financial support.

Differences appeared on questions dealing with finances. There was a 42–42 split on whether disclosure requirements are now adequate or should be more strict. Asked about the effectiveness of statutory limits on campaign contributions, a plurality believe that the present limits are effective in the case of individual contributors, less so for contributions from party committees, and hardly at all for interest groups. Asked if public funds should be used to maintain specific units of party organization, three-fourths said "Never." However, Democrats were clearly more inclined to favor public funds in support of the campaigns of duly nominated candidates. The views of former Members of Congress are the views of men and women who have served and who continue to feel concern for their country and its political system. The findings reveal diversity of attitudes, commentary, and recommendations on the difficult subject of the institutional relationship between the party system and the Congress. Their views are important data for those seeking to facilitate the work of Congress, rationalize the Nation's policy process, make the political parties more responsible and accountable, and give the citizenry a greater influence upon those who manage its government.

These objectives are hardly attainable in a system that fragments the units of political power to a degree that far exceeds the separation of power concept of the Founding Fathers. From an institutional perspective, the U.S. party system and the legislative process in Congress create an every-person-for-him-or-her-self world. The search for the Holy Grail is simpler than the search for consensus in such circumstances. The good news is that anyone aspiring to establish a dictatorship in this country would give up the game very quickly for all the reasons noted here. However, those Americans who wish merely to avoid gridlock, discourage greed, promote accountability, and maintain a rational and vigorous system of policy making can see in these findings the dimensions of their task.

SUPPORT VIOLENCE AGAINST WOMEN ACT

HON. JACK QUINN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. QUINN. Mr. Speaker, I rise today in strong support of H.R. 1133, the Violence Against Women Act.

It is shameful that so many women fear for their personal safety. I am sad to say, Mr. Speaker, that no community is safe.

H.R. 1133 would provide invaluable assistance and protection to women who have been the victim of sexual assault and other physical violence both in the street or on the domestic front.

H.R. 1133 will provide grants to States and localities for law enforcement, rape and sexual assault prevention, and education. New penalties for these crimes will be created and victims will have new restitutions and remedies available to them.

Mr. Speaker, as the incidence of violence and crimes against women rises at an alarming rate, we can not stand by idly.

Women are becoming increasingly frightened for their safety. It is particularly disheartening that this fear often occurs in their own home. Violence—in any form—is intolerable.

I am proud to support this effort. The perpetrators of rape and other violent acts against women are committing heinous crimes.

We must get tough on crime and let criminals know that we will not tolerate their actions.

THE CHILD SUPPORT FAIRNESS ACT OF 1993

HON. TED STRICKLAND

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. STRICKLAND. Mr. Speaker, today I am pleased to join forces with the distinguished senior Senator from Ohio, Senator JOHN GLENN, by introducing the House companion measure to S. 1747, the Child Support Fairness Act of 1993.

Our legislation would allow the Federal Government to satisfy a valid State court judgement against federally forfeited assets of individuals who are delinquent in payment of child support.

As in the case of many legislative proposals, this issue was brought to our attention by a constituent who experienced frustration with the current system of collecting State court-ordered child support payments. The former husband of a woman from Warren County, OH was arrested in Hawaii. At the time of his arrest, the former husband was carrying over $50,000 in cash, yet he declared to U.S. Customs that he was only carrying $20,000. Customs officials seized the amount in excess of $20,000. Even though the former wife obtained a valid State court judgement for $7,660.26 for back child support, she was unable to receive any of the funds that were seized by Customs. Under current law, the Federal Government cannot honor State court judgments unless they are against an agency employee.

Mr. Speaker, we need to ensure that in the future, any assets that are seized and forfeited by the Federal Government will be subject to valid State court judgments for the payment of delinquent child support. It is time we put the interests of children first, particularly when their supporting parent fails to do so.

I look forward to working with Senator GLENN and my colleagues in the House toward enactment of this measure which will put the needs of children before the neglect of delinquent parents.

A SOLUTION TO A TAXING PROBLEM

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. DUNCAN. Mr. Speaker, people all over this Nation today are fed up with Government. Our Government has become so arrogant, wasteful, and inefficient that it is almost unbelievable.

The problem is that no real pressure on Government employees compared to that found in the private sector. Government employees, in most instances, are paid, rewarded, and even promoted, no matter how poorly they perform or how little they do.

This situation has been highlighted in an interesting way by Steve Twomey, in a column in today's Washington Post. I would like to call this column to the attention of my colleagues and other readers of the RECORD.

A SOLUTION TO A TAXING PROBLEM

(By Steve Twomey)

Before getting to my plea for immediate privatization of government at all levels, let me state that I have absolutely no idea what my county's property tax rate is. Maybe that's just me, but somehow I doubt it.

Nor do I know the specific levies for having my leaves sucked up, my bottles recycled or my fires put out, nor what I'm assessed as penance for being a white male, oppressor of millions.

When the annual notice listing all those taxes arrives, I simply check the bottom—down where it says *kazillions*—and proceed to pawn another piece of furniture or my wife, who, incidentally, should be out of hock any day now.

In other words, I don't curl up by the fire to dissect my tax bill. This makes me a less-than-conscientious American, as you shall see.

One day, Joan Robison was curled up with *her* tax notice. In her family room overlooking the Patuxent River, she was checking the rates because there was a debate in her town, Laurel, about whether the tax burden was greater if you lived in the city or outside it, in Prince George's County proper.

The issue was of more than passing interest to Joan, because she happened to live with one of the chief debaters, the mayor of Laurel, the honorable Joseph R. Robison.

Actually, on that day, Joan was looking at two tax notices, one for their home and one for a condo they own in another part of Laurel. If she hadn't been looking at the two together, she might never have caught the mistake.

Among the tax rates listed was one for the Maryland-National Capital Park and Planning Commission, which handles park and planning duties for Montgomery and Prince George's counties. For the Robison condo, the rate was listed as 25.4 cents per $100 of assessed value. But for their house, it was listed as 14.1 cents.

Same town, same county, same taxing agency, different tax rates.

Joan swung into action, family finances being her turf, not Joe's.

"I run the millions," the mayor says, "she runs the pennies."

Nobody Joan reached could figure out what was wrong, not MNCPPC (pure joy, that acronym), which spends the money; not Prince George's County, which collects it for MNCPPC; not the state of Maryland, which sends out the bills for all taxes.

Joe did, though.

Because the city of Laurel does its own planning, its residents aren't required to pay the planning part of MNCPBlah-blah's rates. But Joe found that about 2,300 Laurel properties—including their condo—were being assessed the full MNCPWhatever rate and had been for a while.

Like, since the Carter administration.

The overtaxation was not much per household—$30, $40 a year—but during the last 15 years, hundreds of thousands of dollars had been wrongly squeezed out of the people of Laurel. Not one of them had caught the error because all of them had had something better to do than scrutinize their tax bills, such as have a life.

MNCPPC swiftly acknowledged a mistake had been made.

"Took about a year," Joe Robison says.

The commission also acknowledged a similar mistake involving 2,000 homes in Montgomery County and agreed that residents in both counties were due a refund.

Three years' worth.

We'll keep the other 12 years of overpayments, the commission said, because the law provides for a three-year statute of limitation on our screw-ups. After that, we're home free. You taxpayers should have been more vigilant.

There you have it. It's our duty to know every tax rate, every tax policy and every municipal, county and state bureaucracy—and apparently every name of every government employee and their favorite colors—all so we can catch the incompetence before the three-year Wheel-of-Misfortune clock expires.

I say privatize.

Government has no incentive to act sanely because we can't fire it. It has no competitors. But if MNCPPC were turned over to Ford, for example, and Ford then refused to reimburse 4,300 wrongfully taxed households, we could give it 30 days' notice and hire GM.

Lest you think this is an extreme response to one small matter, let's look at last week's headlines about government performance.

The police chief in the District said crime would be cut if shopkeepers closed earlier. By staying open into the evening, he said, they're merely asking for it, sort of like a woman who innocently smiles at a drooling guy. The chief's statement suggests a question: Don't shopkeepers pay taxes so there are police to protect them, so they can stay open and earn a decent living? If the police are unable to do that, maybe we should give the job to a major defense contractor. Community policing, brought to you by General Dynamics.

A dean at the University of Maryland awarded himself a $12,000 pay raise after being told not to do so. He remains employed. Try giving yourself a raise and see if you remain employed. But if that dean had been an employee of TRW, to whom we had awarded the contract to run the school, he'd be history now because company officials would have wanted to preserve their lucrative deal with us.

Seventeen current or former employees at the Lorton Correctional Complex were accused of taking bribes and supplying drugs to prisoners, suggesting the city might be having problems with its procedures for checking the backgrounds of potential hires. This screening problem would evaporate if Walt Disney Co. had a contract to run Lorton. Not only would the correctional officers become models of wholesomeness, but Disney might even turn Lorton into a profitable fantasyland, the fantasy being that its prisoners would be unable to get drugs, sex or money.

I could go on and on about the beauties of privatizing government, but I see that it's time for my tax-rate study group. Today, we're memorizing storm drainage assessments.

HONORING WESLEYAN UNIVERSITY

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. GEJDENSON. Mr. Speaker, I would like to take this opportunity to commend Wesleyan University for its creation of the Wesleyan Challenge—an innovative public service program which encourages students to become involved in their communities. Each year three high school sophomores or juniors, from across the United States, will be selected by a review board including Mr. Eli Segal, President Clinton's Director of National Service, to participate in this worthy program.

Wesleyan University's administration has successfully encouraged its own students to become interested in community projects in and around the Middletown, CT area and I am pleased that the institution has designed a program to advocate this activity in our Nation's high school students as well. I believe this program promotes the important concepts of social responsibility and community service in a fun and educational manner.

Students must design a summer service project complete with goals, cost estimates, and supporting organizations in their communities. Wesleyan Challenge participants will receive a grant of $2,000 to implement the venture. In addition, they will be awarded $3,000 for use toward college tuition at the institution of their choice. I am enthusiastic that not only does this program encourage young people to find ways to help their communities, it also provides a foundation for these students to pursue higher education.

I strongly urge all high school students to investigate this worthwhile program and I again commend Wesleyan University for introducing the Wesleyan Challenge.

LEGISLATION INTRODUCED URGING INCREASED RELIANCE ON ENERGY CONSERVATION AND RENEWABLE ENERGY

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. SHARP. Mr. Speaker, I am pleased today to introduce legislation which calls for sharply increased reliance by the U.S. on energy conservation and renewable energy over the next 15 years. To do this, it urges a major budget shift—a major reallocation of DOE energy R&D and commercialization funding toward efficiency and renewable energy.

Among the benefits of this new direction are less energy-related pollution, added jobs in efficiency and renewable technologies, more results from limited Federal dollars, and enhanced U.S. international competitiveness.

The three basic purposes of the resolution are to:

First, increase U.S. energy efficiency and reduce energy use by 30 percent by the year 2010.

Second, have renewable energy technologies account for 20 percent of the overall national energy mix by 2010.

Third, achieve these goals by shifting $1 billion to efficiency, conservation, and renewable energy programs from other DOE programs over the next few years, consistent with reducing the overall Federal deficit.

Mr. Speaker, since 1973, Americans have saved more energy through improved efficiency than all the increases in production of traditional sources of energy put together. This is why Congress made energy efficiency the centerpiece of the 1992 Energy Policy Act [EPAct]. It is also why the Clinton administration is already giving a strong new emphasis to energy conservation and renewable energy.

Funding efficiency measures and renewable energy, as the resolution urges, will also yield these benefits:

Save consumers and businesses money, by limiting wasted energy.

Reduce our dependency on foreign oil imports, and reduce the U.S. trade deficit which is partially caused by these imports.

Spur technological advances in energy efficient equipment and renewable energy, which can increase existing markets and create new high-tech markets over the next 20 years, as well as high-paying U.S. jobs to supply them.

Help meet the President's Climate Change Action Plan [CCAP], which seeks to reduce global warming potential by stabilizing greenhouse gas emissions at their 1990 levels.

For too long, cost-effective efficiency and renewable energy initiatives have taken a funding back seat, while other energy options received most of the attention. Shifting priorities, as the resolution urges, will give long overdue consideration to a wide variety of different renewable and efficiency programs.

Here are some examples:

A 30-percent renewable energy goal for alternative fuel cars, running for example on ethanol or ethers from biomass, is set by the EPAct. A variety of new conversion processes now under study could provide greater volumes of these replacement fuels at lower prices, to help meet this goal.

The Green Lights Program, an EPA program to install energy efficient lighting wherever it is profitable and only where it maintains or improves the quality of light, can help meet our global warming commitments. If every organization participated in the Green Lights Program, the resulting CO_2 emission reductions would be the equivalent of taking 43 million cars off the road.

Upgrading appliance efficiency and building codes established under the EPAct, with technical assistance and incentive funding as a carrot to go with the stick of the new requirements, will add to previous savings. The original appliance standards passed by Congress are expected to save the equivalent of the output of 28 large, 1,000 megawatt powerplants.

New and innovative wind energy technologies have been proven technically feasible and cost-effective. Industry cost-shared programs can help commercialize wind energy as a large-scale source of electric generation and can minimize the expenditure of Federal dollars, thus providing a good return to the taxpayer.

The Federal Energy Management Program [FEMP], a program to increase cost-effective energy efficiency in buildings and facilities of the Federal Government, could save about a quarter of annual Federal energy spending on buildings.

Nonprofit consortia can be formed to deploy clean photovoltaic [PV] power in cost-effective utility applications. PV technology has shown itself to be cost-competitive for a variety of stand-alone applications, and commercialization efforts are needed to make it cost-competitive with conventional forms of utility electric power generation.

The United States, through a DOE industry partnership program, is the geothermal industry leader in the world in technology, resource development, and electric-power generation. Advances and commercialization of geothermal technology can further increase exports to the Pacific rim and Central America. One project now planned for the Philippines will account for over 400 megawatts of clean power by 1997.

Many ventures have already been formed to develop technologies needed for clean cars, more fuel-efficient cars, and electric vehicles. These can reduce our oil import dependency and will be needed in any event to satisfy tough new air pollution rules coming into effect over the next few years.

Mr. Speaker, my resolution has been lauded by the Clean Energy Campaign, an effort supported by numerous groups which seek to realign DOE budget priorities to more effectively support renewable energy and energy conservation technologies. I appreciate their efforts to seek cosponsors for the resolutions, and also commend the support and work of my cosponsors on this measure, Mr. SWETT, Mrs. MORELLA, Ms. LAMBERT, and Mr. BOEHLERT.

I want to stress that funding for our new budget priorities will not simply come from other energy areas. In fact, funding can and should be shifted from all DOE programs, especially including defense programs.

Finally, I urge my colleagues on the Hill and in the administration to consider supporting these new budget priorities in the coming months by their cosponsorship, their actions and their votes on the various budget resolutions, appropriations bills, and authorizing legislation we will have before us, in order to achieve our goals.

TV RESPONSIBLE FOR FEAR AND LOATHING OF NAFTA

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. OXLEY. Mr. Speaker, I would like to call your attention to and submit into the RECORD an article in the November 22 edition of the Washington Post, entitled: "TV Has A Lot To Do With Fear and Loathing of NAFTA." It is an excellent analysis of the distortion of reality and cynicism which shades broadcast television's coverage of current events.

[From the Washington Post, Nov. 22, 1993]

TV HAS A LOT TO DO WITH FEAR AND LOATHING OF NAFTA

(By James K. Glassman)

The source of NAFTA's close call this week was a kind of national economic paranoia, which, recent research suggests, may have its roots in network television.

The thrust of NAFTA is to bring Mexico's higher tariffs down to the level of our own (i.e., about zero). Since the engine that's been driving the U.S. economy for the past decade is exports, to kill a border-opening deal like NAFTA would be to kill the goose that's laying lots of golden eggs.

But, if you believe—as millions of Americans do—that this country is on the edge of economic disaster, opening borders can be frightening. The overblown fears of these Americans provided fertile ground for Ross Perot and for union leaders with a distinct aversion to competition.

But in the face of hard facts that show the U.S. economy looking solid, how did Americans get so scared?

One compelling answer lies in the pathetic inadequacy of network television reporting on money matters. An article in MediaCritic, a new publication of the business magazine Forbes, concludes from two studies of more than 17,000 TV stories that "the three networks consistently do a poor job of reporting economic developments." That may be putting it mildly.

One of the authors, Ted J. Smith of Virginia Commonwealth University, says that television news is responsible for "a sort of hysteria about jobs that is totally out of touch with reality."

In fact, many Americans will be surprised to learn that, since the election of Bill Clinton a year ago, the United States has scored a net gain of more than 2 million jobs.

But such facts don't make good television, a medium that's strong on drama but weak on numbers. Smith and his coauthor, Robert Lichter of the Center for Media and Public Affairs, found in their research that "only about half of all economic stories [on the networks] contain statistical information."

Worse, they write, TV treats minor fluctuations in economic data "as harbingers of doom, and actual economic problems are described in terms of crisis and catastrophe."

And, whether the economic news is good or bad, TV coverage is relentlessly negative. Holmes Brown, whose Institute for Applied Economics conducted a study in 1983 (a year in which the economy grew by 4 percent), described a typical piece:

The Labor Department releases figures showing that unemployment is down, but the anchorman warns that pockets of joblessness still exist. Then, a reporter follows with "a depressing feature on some forlorn guy in Ohio who was about to commit suicide because he couldn't find work. By the time viewers got through watching it they forgot all about the fact that the unemployment rate went down instead of up."

While the groups that back these studies are often linked to conservative or pro-business causes, their conclusions appear sound to practically anyone who watches television and follows economic data.

"I don't have any problem with those findings," says William Adams, a professor of public administration at George Washington University who also monitors the media.

"If Dan Rather had been around on the day Ben Franklin discovered electricity," Adams says, "he would have started his broadcast by saying, 'Horrible news today for America's candlemakers. . . .'"

Newspapers do a far better job covering the economy than the three networks, and CNN and PBS both have excellent 30-minute nightly business programs. But the audiences for these media tend to be well-educated, well-off and relatively small.

Lichter points out that surveys show that NAFTA attitudes are "stratified by class," and NAFTA foes "are most likely to rely on [network] TV for their news, not on the New York Times or the Washington Post."

TV watchers have been getting a steady dose of doom and gloom. Smith's study for the Media Institute found that from 1982 to 1987, a total of 4,500 stories out of 5,300 had a negative tone. Lichter's research found that from October 1990 to May 1993, of the 2,100 speakers who evaluated the economy on evening newscasts, 86 percent were naysayers.

And TV appears to be nonpartisan in its pessimism. This spring, with Clinton in the White House, TV evaluations of the economy were 92 percent negative, say the authors.

TV defenders reply that news, almost by definition, is the bad stuff—or, as Irving R. Levine of NBC put it: "For producers and reporters, bad news is good news." But the result of negative reporting is a lopsided, inaccurate view of the economy—a view that, as we saw in the NAFTA debate, can affect public policy.

Besides, sportscasters don't give the score only when the home team loses, and the weather report isn't broadcast only when rain is due.

No wonder so many Americans think their economy stinks. The facts, however, are quite different, particularly when you look at the rest of the world:

Growth in the United States for the year is higher than in any large industrial nation except Australia. Our gross domestic product is up 2.8 percent while Japan's is down 0.5 percent. The GDP of Germany is off 2.4 percent, France 1.5 percent, Sweden 4.2 percent.

The U.S. unemployment rate is 6.8 percent—still too high, but down from 7.4 percent a year ago. In every European country, as well as in Japan, unemployment has risen over the past year. The rate in Britain is 10.3 percent, Germany 8.8 percent, Italy 11.2 percent, France 11.8 percent.

I just returned from France, and there unlike in the United States, economic paranoia is fully justified. Industrial production has dropped 2.9 percent (in the United States, it's up 4.5 percent), and the French auto industry, with sales down 17 percent, is suffering its worst year since the oil crisis of the mid-1970s.

Bernard Kaplan, writing recently in the Hearst newspapers, quoted a French economist as saying, "Americans have received a grossly distorted picture of their economic condition."

And television is the culprit, along with politicians who exploit its images.

The truth is that, compared with Europe and Japan, we've got it pretty good right now, and one big reason is that we've finally come to understand that our internal market is no longer enough, especially as the world—yes, including Mexico!—is getting richer.

Over the past seven years, the volume of U.S. sales to foreigners has risen an astounding 85 percent—more than any other major industrial country. In 1992, for example, we exported $39 billion in aircraft, $38 billion in cars and trucks, $18 billion in power generators, $6 billion in tobacco products and $3 billion in fish.

And there's a lot more business where that came from. Trillons more.

PENSION BENEFIT GUARANTY CORPORATION [PBGC] REFORM LEGISLATION

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mrs. ROUKEMA. Mr. Speaker, the funding problems of our Nation's pension system, and the Pension Benefit Guaranty Corporation [PBGC] in particular, are growing and require immediate attention. In addition to the interest taken by the Ways and Means Committee on this issue, my subcommittee on Labor-Management Relations of the Committee on Education and Labor has held a number of hearings to examine the nature of PBGC's problem, the extent of the problem, and the remedies needed to fix that problem.

The hearings by the subcommittee on Labor-Management Relations adequately apprised us of pension plan underfunding, projected PBGC deficits, hidden pension liabilities, and the decline in the number of defined benefit plans. In the words of the PBGC Executive Director, Mr. Martin Slate, the PBGC deficit will grow and grow if no action is taken to address the chronic underfunding of a significant and concentrated minority of defined benefit pension plans. With PBGC's single-employer fund at a deficit of about $2.7 billion, legislative action is urgently needed. Otherwise, the problem will become worse and the solution will only become more difficult.

On Thursday, October 28, the administration introduced the Retirement Protection Act of 1993, H.R. 3396, to reform the PBGC and our Nation's defined benefit system. I want to commend the administration for recognizing the urgency of the problem, for bringing all types of pension experts together to examine the problems, from the Department of Labor, Department of Commerce, Department of Treasury, and the Office of Management and Budget, and for creating a framework that can help the Congress fashion a permanent solution that will put the PBGC on solid financial ground while securing the pensions of the American worker.

In our subcommittee, we heard witnesses from every persuasion urging the Congress to take deliberate steps that will achieve a careful balancing of the need to shore up the PBGC while still encouraging the continuation of the defined benefit pension system. I believe what's at stake here is the health of the voluntary pension system and, in particular, the support in this Congress for defined benefit pension plans.

As we proceed to fashion an appropriate legislative solution, it might be said that we are engaging in a very delicate operation. Certainly we want to assure the Federal taxpayer that the PBGC program will never require their assistance like the saving and loans did.

Also, we need to exercise caution regarding any increase in the premiums on well-funded pension plans, or we risk the continuance of the very plans we need to keep the PBGC on a self-financing basis. By avoiding any increase in the flat rate premium, the administration bill recognizes this principle.

There are other facets to this complex problem that we will have to address in crafting a

solution that will withstand the test of time. Of critical importance, the administration's PBGC reform legislation recognizes the severe problem of chronic pension plan underfunding, and thus requires underfunded plans to be funded faster.

Retirees and taxpayers are at risk if our Nation's pension system is left unchanged. If legislative action is not taken, the risks and losses will increase. For this reason, I urge my colleagues to focus on this important issue and examine the administration's PBGC reform proposal so that remedial legislation can be enacted in a timely fashion.

CLINTON HEALTH PLAN WILL HURT SMALL BUSINESS

HON. THOMAS W. EWING

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. EWING. Mr. Speaker, I would like to bring to the attention of my colleagues a letter I received from my constituents, Brandon and Susan Griffing, regarding the impact of the President's health care reform and the impact it would have on small businesses. We need to realize that small businesses produce 9 out of 10 new jobs in America and keep this in mind during the health care debate.

PAGES FOR, ALL AGES BOOKSTORE,
Champaign, IL.

DEAR CONGRESSMAN EWING: I am writing this letter to you because I am a small business owner who is very concerned about the proposed health-care legislation. My wife and I own a bookstore in Champaign, Illinois. We currently employ 43 people. We work at the store daily bringing the total to 45. I am distressed that no discussion has even mentioned average or "normal" industry profit margins as a factor in deciding how much a business should contribute. Our industry is dominated by chain operations. The average profit margin in our industry is hovering around 1.4% (before income taxes; please see documentation from the American Booksellers Association). People scream bloody murder when their CD rates are earning below 4%, yet we are supposed to try to compete with a rate of return that is half that amount. We are competing against large chain operations that receive all kinds of margin enhancing benefits that we as independents do not receive. Any kind of meaningful dialogue and legislation that results from it must include industry standard next margins as a major component. As independent booksellers, we do not list extravagant luxuries as part of our financial statements. No independent bookstore owner ever bought a professional sports team or private jet with revenue earned from her or his store. We are just trying to pay the bills and compete with the chain operations. With 1.4% as our average margin, we have no room for any additional expenses. Our products are priced for us by the publishers, with the retail price being printed on the book jacket. Our industry is also very labor intensive. There is no practical way to automate the receiving and stocking of books. So, the combination of high labor costs and low margins means that taking a percentage of our biggest expense item would be devastating to us.

I also believe that any dialogue and eventual legislation relating to health-care reform must include a remedy for excessive worker's compensation insurance premiums. As a low risk retail operation, we pay $7,500 per year. We have had zero claims in 5 years. This area seems like it must be a "cash cow" for insurance companies. I realize that there are dangerous occupations, but bookselling is not included in that category.

Currently, we pay 50% of our full-time associates' health care premiums. We insure through Fortis Benefits. We chose a higher deductible plan that offers a $10.00 co-payment for office visits. Our share of this bill is $15,600 and our associates pay the equivalent amount. Under the proposals I have seen recently, we would be paying $28,646 or 84% more than we pay now!

As I stated earlier, we don't have much at the end of the year anyway. Where is this additional revenue supposed to come from? Small business is responsible for most of the stimulus behind our modest economic growth. If "smalls" are put out of business because of health-care legislation, are we to turn to firms like IBM for jobs? As you know large companies are cutting payrolls every single day. We need the precious little we earn to pay off loans, to pay income tax and if there is any left, to reinvest in equipment and inventory.

My wife and I quit our corporate jobs 6 years ago to open our store. We have invested a lot of money and time into our business. We have two children who depend on us to make a living. Our staff depends on us to live. We love what we do, and most days we look forward to getting to the store to begin each day. However, what we don't need are more government regulations and a huge financial burden heaped upon us by our government. I want legislators who are throwing around percentages of payroll to sit down with a real life P&L and show me how I can make it work. We already pay $55,406 in payroll taxes, and $7,500 in worker's compensation insurance. We cannot keep paying for more and more and more. There is a very real limit to what we as a retail business can pay and survive. That limit is staring us in the face.

I understand that cost shifting and the massive amount of waste in our health care system are problems that must be rectified, but, for heaven's sake, please don't eliminate an entire retail industry. Interestingly enough, I used to sell surgical supplies in my former vocation. I was always amazed at the wealth of people like Leon Hirsch of U.S. Surgical Co., one of the wealthiest men in America. Every business, if run efficiently, should be able to earn a reasonable rate of return on investment, but maybe the excess of these companies would be a place to start in the overhaul of health-care costs.

I am pleading with you to come up with responsible legislation. Families and individual's livelihoods are in your hands.

TRIBUTE TO PAT KEEBLE

HON. WILLIAM P. BAKER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. BAKER of California. Mr. Speaker, I rise today to enter into the RECORD, the last column by legendary Contra Costa columnist Pat Keeble. She is hanging up her press pass and entering a new career.

Pat has been a friend for over 20 years, covering county and local politics, telling it like it is.

It has been a pleasure to work with and to know Pat, and I wish her the best of luck in her newest adventure.

A QUARTER CENTURY OF POLITICS

(By Pat Keeble)

My first day of employment with Lesher newspapers March 13, 1967, I was assigned to report on the Concord City Council meeting for the old Concord Daily Transcript. That's when I first met then-Mayor Dan Boatright.

The same Dan Boatright, who went from there to the Assembly and the state Senate, is the only politician I have covered who has been active my entire career. Many others have come and gone, but I was covering politics for Lesher newspapers before any of the others came on the scene.

I covered Concord city politics until I transferred to Martinez to cover the county. Other reporters on the Times and Transcript covered the big-time politics, the Democrats and Republicans, the state legislators and congressmen.

Then I drew the short straw to work on New Year's Day 1969. That usually amounted to a quick check of the Sheriff's Office and police department, a couple of small stories and you could go home. But at about 1:45 that morning, State Senator George Miller, Jr. had died of a heart attack at his Alhambra Valley home. I was assigned to cover the story. The next day I told the editor there was a lot of talk already about who might replace him. I figured more experienced reporters who had been there long would glom into the assignment. But suddenly all those who had been covering politics had gone, and no one else wanted to do it. Did I want to do it, I was asked.

Did I! What does anyone go into journalism for but to cover politics? The subsequent campaign was one of the wildest I've ever covered. District Attorney John Nejedly immediately announced he would seek the Republican nomination. There was another Republican, a Peace and Freedom Party candidate, an American Independent Party candidate, an independent and 10, count 'em, 10, Democrats.

The Miller Democrats, headed by Bert Coffey, had tried to get Miller's widow Dorothy to run but she wasn't having any of it. The next in line was George III, then 23 years old and a law student. He agreed to run and was challenged by Supervisor Tom Coll, who was supported by Rep. Jerry Waldie of Antioch, who had never gotten along with the Miller-Coffey crowd. Banker Pete Stark, then of Danville, finished third in his first race for a congressional seat.

My most vivid memory of that campaign was of a young, somewhat forlorn George Miller at Sunvalley mall, standing at the end of an escalator trying to get people coming off it to take his literature. He wasn't having much luck.

He won the nomination, but got creamed by Nejedly in the runoff. No one figured he was finished in politics, however. When Waldie left his seat five years later, Miller was an obvious candidate and he won handily.

During the early 1970s, a young, skinny guy with big glasses became executive director of the Contra Costa Taxpayers Association, which had its offices across the street from ours on Main Street in Martinez. Bill Baker loved to talk politics, so it was natural that he struck up a friendship with the press and a number of us frequently dined together at the old Amatos. So he wasn't unknown to us when he ran for and won his Assembly seat in 1980.

The Board of Supervisors in those days was a Good Ol' Boy board. In 1976, when environmentalist Nancy Fahden got mad enough not to take it anymore and ran against Al Dias, I didn't think she could overcome the politics-as-usual campaigning. With her Martinez Women for the Waterfront and a West County environmental coalition, she became the first woman on the board.

Then there's Sunne McPeak. I told her she couldn't beat Warren Boggess in 1978, that "the establishment" would give him all the money he needed. She forced a run-off with a true grassroots campaign using people instead of money, and the rest, as they say, is history.

It was a time when the whole of local politics was changing, with younger, activist candidates wanting to get rid of the Old Boy network and force government to change. They did that. Now, they are the Old Boys and Girls, burning out perhaps, certainly being challenged by a new generation.

The Board of Supervisors got two new members last year and will get at least one new one in 1994. Bill Baker went up a step to Washington, with Dick Rainey taking his seat and looking toward the state Senate in 1996, when most of the rest of our legislators must find new jobs, thanks to term limits. As we head for the big 2000, all sorts of changes are in store.

Why the nostalgia now? Because this writer is making a change, also. This is my last column for the Times. I'm moving on to other challenges.

During all this time trying to keep up with the politicians, what has made it more than worthwhile has been by readers. I've very much enjoyed the feedback, which let me know I passed on a little bit of knowledge here and there they might not have gotten otherwise. Thanks to all of you. Keep passing on our motto: If you don't vote, you can't complain.

KEY DOCUMENTS PROVE INNOCENCE OF JOSEPH OCCHIPINTI

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. TRAFICANT. Mr. Speaker, as part of my continuing efforts to bring to light all the facts in the case of former Immigration and Naturalization Service agent Joseph Occhipinti, I submit into the RECORD additional key evidence in this case.

OWL INVESTIGATIONS, INC.,
Bowling Green, KY, August 4, 1982.

Re voice identification, aural and spectrographic examination of client supplied known and unknown tapes.

RAY HAGEMANN,
Attorney at Law, City of New York, Borough Hall, Staten Island, NY.

Tapes: Realistic MC90 #52101 AM; Maxell XLII 90 #E3015383; Sony MC60 #A1517221 UNK.

Summary: Mr. Hagemann's office supplied tapes of a known suspect which were recorded by an informant. These were labeled Control 1 and Control 2. I was asked to compare a voice on Control 1 and Control 2 to each other, to see if they were the same voice and then compare that voice to a voice on the Unknown tape.

Examination: The examination consisted of critical listening, spectrographic analysis, and aural identification.

Conclusions: The targeted voice on Control 1 & Control 2 appears to be the same. There are similarities in pitch, quality, rate of speech, mannerisms, amplitude, accent, and other unique factors. The voice on the Unknown tape is speaking in a slow, affected manner and is somewhat slurred. (In my opinion, this is possibly due to the influence of drugs or alcohol.) By digitally speeding up the voice while maintaining its proper pitch, I was able to better match the rate of speech of Control 1 & 2 as demonstrated by the enclosed audio tape.

Similarities do exist between the voice on the unknown tape and the voices on Control 1 & 2. Pitch, quality, mannerisms and accent are similar.

I would need to take a Voice exemplar of the person on the unknown tape saying the exact words that were said on the unknown tape. A comparison then could be made to provide a determination of identification or elimination.

Respectfully Submitted

TOM OWEN.

CI: Hey Jose how are You? Where have you been? I've been around looking for you. You haven't been around any of the restaurants. What's your last name?

Prado: Prado, Jose Prado.

CI: I've been having problems here with a couple of police officers, asking questions and I was wondering if you can help me. I want to know about the Inspector from Immigration.

Prado: He gave us money to carry false information against Occhipinti. They only paid me $35,000.

CI: Now you went to court and made false accusations and so they kicked all of you out for giving false statements?

Prado: Yeah we gave false statements and they — because none of it was true. OK now, you've asked me that question too many times and your asking too many questions. Elias gave you all that info already

CI: What else happened, explain to me? When you went to court to give false statements, who was there?

Prado: Elias, Altagracia, Rhadame Liberato, and a few others.

CI: Damm shit, he fell into the trap, the federal agent and then he got fired.

Prado: There was proof that it was all false statements in the testimony, but you see we were to many witnesses and everything was done for money.

CI: You know I forgot to ask you who was the one who paid you money to testify in the court?

Prado: You know, Jose Liberato?

CI: He's the head honcho?

Prado: Yes, he's the one that's in charge.

CL: Goodbye!

STATEMENT OF MICHAEL CAPASSO TAKEN ON JULY 9, 1992

I am currently an agent with the U.S. Drug Enforcement Administration (DEA). Prior to my employment with DEA, I was an Agent with U.S. Immigration & Naturalization Service, also as a Special Agent, from June 1988 to April 1990. I worked under the supervision of Supervisory Special Agent Joseph Occhipinti. Through my service of employment I, along with Joseph Occhipinti and others, conducted upward of 50 consensual searches and at no time was a search of a home or business made prior to the consent of search being properly signed. Several of these searches were part of Project Bodega. In approximately two years of working with Mr. Occhipinti I personally had seen only him twice brandish his weapon and those were joint investigations with the Drug Enforcement Administration. I also recall a conversation with Special Agent Richard Lauria of the Immigration Service in which Mr. Lauria conveyed to me the understanding that Special Agent Stafford Williams had made false statements during his testimony at the trial of Joseph Occhipinti.

MICHAEL CAPASSO.

State of New York, County of Orange.

John M. Hickey, being duly sworn, deposes and says:

1. I was formerly employed by the New York City Police Department. I retired in October 1989.

2. At the time, I was employed as a detective, assigned to the Manhattan North Homicide Squad. I was assigned to the Buczek homicide and related drug investigations.

3. During the performance of my duties, I became acquainted with Joseph Occhipinti.

4. Mr. Occhipinti's actions in visiting various bodegas arose from the Buczek homicide/Freddy Then drug cartel investigations.

5. Mr. Occhipinti went to these bodegas with the full knowledge and concurrence of the New York City Police Department.

6. In fact, in doing so, Mr. Occhipinti was pursuing leads and information provided to him by the Police Department. Another detective, Detective Hildebrandt, gave him a list of bodegas, which Mr. Occhipinti ultimately visited.

7. We believed that many of these bodegas were owned and/or controlled by Freddy Then and that they were havens for illegal activity.

8. Mr. Occhipinti's visits to these bodegas were not unilateral acts on his part; but were undertaken with the full knowledge and concurrence of the New York City Police Department.

JOHN M. HICKEY.

QUESTIONS TO ASK ABOUT THE PRESIDENT'S HEALTH PLAN

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. CRANE. Mr. Speaker, the Ways and Means Committee, of which I am a member, has held a series of hearings this fall to try to sort out the details of President Clinton's immense health care reform plan. At hearing after hearing, however, it has been very difficult to get complete answers to questions about the intricacies of the President's package. In an article from the November 4, 1993 issue of the Chicago Tribune, Joan Beck poses a number of such unanswered questions that challenge the ability of the President's plan to achieve its stated goals. I urge my colleagues to read and consider these questions and to support alternatives that would strengthen the private sector's ability to expand coverage and contain costs.

CLINTON HEALTH PLAN RAISES QUESTIONS, OFFERS FEW ANSWERS

With its 1,342 pages of legislative legalese, President Clinton's new "Health Security Act" may be the most complicated bill ever introduced in Congress.

Even so, it leaves a slew of questions unanswered about what it will do to our lives, our health, our taxes, our economy and our national debt.

For starters, here's a sampling:

1. Can a 1,342-page law be understandable not only to members of Congress who must pass it, but to the bureaucrats who must administer it and to the public whose lives will depend on it? Or is the administration creating a new IRS-type monstrosity that will make today's health care mess look like Tiddlywinks?

2. Conventional wisdom holds that runaway health care costs are due in large part to economic incentives for physicians and hospitals to treat patients more than necessary. But isn't there a danger the cost-containing incentives in the Clinton plan will make it profitable to undertreat patients—with some dangerous consequences?

3. How can taxpayers believe the cost estimates in the Clinton plan are reasonably correct? The Federal government, after all, has been horrendously wrong in costing out other health care plans. For example, the End-Stage Renal Disease program that pays for kidney dialysis was projected to cost $250 million annually in 1977, five years after its start-up; in 1991, the bill came to $6.6 billion.

4. What confidence can we have in Clinton's assertions that more efficient administration will cut costs enough to pay for much of the expanded coverage? As Vice President Al Gore pointed out several weeks ago, federal regulations generate tons of expensive, unnecessary paperwork. Will the health plan do better, even if it is run by the states? Medicaid—at least in Illinois—is so poorly managed that cheating, over-billing, unnecessary care and other abuses are rampant and unlikely to be weeded out.

5. Won't the requirement that employers provide health insurance for workers carry built-in incentives for small businesses to reduce their payrolls and hesitate to take on new hires—even with the subsidies the Clinton plan promises? Since small businesses generate a majority of new jobs, won't this increase the rate of unemployment?

6. If a big majority of Americans are satisfied with their current health care, why should they take on the risks and complications of the Clinton plan, especially when 40 percent of people will be paying more (some will get lower deductibles) and 15 percent will pay more and get less coverage?

7. How can using $140 billion in cuts in future Medicare spending to finance the health care plan be justified when Medicare reimbursements are already so low that some elderly people have trouble getting care? Why should those over 65 have to stay in Medicare when it will provide fewer benefits than health plans for younger people?

8. Who is going to pay for health care for the nation's 3.2 illegal immigrants, for whom the Clinton plan provides only an inadequate $1 billion a year for emergency treatment? What will happen to public health if large numbers of undocumented people can't get care for contagious diseases, pregnancy and other medical problems?

9. Despite the lip service the Clinton administration—yielding to pressures and criticism—now gives to plans allowing people to choose their doctors and hospitals and pay on a fee-for-service basis, is there any certainty such freedom can be preserved? Many analysts predict most doctors will be forced out of private practice and that choice will be priced out of existence and will soon disappear.

10. What Clinton is proposing is actually a gigantic, new entitlement program, like those that now make it impossible to control the federal budget, the deficit or the national debt. Shouldn't Clinton—and critics such as Ross Perot—be more concerned about the deficit dangers of the health care plan or the new taxes it may require?

11. How will cost controls on insurance premiums, fee schedules, budget caps and global budget requirements actually work? What the administration is now proposing—after backing down some under fire—is essentially price controls. And price controls are ineffective in the long-term, create shortages and could lead to rationing.

12. What will be the effect of the squeeze on high drug prices the Clinton plan calls for? Will what are essentially price controls cut into the ability of pharmaceutical companies to carry on research and development new medications that could reduce the cost and improve the outcome of treating many illnesses?

13. Isn't it unrealistic—and dangerous—to try to hold health care to the rate of inflation, as Clinton proposes, when the aging population with their increased needs for care is growing rapidly, when new technology can help cure illnesses and relieve suffering and demands are escalating for better treatments for such diseases as breast cancer and AIDS?

14. How can we be sure the heavy hand of government won't stifle and do harm to what is now the best medical care in the world and that medical innovation and discovery will still flourish?

15. Is there really an emergency in health care that justifies such a sweeping new power grab by the federal government and such incalculable risks to the nation's economy? Can't problems in the current system be fixed by clearly targeted, evolutionary improvements?

Congress is expected to debate for at least several months about the Clinton plan, as it should with legislation that will affect all of us so intimately and will be so disruptive of a major economic sector. At the very least, voters should insist on credible answers to questions like these.

EAGLE SCOUT JEFFREY D. PETERS

HON. DAVID MANN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. MANN. Mr. Speaker, I rise today to recognize Jeffrey D. Peters for earning the Boy Scouts of America's rank of Eagle Scout. Very few Scouts reach this goal. The award will be bestowed at a special Court of Honor Ceremony on December 5, 1993.

Jeff started scouting as a Cub Scout with Pack 40, where he earned the Arrow of Light. He transferred into the Boy Scouts and joined Troop 83. As Jeff has grown and matured, he has held several leadership positions, from assistant patrol leader to junior assistant scoutmaster. Jeff was tapped as a member of a select group of honor campers called the Order of the Arrow.

Jeff has volunteered countless hours of his time to such projects as the annual Scout-O-Rama, to civic efforts such as cleanup and beautification projects in Mount Airy, and to trail maintenance in Mount Airy Forest. Jeff has also remembered those less fortunate than himself by assisting with food and clothing drives.

Jeff Peters has not neglected his academic efforts while he has pursued his other interests. He has received the American Revolution Award and a biology academic award. In addition, Jeff has been an honor student at LaSalle High School for 12 out of 13 academic quarters.

I am proud to salute Eagle Scout Jeffrey Peters and congratulate him, his parents, and his scout leaders on his accomplishment.

PRESIDENT CLINTON'S HEALTH SECURITY ACT

HON. AL SWIFT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. SWIFT. Mr. Speaker, a few months ago President Clinton came before the Congress and the American people to share his very serious concerns with our Nation's health care system. A few weeks ago the President unveiled his specific plan on how he hopes to cure what ails our current system. Today the distinguished majority leader from Missouri, Mr. GEPHARDT, will officially introduce President Clinton's Health Security Act and I am pleased to be an original cosponsor.

I and many of my colleagues have been troubled by the tremendous problems that plague our health system. First, it costs too much. It costs too much for individuals, families, business, and government. We are spending more on health care than any other industrialized country in the world and unless the Congress takes action, it will continue to cost too much. For example, it is estimated that by the year 2000, almost $1 out of every $5 earned by Americans will go to health care spending. And if current spending trends continue, health care costs will consume 19 percent of our country's gross domestic product by the turn of the century.

As costs continue to spiral out of control, people—families—are losing access to our health care system. They are losing access because their health insurance premiums have risen 30 percent in the last year. They are losing access because the advances in medical technology are enormously expensive. They are losing access because of a pre-existing condition which prevents folks from changing jobs or even getting health insurance in the first place. Right now, in my home State of Washington, 40,000 people are losing their health care benefits each month. There are simply too many people in this country who are just one illness away from losing what coverage they currently have. It is clear, the cost of doing nothing will ultimately put all Americans at risk.

Fortunately, President Clinton is not content to stay with the status quo and let costs skyrocket and have families continue to lose access to health care coverage. He has put before us a very bold, innovative plan to address this burgeoning crisis in health care. With this plan all Americans can look forward to knowing that they will always have health security—for themselves and their families. The President's model for reform would control costs and provide universal access to health care

for all Americans. It is a plan which builds on the health care delivery system that we already have in place and seeks to maintain the high quality and maximum choice that many Americans value in our current health system. It preserves what is right with our system and fixes what's broken.

As one who has been supportive of the single-payer approach, I am particularly pleased that the President's plan embraces some of the key principles of a single-payer system—universal access, strong cost containment, administrative simplification.

The committees in both the House and Senate have already begun to examine the various aspects of the Health Security Act. For example, how will the plan affect senior citizens, families and children, large and small businesses, and biomedical research? Will the plan simplify the overwhelming paperwork associated with our current system and will it encourage new physicians to practice primary care?

The Health Security Act makes sure that all Americans—the young and the old—are covered. It will make it easier for both large and small employers including the self-employed to buy and maintain health care coverage. The academic health centers established under the act and other research initiatives will ensure that we have an adequate supply of primary caregivers and that we continue our efforts to find new treatments and cures for the health problems that Americans encounter whether they are as common as the cold or as difficult as cancer. And finally the Health Security Act will simplify health care administration for both providers, insurers and consumers by using a single form for health care claims.

It is terribly important that we work together to come up with comprehensive reform. That will mean compromises from every quarter. I have often said that it is not the opponents of health care reform that will kill this proposal but rather the proponents will doom any chance of reform if we are not willing to keep an open mind to different approaches to solve the problem. I look forward to working with my colleagues on the Energy and Commerce Committee and the entire House to make sure that all Americans have health care that they can count on.

The bottom line is that the health care system in our country is sick. The President has prescribed the medicine. Now is the time for Congress to fill the prescription.

IN HONOR OF ADDIE KELLER

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Ms. ESHOO. Mr. Speaker, I rise today to recognize Addie Keller, an extraordinary citizen of San Mateo County, CA, and a member of the San Mateo County General Hospital Foundation Board of Directors. The foundation was initiated to provide support to one of California's financially strapped public health and hospital systems. Mrs. Keller recognized the mission of the foundation as both a special challenge and a noble undertaking and stepped up to it.

Within months, Mrs. Keller had found a unique way to make the public aware of County General. She decided to bring the colorful tradition of the wild west to San Mateo—the bed race. With the able assistance of her son, Barry Keller, who had staged races in other parts of California, Mrs. Keller brought the community coalition together. She drew support from small businesses, other hospitals, chambers of commerce, unions, physicians, firefighters, and elected officials who entered beds in the race and made significant donations. The Great Bed Race was previewed at a Gala Bed Race Dinner the evening before and proceeded on a sunny Sunday morning by a parade through downtown San Mateo. Nearly 30 beds were raced, and television stations from the bay area covered the wild antics, including four doctors racing an iron lung.

Addie Keller succeeded in making people aware of SMC General hospital and raised nearly $50,000 with the tremendous help of her husband George, their son Barry, and his wife Lynda. The staff and community of County General are truly grateful to Addie Keller. I urge my colleagues to join me in saluting Addie Keller and her inspiring achievements. She is indeed a national treasure.

THE MOTOR CARRIER SAFETY ACT OF 1993

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mrs. MORELLA. Mr. Speaker, today I am introducing the Motor Carrier Safety Act of 1993. This bill would set a minimum penalty and increase the maximum penalty amounts for civil violations of Federal motor carrier safety regulations. It would also improve information provided to motor carriers about past safety performance of drivers and improve supporting documentation records of duty status.

On August 6, 1993, a "Beltway summit" was convened at the U.S. Department of Transportation to plan safety improvements for the Washington Beltway. On the same day, there were three accidents involving motor carriers on the beltway in Montgomery County, MD. In a space of 12 days last summer, 7 people were killed in a series of beltway accidents; trucks were involved in four of these accidents. There are many responsible trucking companies and drivers, but when one large truck, which has not been maintained or whose driver falls asleep at the wheel, is involved in an accident, death often results.

Mr. Speaker, I urge my colleagues to reduce truck accidents on the beltway and across the Nation and cosponsor the Motor Carrier Safety Act of 1993.

Five years ago, a regional effort was launched by Federal, State, and local officials to improve safety on the Capital Beltway. I believe that this interjurisdictional work has been effective in reducing major accidents and massive traffic congestion on the beltway. In addition, the Intermodal Surface Transportation Efficiency Act of 1991 [ISTEA] contained important motor carrier safety provisions, which I sponsored in the House, to reduce truck violations and to improve safety on interstate highways.

In August, my colleague FRANK WOLF initiated the "Beltway summit" to which I referred earlier. As a result of that meeting, Federal Highway Administrator Rodney E. Slater appointed three committees, whose work will be published soon, to continue the work of previous working groups to improve beltway safety.

Mr. Speaker, the provisions in the Motor Carrier Safety Act of 1993, which I and Congresswoman BYRNE introduce today support and enhance the efforts of these working groups. The legislation will also send the message to the motor carrier industry that violations of the Federal motor carrier safety regulations are significantly more serious than traffic violations. We have improved truck safety on our interstates. More needs to be done and done quickly.

OPENING OUR BORDERS TO STATE-INSPECTED MEAT: AN EXERCISE IN EQUITY

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. GUNDERSON. Mr. Speaker, last Wednesday, we participated in a historic occasion as the House of Representatives gave its approval to the implementing legislation for the North American Free-Trade Agreement. At that time we stood up as a country and said that we would be a player in the global economy of the 21st century and, further, that we would not let artificial boundaries called borders stand in our way.

Now that we have made that decisive statement concerning our international borders, Mr. Speaker, I believe that we must turn our attention inward and look at some of our internal policies that restrict interstate trade among the several States. The most glaring example of an artificial barrier to interstate trade is the restriction against State-inspected meat and poultry products traveling in interstate commerce.

Twenty-five years ago, Congress passed the Wholesome Meat Act of 1967. At that time, there were over 15,000 nonfederally inspected meat and poultry processing plants producing about 15 percent of all of our carcass meat and 35 percent of all of our processed meat. Indeed, there was no uniformity or consistency in the various State laws regulating these processors.

Accordingly, the 1967 Wholesome Meat Act introduced a new Federal requirement that any State meat and poultry inspection law must provide standards which were "at least equal to" those of its Federal counterpart. If a State inspection law failed to meet those Federal standards, the Secretary would designate that State for Federal inspection.

Unfortunately, Mr. Speaker, even though the 1967 act required State inspection laws to be at least equal to Federal inspection standards, it did not permit State-inspected meat that met those standards to travel in interstate commerce. As such, for 25 years we have had an

inequitable situation in our country where foreign meat and poultry products which meet Federal inspection standards may enter the country and travel in interstate commerce, but State-inspected products meeting those same standards cannot.

Are we talking about a great quantity of State-inspected meat and poultry products? No. While 40 percent of all American meat and poultry processors are State inspected, State-inspected operations slaughter and process only about 5 percent of the total American meat supply. What does this tell us about these businesses? Simply that they are small mom and pop operations who, like all small businesses, are in a day-to-day struggle to find new markets and keep their doors open.

From this perspective, the current prohibition against State-inspected meat traveling in interstate commerce works a particular hardship on those family meat and poultry operations close to a State border since they cannot market their product across that boundary line. That's why we are losing about 5 percent of these businesses every year. In fact, we barely have more than 3,000 State-inspected meat and poultry processors left in our country—only 20 percent of what we had 25 years ago.

Simply stated, Mr. Speaker, its time to rid ourselves of this meaningless distinction in the law which has become nothing more than an artificial barrier to free and fair trade within our own American borders. That's why I'm introducing the Meat and Poultry Products Inspection Amendments of 1993 today—to ensure that we truly promote the free flow of commerce in the United States by allowing all meat and poultry products which meet Federal inspection standards to travel in interstate commerce.

Indeed, now that we have opened our borders to allow meat and poultry products from our North American neighbors which meet our inspection standards to enter the country and travel in interstate commerce, we should provide the same opportunities to our domestic meat processors and their State-inspected meat and poultry products. Our American traditions of equity, fairness, and justice require nothing less.

TRIBUTE TO JOHN MIDDLEMORE

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. STUMP. Mr. Speaker, I rise today to pay tribute to John Middlemore, a senior at Prescott High School and resident of the Third Congressional District in Arizona. John won 24th place honors in the Voice of Democracy script writing contest sponsored each year by the Veterans of Foreign Wars of the United States and its Ladies Auxiliary.

This year more than 136,000 high school students entered the contest competing for 29 national scholarships totaling $87,500. This year's contest theme was "My Voice in America's Future."

John is the son of David and Winifred and the youngest of 10 children. John was nominated by my office to attend the U.S. Air Force Academy and accepted an appointment.

I would like to submit John's award winning speech for publication in the CONGRESSIONAL RECORD:

MY VOICE IN AMERICA'S FUTURE

(By John Middlemore)

At birth I was given a priceless gift. A gift that would guarantee me life, liberty and the pursuit of happiness. These gifts are a part of a greater legacy. Our forefathers left us a free government which is a miracle of faith—strong, durable, and marvelously workable. Yet it can remain so only as long as we understand it, believe in it, devote ourselves to it, and when necessary fight for it. Our forefathers established for us the chance to know freedom, to love freedom, and to do our full share to assure its continuance. There is no freedom without responsibility.

Freedom is not inherited. It is up to each of us to keep our house of freedom in good repair with our voices, yours and mine.

Those Americans who gathered at Independence Hall, were touched with idealism, but they were not dreamers. Their great vision was rooted in wisdom and common sense. It was in an atmosphere of hope and faith that our blueprint for freedom, the Constitution of the United States, was born. Their voices spoke through their pens, my voice must now preserve their words for America's future.

Today, that blueprint is our most treasured inheritance, this document which belongs to each of us, will continue to be the effective guardian of our rights only as long as each American recognizes his responsibilities.

The future of America lies in my voice. We live in a land where the right of dissent and of free speech is jealously guarded—where the ballot box is the sword and the people its welder. We live in a country that allows us to stand up and question our leaders.

Freedom is not a legacy. We inherit only the chance to realize it. Each generation—each individual must re-earn it. Freedom is like a warming fire, while newcomers to the circle can warm themselves, the fire must be fed with new fuel. That fuel is my voice. I must be ready to defend our rights be it with my voice, my pen, or my sword.

Jacklyn Lucas was my age, seventeen, when he was involved in the battle of Iwo Jima. He threw himself on two grenades saving several men. He fed the fire of freedom with courage. His act of courage was his voice speaking for America's future.

My voice will have to be as strong as those men who have fought and died for freedom. I must speak out against injustice, whether it be in the classroom, the city, or the government.

This thing we call Democracy is so precious that it needs to be guarded. I mut act upon the defense of our freedom.

My voice will join others to keep America strong and free. My voice will be America's future. I will use my voice to be the keeper of the flame, to fulfill our destiny.

For those that much is given, much is expected.

H.R. 3, THE HOUSE CAMPAIGN SPENDING LIMIT AND ELECTION REFORM ACT

HON. NYDIA M. VELÁZQUEZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Ms. VELÁZQUEZ. Mr. Speaker, today I rise in support of H.R. 3, the Congressional Campaign Spending Limit and Election Reform Act. Last year, we all watched as citizens across the country cast their votes for the candidates of their choice, sending to Washington a historic number of minorities and women. However, despite the wonderful and important results of last year's elections, there is still a high degree of voter dissatisfaction with the way congressional campaigns are financed and run. The playing field is not level. Those individuals who are wealthy and those incumbents who have amassed the largest war chests are in the best position to run effective primary and general election campaigns. Moreover, candidates who receive massive amounts of funds from PAC's and corporate donors have a clear advantage over newcomers who are also worthy candidates but who are not linked to those funds.

Mr. Speaker, as Members of Congress, we are quick to remind our sisters and brothers that we are sent here to represent our districts in a government of the people, by the people and for the people, yet we do not yet have a fair, efficient set of campaign financing rules which would move to level the playing field for potential candidates. All too often, our government at all levels seems to be of the privileged, by the privileged, and for the privileged.

H.R. 3 would address this problem of unfair campaign financing laws by establishing a system of voluntary campaign spending limits for House candidates and providing communication vouchers as incentives to follow the campaign spending limits. The bill makes the system fairer by extending the spending limit for those candidates who face opponents which do not abide by the voluntary limits. H.R. 3 also places absolute limits on each candidate of $200,000 in political action committee contributions per election cycle and $200,000 for large individual contributions over $200. Additionally, the measure prohibits bundling of funds by an intermediate agent but exempts groups which do not lobby from the bundling restriction.

One of the most important aspects of H.R. 3 is the provision for communication vouchers. Candidates who abide by the voluntary spending limits would receive communication vouchers to match up to the first $200 of each individual contribution. These communication vouchers would be used to pay for radio and television broadcasts, print advertising, postage, and campaign material such as brochures, bumper stickers, handbills, pins, posters, and yard signs. H.R. 3 envisions financing this provision through the Make Democracy Work fund and suspends the implementation of the bill until separate revenue legislation is enacted. Congress had committed to implementing the second step of this two-step funding process next year.

It is true that it takes a great deal of money to run an effective campaign for Federal office.

Many viable potential candidates—women, minorities, teachers, factory workers, and even small business owners—many times do not have the resources to seek political office. These are the Americans who are often not wealthy, who do not come from affluent districts, and who do not have large donor networks and the contracts to raise the much needed war chest for modern day campaigns. H.R. 3 provides limits on campaign spending that moves in the direction where worthy Americans may have the opportunity to run for an elective office.

Further, recent allegations of the use of walking around money to suppress the African-American vote in the New Jersey gubernatorial election speak directly to the need for there to be a level playing field. These tactics are certainly not restricted to gubernatorial races. Acts of this nature can have a potentially devastating effect on elections involving minority candidates. I have recently investigated possible legislative vehicles to address this issue of vote suppression and payoffs, only to find that these actions are already criminal acts. In this regard, I urge my colleagues to focus their attention on this issue to ensure that dishonest tactics are not used to falsely elect a candidate. America will rue the day when she casts a blind eye toward the wholesale purchasing of elections through vote suppression.

For the above reasons I would have supported a more ambitious Federal campaign financing measure containing higher degree of public financing—the only way to provide true fairness and openness. However, despite my advocacy of stronger legislation, I remain a supporter of H.R. 3.

Mr. Speaker, we have taken the first important step toward ensuring a true participatory democracy this year by enacting H.R. 2, the National voter Registration Act. Let us take the next important step by supporting H.R. 3 to begin to level the playing field so that our Nation's teachers, homemakers, factory workers—our average citizens—can have a chance to run for political office. I urge my colleagues to vote "yes" on H.R. 3, and to move toward strengthening the public financing provision.

LENDING ENHANCEMENT THROUGH NECESSARY DUE PROCESS ACT—DIRECTOR AND OFFICER BILL

HON. BILL McCOLLUM

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. McCOLLUM. Mr. Speaker, today, I introduced the Lending Enhancement Through Necessary Due Process Act.

In the aftermath of the savings and loan crisis, Congress empowered the RTC, the FDIC, and other Federal agencies to prosecute the S&L crooks and pursue other wrongdoers through civil suits to collect damage awards to lessen the taxpayer costs of the thrift debacle.

To date, the Government's efforts have been very successful. Almost 1,000 criminal convictions have been obtained and more than 2,000 civil suits have been initiated; $825 million in fines and restitution have been collected.

However, in carrying out Congress' mandate, Government agencies have launched a zealous civil litigation campaign against anyone even remotely connected to a failed bank or thrift. Litigation against marginal defendants and the use of highly paid outside counsel have aggravated the credit crunch. Directors and officers in financial institutions are reluctant to make character loans or business loans with any element of risk for fear that they could be accused of negligence by the regulators if the loan ever failed. Currently, banks and thrifts are finding it difficult to attract qualified directors and officers because of the campaign of fear brought on by the regulators.

Taxpayer funds are being wasted and the lives of reputations of countless individuals are being ruined. In their fervor to squeeze every last dollar out of S&L and bank professionals, the RTC and the FDIC are spending an inordinate amount of time and money pursuing marginal cases in which the culpability of the defendants is highly questionable. Faced with an enormous pool of potential individuals to sue, the RTC and the FDIC have contracted most of the legal work to outside counsel.The RTC and the FDIC employ over 2,400 law firms, paying them over $504 million in 1992 alone. The current caseload is over 60,000 lawsuits. These law firms have little incentive to reduce taxpayer costs and every incentive to bill thousands of hours in the pursuit of former directors and officers, regardless of their culpability. Defending these suits is a costly, demeaning, and time consuming enterprise. Many defendants have agreed to settlements in order to avoid bankruptcy.

Examples of regulatory excesses are legion. I will describe a few here for my colleagues to show why this legislation is necessary.

First, the National Bank of Washington [NBW] failed in 1990. In July 1992, the FDIC, as receiver, brought suit against 11 defendents—10 NBW directors and 1 officer. On February 17 this year, after 8 months of costly, pretrial litigation, the Federal district judge dismissed all counts against nine of the defendants citing the "apparent baselessness of most of the charges" and the FDIC's "vague, ill-defined conspiracy theory." The court took the unusual step of imposing rule 11 sanctions on the FDIC and the Justice Department, requiring that they pay the legal costs of the defendants whose cases were dismissed. Unfortunately, because rule 11 sanctions were designed to chastise irresponsible private litigants, the sanctions in this case will have little or no effect because the taxpayers will end up footing the bill.

Second, the former associate general counsel for the RTC recently stated publicly that 90 percent of the civil cases against former directors are of doubtful merit. They are nonetheless filed because RTC officials fear being summoned before congressional committees and asked to explain why certain cases were not brought. They believe that if as many cases as possible are brought, they will not be criticized. This mindset is bringing down the economy and wrecking people's lives.

Third, Dr. James Fisher, former president of Towson State University, was an outside director for Baltimore Federal Savings & Loan for 16 years. The S&L failed in 1988, and Fisher is being sued for $32 million. He is not charged with dishonesty, fraud, or insider dealing. He is charged with negligence, despite duly attending meetings, reading documents, and listening to officers and outside experts. He is defending himself because, at age 61, he is living on partial disability and the legal fees would have cost him $600,000 to date.

Fourth, Mr. Young Kim invested his life savings in a failing institution and turned it around. This was the only Vietnamese/Korean savings bank in the United States. The OTS seized the bank despite its profitability and adequate capital. OTS alleged technical violations dealing with bookkeeping. The OTS froze Kim's assets causing him to not be able to pay his mortgage or his child's tuition. An administrative law judge found that the OTS actions were wrong. The acting director of the OTS overruled the judge's decision and banned Kim from banking for life.

Fifth, Richard Blair, 69, was an outside director for McLean Savings & Loan. In 1988, the FDIC closed McLean and sued all officers and directors, alleging breach of fiduciary duty and negligence. Blair was amazed that he had been sued. For most of the time the allegedly negligent lending was taking place, he was lying comatose in a hospital bed. Three Federal magistrates presiding in this case have criticized the FDIC for improper conduct. One magistrate ordered the FDIC to pay $6,600 in court costs. The FDIC presses on.

This bill will remedy these types of abuses and still let the regulators pursue culpable individuals.

First, accused directors and officers will be allowed to assert defenses to overreaching accusations. One example is the business judgment defense. The courts in all of the States recognize the business judgment rule either by case law or by statute. This bill will establish defenses for business judgment, regulatory actions, and unforeseen economic conditions.

Second, regulators must have good cause to obtain the financial records of potential defendants. The current practice is to ask for the financial records of all parties and then sue the richest, regardless of culpability. The bill requires that the regulators must show a violation of law and the likelihood that the individual will dissipate assets.

Third, more due process protections are given to individuals to prevent the freezing of their assets without good cause.

Fourth, the standard for director and officer liability is clarified by stating that the standard is gross negligence and not simple negligence. This will prevent many frivolous suits. This is also in line with the recent decision in the U.S. Court of Appeals for the Seventh Circuit.

TRIBUTE TO VIRGIL PAT CHAMBERLAIN

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. FARR of California. Mr. Speaker, I want to commemorate the life of a truly great resident of my 17th Congressional District of California. Virgil Pat Chamberlain was a resident California Highway Patrol officer in the Big Sur area of my beautiful central coastal district for 18 dedicated years.

Virgil was born on October 20, 1939, having recently had a birthday. He served the citizens of Big Sur who now mourn his passing by being a founding member of the Big Sur Volunteer Fire Brigade in 1974. He was the Fire Brigade's Assistant Chief for 10 years and was Chief of the Brigade until his retirement last December when fellow firefighters named him honorary chief for life at that time.

A lifelong resident of pacific Grove in Monterey County, he graduated from Pacific Grove High School and attended Monterey Peninsula College.

The resident of this small yet close knit community join his survivors in paying tribute to a valuable member of our citizenry and a public servant who will be greatly missed in this life.

TRIBUTE TO JAMES W. YORK

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. BILIRAKIS. Mr. Speaker, I rise today to pay tribute to Jim York, a good friend of mine and of many, many people in the Ninth District of Florida. In December, Jim will be retiring after 31 years of service to the American Red Cross, and I just couldn't allow this 1st session of the 103d Congress to adjourn without offering a few words to honor this dedicated gentleman.

It wouldn't do for me simply to offer a laundry list of the many ways and instances Jim has contributed in a positive way to his community and to the spirit and dignity of his fellow man. We don't have the time or space for that here today. The same goes for the honors and awards that have been heaped on him by a grateful community.

Rather, let me tell you a little about Jim York himself. Jim always has believed in the power of people to help people. He has served as a great inspiration in this regard, tirelessly championing the volunteer throughout his work with the Red Cross.

In his farewell message to the Red Cross, his warmest words of gratitude and encouragement were for the volunteers with whom he had worked: "Each of you are the heart and soul of the American Red Cross; you bring a dimension to the Red Cross that is the envy of every private nonprofit organization in the world." I maintain that these very words can without qualification be applied to Jim himself.

Furthermore, his work did not end with the Red Cross. Twenty-four-hour days never were long enough for Jim York. In fact, there aren't many service organizations in Pinellas County, FL, that don't have Jim's fingerprints on them somewhere. On one occasion he noted that, "Once you start sitting around and thinking that you're doing a great job, you probably aren't." I always have appreciated that sentiment.

On behalf of the Ninth District, I would like to say one final thing to Jim and that is, "Please don't take your retirement too seriously, my friend; we can't afford to lose you."

INTRODUCING THE CHILD ABUSE ACCOUNTABILITY ACT

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mrs. SCHROEDER. Mr. Speaker, today I am introducing the Child Abuse Accountability Act of 1993.

This bill holds child abusers accountable for their actions by allowing victims access to a convicted abuser's Federal pension.

If a court awards a victim monetary damages for child abuse, an abuser often avoids payment by liquidating and skipping town. Under those circumstances, the victim is almost guaranteed he or she will not collect a penny.

To make matters worse, the Federal Government protects a child abuser's pension. Victims, who relive the nightmares in order to hold their abuser accountable, are horrified to find that the Federal Government refuses to pay court-ordered awards. When it comes to paying for child abuse, Uncle Sam blocks the way. Federal pensions are untouchable. This is obstruction of justice.

We are just beginning to learn the extent of child abuse and the repercussion it has on individuals, families, and the Nation. For too long, abused children were afraid to speak up about this terrible crime. The anguish and stigma associated with child abuse make it tough to address. But a nation that does not protect its children is a nation without a future. And a Federal Government that protects abusers is abetting that tragedy.

That is why we should take the lead—not stand in the way—in combating child abuse. I hope my colleagues will join me in supporting the Child Abuse Accountability Act.

LIVING BY THE GOLDEN RULE

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. STARK. Mr. Speaker, "Do unto others as you would have them do unto you"—that's the Golden Rule. But the Golden Rule Insurance Co. of Indiana and Illinois does not practice the Golden Rule.

I never doubted that when the health care reform debate began, we would see and hear ideas and concepts—the likes of which we've never seen before and hopefully, never will again. Some insurance companies want us to give tax breaks or subsidies for people to buy private insurance or IRA-type policies that can be used to meet health expenses.

One of the major proponents of this concept is the Golden Rule Insurance Co. of Indiana and Illinois.

If it sounds too good to be true—it usually is. But this doesn't even sound that good. According to Golden Rule's 1992 Annual Statement, for every dollar of premium collected, the company paid out $53.8 cents in benefits (Schedule H, column 2, lines 3 and 4, page 69).

Mr. Speaker, the $53.8 cents in benefits indicates that Golden Rule was about 54 percent effective. In school, 54 percent would get you a failing grade. We are being lobbied to provide tax breaks so that people can buy products from a company that is only 54 percent effective. What did they do with the remaining 46 cents? It was probably spent on executive salaries and perks, advertising, and agents commissions. In other words, for every dollar in premium Golden Rule collects, it spends approximately 46 cents in expenses; that might be a good deal for Golden Rule and its investors, but for policyholders—it's a loser.

Mr. Speaker, while Golden Rule might be one of the most inefficient, it is not the only inefficient commercial health insurer. The consumer organization, Citizen Action, released a study last week entitled "Premiums Without Benefits, 1981–1991—The Continued Growth in Commercial Health Insurance Industry Waste and Inefficiency." According to Citizen Action, not including profits, the commercial health insurance industry spent 40 times as much on administration per dollar of benefits as the Canadian national health system, and 17 times as much as the Medicare system.

Further, the study found that in 1991, commercial health insurers spent 36.4 cents for administration, marketing and overhead to provide a dollar's worth of health care benefits to policyholders. Citizen Action reports that if commercial insurers had been as efficient as the Medicare system in 1991, consumers would have saved $16.7 billion; and if the companies had been as efficient as the Canadian national health system, consumers would have saved $17.3 billion. These are sobering figures, regardless of the approach to health reform you favor.

Mr. Speaker, health reform is full of obstacles and problem. We don't need to complicate matters by adding this new twist and allowing insurance companies to just keep getting richer and richer, while doing less for consumers. Let's not waste any time on this. Our efforts will be better and more wisely spent trying to find ways to guarantee everyone equal access to affordable quality health care.

Giving someone a dollar so they can give me back 54 cents is not my idea of the Golden Rule—it's practically cheating.

GOLDEN RULE INSURANCE, CO.,
Lawrenceville, IL., October 11, 1993.

Hon. FORTNEY PETE STARK,
Cannon Building, Washington, DC.

DEAR MR. STARK: Column 2, Schedule H on page 69 of Golden Rule's 1992 Annual Statement mostly represents the company's new

association group business. Without that new business, you will find higher numbers, such as the one in column nine—even higher because group insurance has higher claim cost.

New business always has high marketing costs in the first year, which are then amortized over the subsequent life of the business. This is true for any plan, including an HMO plan. The marketing and distribution costs are substantial with any new product.

Customers usually have low claim costs in the first year on any insurance product.

Sincerely,

BRIAN MCMANUS,
Public Policy Specialist.

IN MEMORY OF BETTY SPERBER

HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. DE LUGO. Mr. Speaker, I rise to honor the memory of Betty Sperber who died November 12, 1993 on the island of St. Croix after a long battle with cancer.

St. Croix was her adopted home but few have loved the island and its people or proven that love by their deeds as much as Betty. She believed in the St. Croix people and knew full well that it is people who make up the real richness and beauty of a community.

In 1973, Betty began bringing hundreds of travel agents and writers to St. Croix to see for themselves the real island and its people. She helped pay airfares, gave them free rooms, personally hosted them, and proved that St. Croix and its people was a vibrant community their clients should visit.

And it worked. The good name of St. Croix became untarnished, tourism came back, the economy revived, and people had jobs once again.

But Betty did not stop there, because she knew that for tourism to be a true part of the economy, every resident must be part of tourism. Betty conceived, developed, and implemented a program called "Hello Tourist" so young students could understand tourism, visit properties, learn jobs, and understand first hand how important tourism is to the community.

Betty served in many capacities including president of both the St. Croix and Caribbean Hotel Associations. She won a Travel Industry Award for Excellence in 1991 and was named Caribbean Hotelier of the Year in 1993.

But Betty never forgot the most important thing of all: people. And for that, Mr. Speaker, all of us who knew Betty Sperber and all the people of St. Croix are much the richer.

When I was home last week I attended Betty's funeral and witnessed an outpouring of genuine love and real appreciation from the entire St. Croix community.

Once again, I want to express my sincere condolences to Betty's husband, Irwin, and to her two sons, Mark and Miles.

Thanks, Betty. We will miss you.

LEGISLATION TO EXTEND COVERAGE OF THE DISTRICT'S SPOUSE EQUITY AMENDMENT ACT TO DISTRICT OF COLUMBIA JUDGES INTRODUCED

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Ms. NORTON. Mr. Speaker, today I am introducing an administrative amendment to title 11 of the D.C. Code in order to extend coverage of the District Spouse Equity Amendment Act of 1988 to District of Columbia judges. Both Congress and the District have determined that spouses are entitled to a share of the annuity benefits earned during the course of a marriage.

In 1989 the D.C. Council enacted the "Spouse Equity Amendment Act of 1988," (Spousal Equity Act) D.C. Code §§1–3001 et seq., to conform the District's retirement system to the Federal Government's Civil Service Retirement System [CSRS], under which former spouses of retirees may receive retirement benefits and survivor annuities. The original purpose of the D.C. Spousal Equity Act was to make applicable to certain D.C. retirement systems—police, firefighters, teachers, and judges—provisions similar to those of Public Law 95–366, which permits a court to order U.S. Office of Personnel Management to pay a share of a CSRS retiree's vested pension directly to a former spouse, and to certain sections of Public Law 98–615, which, among other things, permits a court to order existing survivor annuities to former spouses.

The judges' retirement system, set forth in title 11 of the D.C. Code, had to be omitted from the Spousal Equity Act, however, because the Home Rule Act prohibits the council from enacting any laws with respect to title 11, which relates to the organization and jurisdiction of the courts. Under current law, District judges are not covered by the Federal or D.C. Spousal Equity Acts, and therefore are the sole group among District or Federal employees whose former spouses are denied appropriate and legal access to the judges' pensions.

A prime example of this administrative glitch is the dilemma of one former wife of a retired D.C. judge. This woman was awarded part of the judge's pension benefits in the divorce settlement. Both parties agreed to this provision as part of the settlement, and the court decree reflected their agreement. When the wife attempted to collect the benefits, however, she learned that the law in the District of Columbia covered all but one group of employees—D.C. judges—and therefore did not allow her to effectuate a voluntary agreement. Since making this discovery, both she and her former husband have lobbied actively for a change in the law so that the terms of their agreement can be met. We ought to help them achieve what both Federal and District laws intend.

To address this situation and others like it, I am introducing this noncontroversial legislation to extend rightful coverage and benefits of the current D.C. Spouse Equity Amendment Act to D.C. judges, thereby carrying out the purpose of the act as intended by the D.C. Council and the Congress when the law was enacted in 1988. Because there are no significant costs associated with this legislation. I urge my colleagues in the House to move it through swiftly and I hope that the Senate will move with dispatch as well to correct this technical gap in the law.

DAVID AND HEDY WEINBERGER RECEIVE COUPLE OF THE YEAR AWARD

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mrs. MALONEY. Mr. Speaker, I rise today to bring to the attention of my colleagues the recent Couple of the Year Award bestowed upon two outstanding members of their community, David and Hedy Weinberger, by the United Jewish Council of the East Side.

The United Jewish Council has been the umbrella organization for several programs on the lower east side of Manhattan for over 22 years. It is one of the leading groups serving this remarkable neighborhood and seeks to strengthen the residential and business communities. The UJC offers a number of important social services and community development programs for a wide variety of my constituents.

David is in charge of special projects for the UJC, serves on the local community board, the board of directors of Hillman Housing and is a Democratic district leader. Hedy is the assistant office coordinator for State Senator Martin Connor and is heavily involved with a number of civic and philanthropic activities.

The UJC serves not just the Jewish community on the Lower East Side, but significant numbers of Hispanic, African-American, and Asian-American families as well. David has pushed to develop the multiservice center which provides information and help with Federal, State, and city entitlement programs. The luncheon clubs are attended by over 300 seniors each day and home attendant programs offer home care services to over 600 disabled individuals.

Because of their tremendous service to our community, I hope my colleagues will join me in honoring these two dedicated people for this very special award.

A SALUTE TO A PIONEER

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. GALLEGLY. Mr. Speaker, as our session comes to a close today, it is a fitting time to inform my colleagues that a distinguished career in law enforcement recently came to a close in my hometown of Simi Valley. CA.

Sgt. Pat Hopkins recently retired after 30 years in law enforcement, 22 of those years on the Simi Valley Police Department. What makes this particularly noteworthy is that Pat Hopkins was one of the first full-fledged female police officers in the entire country, and

her career stands as a microcosm of the enormous progress that women have made in law enforcement—indeed, in all careers—during that time.

Back in 1971, when she became a charter member of the fledgling community safety agency, as our police department was known as, women officers were extremely rare except in support or traffic roles. In fact, a Ford Foundation study later found that Pat was the first woman in the entire country to patrol a city's streets in a one-person squad car.

As Simi Valley's mayor for 7 years, I was privileged to see just how outstanding a job Pat did in a variety of difficult assignments. She served 8 years in the emotionally devastating child abuse detail, served as a robbery/homicide detective and became the department's first female sergeant.

Mr. Speaker, Pat Hopkins has truly been a law enforcement pioneer. I ask my colleagues to join me in saluting her accomplishments and in wishing her well in retirement.

U.S. PRICING POLICY ON THE SALE OF M60A3 TANKS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. HAMILTON. Mr. Speaker, earlier this year, the Committee on Foreign Affairs received correspondence indicating potential irregularities in the pricing policy on the sale of U.S. M60A3 tanks to foreign nations. In this regard, the Committee on Foreign Affairs received notifications on the sale of U.S. M60A3 tanks pursuant to the Arms Export Control Act with unit prices ranging between a low of $215,000 per tank to a high of $790,000 per tank. Earlier this month, the Committee on Foreign Affairs received yet another information notification on the sale of U.S. M60A3 tanks that included a unit price of $130,000 per tank. As a result of these variations in pricing, I requested the Defense Security Assistance Agency to provide the Committee on Foreign Affairs with a memorandum explaining the pricing policy of U.S. defense equipment—specifically, the M60A3 tank. I have attached a copy of that memorandum to this statement so that Members can review it and gain a better understanding of the U.S. pricing policy on the sale of M60A3 tanks to foreign nations.

PRICING OF M60A3 TANKS

Pricing of defense equipment is based on Department of Defense guidance contained in Financial Management Regulation DOD 7000.14-R, Volume 15, Security Assistance Policy and Procedures, March 1993

Price is determined as follows:

A. Determine the normal peacetime life of the item to be sold.

B. Determine the percentage of useful life remaining.

C. Determine condition of item to be sold.

D. Apply the percentage to the acquisition price.

In 1990 M60A3 tanks were sold to Oman, Bahrain, and Saudi Arabia.

Normal peacetime life: 20 years

Average age of tanks sold: 8 years

Condition: Serviceable used—Good—Not Overhauled

Percentage of acquisition price considering age/condition: 60%

Army Master Data File Acquisition Price: $1,291,865

Base price of tanks (less radios, machine guns, overhaul or non-recurring costs), $1,291,865 X 60% = $775,119

In 1993 a world-wide survey was conducted to identify foreign requirements for the aging M60A3 fleet.

Normal peacetime life: 20 years

Average age of tanks offered: 16 years

Condition: Serviceable used—Fair condition—Not Overhauled

Percentage of acquisition price considering age/condition: 20%

Location of tanks: Korea

Acquisition price: $1,291,865

Survey price, less radios, machine guns, or overhaul:

$1,291,865 X 20% = $258,373 less reduction for condition—20%

($51,675), plus 20% of nonrecurring cost ($31,000 X 20% = $6,200), = $212,898

Two countries have inspected the 111 serviceable tanks located in Korea which were offered at $212,000. Bahrain indicated a requirement for 14 and Taiwan for 97. Taiwan has not yet submitted a letter of request for these tanks.

Of the 1,435 tanks located in Europe, 1,311 have been cascaded to other NATO Countries under the terms of the Conventional Forces Europe (CFE) Agreement. 124 are awaiting transfer decisions.

In view of the 3,976 tanks located in CONUS, and the minimal response to the world-wide survey, the Army requested an exception from the DOD Comptroller to sell the M60A3 tanks at 10% of the acquisition price to realize a return to the taxpayer before the tanks become excess. On 6 August 1993 the exception (in accordance with the DOD Regulation) was approved and a quantity of 340 M60A3 tanks was offered to Egypt at a unit price of $129,865 (copy attached). Egypt has inspected 411 tanks at Fort Hood and 91 at Fort Knox. They have tentatively selected 299 of these 502. An additional quantity of the CONUS fleet of M60A3 tanks is available at this price for other approved purchasers. In the near term the Army will declare the M60A3 tanks as excess to requirements and dispose of them through grant programs or demilitarization at additional costs to the taxpayer.

COOPERATION BETWEEN COMMUNITY, PRIVATE, AND FEDERAL ENTITIES

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. RICHARDSON. Mr. Speaker, I am honored to share with my colleagues a success story about cooperation between a community nonprofit organization, private corporations, and a Federal grant program that has made a difference in the life of a young woman in Santa Fe, NM.

Brenda Ortega could have easily been another teenage statistic. Brenda was pregnant by the time she was a 9th grader and a high school drop-out by 16. Today at age 18, Brenda has earned a GED, has a job with the New Mexico Economic Development Department, and is a student at Santa Fe Community College. The link between Brenda's situation and success was the Service Education Redevelopment [SER] Program.

The Service Education Redevelopment Program is provided by a nonprofit organization which helps students obtain a high school equivalency degree and find employment. Funded by JPTA grants, State matching education funds, and contributions from private businesses and foundations, the Service Education Redevelopment Program finds students jobs and pays their wages while they study to obtain a GED. While preparing students for the GED test, the SER program also coaches students in how to fill out a job application, how to dress appropriately, the importance of being on time, and communicating with an employer.

I ask my colleagues to join me in recognizing what is possible when we have cooperation between community, State, and Federal sources and the difference we can make in the lives of young people like Brenda Ortega.

REAL WELFARE REFORM SHOULD NOT PUNISH CHILDREN

HON. MATTHEW G. MARTINEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. MARTINEZ. Mr. Speaker, by now, many of us have seen the welfare proposal being put forth by our Republican colleagues. I appreciate the impatience exhibited by the drafter of that bill. I, too, am eager to face the problem of welfare reform head on—to pass reforms that will improve the lives of children and their families who now live in poverty. We would all like to see poor families work their way toward self-sufficiency as soon as possible.

I also want to save tax dollars. I want to pass real welfare reform that would save money by reducing families' reliance on public assistance and increasing their participation as taxpaying members of society.

It was with hopes of achieving these goals that I read the Republican welfare proposal introduced last week, H.R. 3500.

But I have to say that what I read left me both disappointed and determined to help develop a better option. The Republican proposal is a cruel and punitive measure that forgets the purpose of public assistance—protecting children and their families—and instead sets a discount price for their well-being.

H.R. 3500 is less a plan for helping families attain self-sufficiency, and more a threat to punish children for being born into proverty—all in the name of deficit reduction.

The goal of our welfare policy should not be to provide a lifelong source of income that precludes employment. Neither is the goal, however, to punish those children who are born into poverty. Welfare policy must ensure the well-being of America's children, while helping their parents to be productive and fulfill their potentials.

As we anticipate the welfare reform plan being developed by the administration's task force, we must begin laying the groundwork for real change that will help families out of poverty and unemployment.

A sound welfare reform policy must recognize that caring for the next generation of children is a good investment. It must also recognize that those children and their parents are a package—sanctions against parents hurt their children. Empowerment of parents leads to healthier children who are more productive members of society.

Welfare reform must include increased opportunities for employment. We cannot strand families in poverty by removing them from public assistance without providing training if necessary and a real, permanent job. And, if our priority is the welfare of the children, we cannot expect parents to enter the work force without ensuring access to quality childcare.

In short, if we want families who live in poverty to survive, we cannot treat them simply as a line item in the budget that can be cut.

When I talk about stranding American families in poverty, I am not only talking about time limits, although clearly they are problematic unless we are willing to guarantee people jobs.

I am also talking about the Republican plan to cap six of the most important programs to poor parents and children—AFDC, SSI, public housing and section eight housing, food stamps and earned income tax credit.

Each of these programs is designed to solve a very real problem faced by American citizens—the hungry, the homeless, the disabled, and the working poor. Capping programs does not solve these problems. It makes them worse by saying to a welfare parent cutting the budget is more important than feeding your children. Cutting the budget is more important than having a roof over your head. Cutting the budget is more important than trying to help you keep your family together when all you can find is a low-paying, part-time or temporary job.

We cannot strand these families. We cannot ignore these very real social problems, which have only gotten worse for Americans through the 1980's and the early 1990's.

If you are a recent immigrant to the United States, the Republican bill will not just cap programs that help you and your children survive so you can make the contributions and have the opportunities that generations of immigrants have had before you. If you are a recent immigrant to the United States, H.R. 3500 says not only do we not care about you, we do not care about your children. H.R. 3500 goes to the extreme of cutting every social program that helps immigrant children survive—even the programs designed specifically to help them.

H.R. 3500 is not just unacceptable. It is un-American. We need a better option for real reform.

I look forward to seeing other proposals being developed by Members of this body and the administration. We should also take a close look at bills like the Community Works Progress Act and other legislation that would create public jobs for those who want to work, but face high levels of unemployment in their communities.

I intend to pursue real welfare reform in the coming months, and look forward to working toward a bipartisan plan for improving the well-being of our children and families while maximizing the productivity of this country's citizens.

H.R. 3545 THE INDEPENDENT COUNSEL ACCOUNTABILITY AND REFORM ACT OF 1993

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. HYDE. Mr. Speaker, on Friday, the 19th of November, I introduced the Independent Counsel Accountability and Reform Act of 1993 along with BOB MICHEL, NEWT GINGRICH, DICK ARMEY, DUNCAN HUNTER, BILL MCCOLLUM, TOM DELAY, BILL PAXON, HAMILTON FISH, Jr., CARLOS MOORHEAD, GEORGE GEKAS and BOB LIVINGSTON. We all feel very strongly about this legislation, and I wanted to explain why.

This Nation has had no independent counsel law for almost a year and it needs one. The American people need to be reassured that the law has been, is being, and will be obeyed by even the most powerful in our government. The best way to do this is to give the Attorney General the power to seek appointment by the appropriate court of an independent counsel when there has been alleged wrongdoing by a President, a high administration official, or a Members of Congress. This eliminates people's fears, whether grounded in reality or not, that the Justice Department can't impartially investigate these people given the political pressures it would be subject to. Therefore, we have introduced the Independent Counsel Accountability and Reform Act of 1993.

H.R. 811, House Judiciary Committee Chairman JACK BROOKS' independent counsel reauthorization, was reported out of that committee back on March 24. Unfortunately, we have seen no action by the House since then. We do not speculate on the reasons for this inaction, but we introduce the Independent Counsel Accountability and Reform Act of 1993 to call attention to this important and unfinished business. To jump-start the process, we are prepared to introduce a discharge petition to get this bill to the floor for a vote. In addition, we believe we have a better vehicle than H.R. 811, Chairman BROOKS' still languishing bill.

Why not just support H.R. 811? Most importantly, we believe that the independent counsel law must treat Congressmen exactly the same as it treats the President and his advisors. The Justice Department faces the same political pressures in investigating a powerful Congressman as in investigating a high administration official. Our bill puts Congressmen in the same class as the President—the Attorney General must, not may but must, start a preliminary investigation when he or she receives information sufficient to constitute grounds to investigate whether a Congressman may have violated Federal law. H.R. 811 just doesn't do this. It is time that Congress place itself under the same laws that the executive branch must deal with.

We should have learned from the experience under the now expired independent counsel law that accountability and other reforms are necessary. Our bill provides for the first time strict control and accountability of the office of independent counsel. H.R. 811 fails to do so. Our bill requires the supervising court to specifically and precisely state the exact purpose of an independent counsel investigation, so that it doesn't become an open ended fishing expedition. It requires that an independent counsel apply to the court every 2 years for reappointment and be subject to the regular appropriations process also after 2 years. It allows the court to terminate an independent counsel whenever the court finds that an investigation has been substantially completed. It provides for the security of classified information.

We must be vigilant against corruption and wrongdoing in high office. We must guard against even the perception that the law is treating some less equally than others. To accomplish these goals, we need an effective, comprehensive and balanced independent counsel statute. We believe the Independent Counsel Accountability and Reform Act of 1993 is such a law.

GIVE THE GIFT OF LIFE—SUPPORT THE ORGAN DONATION INSERT CARD ACT

HON. RICHARD J. DURBIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. DURBIN. Mr. Speaker, today I am introducing legislation, the Organ Donation Insert Card Act, which will encourage organ donation through a highly cost-effective campaign of public education.

In order for an organ donation to take place, the next-of-kin must authorize the donation.

Most Americans have never signed an organ donor card, and many of those who have signed a card have never discussed the matter with their family members. As a result, family members hesitate to authorize organ donation and opportunities to save lives are lost.

According to a Gallup Poll, cosponsored by the Partnership for Organ Donation, more than 90 percent of the public would authorize organ donation if their loved one had expressed that wish before death, but less than half would consent to donation if the discussion had not occurred. According to the survey, less than half of the public have told their families of their wishes regarding donation.

The keys to organ donation are knowledge and family discussion. First, a person must decide that they want to be an organ donor if they should die unexpectedly. Second, they must communicate that desire to their loved ones, because the organ donation process is not initiated without the express consent of the next-of-kin.

My legislation would address this problem in the following way:

The legislation would direct the Treasury Department, after consulting with the Department of Health and Human Services, to enclose with each income tax refund check mailed in 1995 an insert card that encourages organ donation.

The insert would include a detachable organ donor card. The insert would urge recipients to sign and carry the card. The insert would also contain a message encouraging people to talk

to their families about their willingness to be an organ donor and encourage family members to authorize organ donation if the occasion should arise.

Inserting such an appeal with IRS refund checks poses no logistical problems for the Treasury Department, because such inserts are not a new idea. Refund checks are frequently accompanied by an appeal to buy a special commemorative coin.

The cost of the bill is $500,000 to reach 80 million households.

While thousands of people each year gain a new lease on life because of a successful organ transplant, many people die before they can receive a transplant because the demand for organs greatly exceeds the supply. For example:

One-third of the Americans on waiting lists for a new heart or a new liver die before an organ donor can be found.

Over 31,000 people are currently waiting for an organ transplant, including 23,000 adults who need kidney dialysis while they wait.

Our bill's one-time public education effort is a highly cost-effective way to save lives by encouraging increased organ donation. Every additional organ donor added because of this campaign offers a new chance at life for someone who desperately needs a transplant.

This legislation has the support of the following organizations:

American Association of Critical-Care Nurses.

American Association of Kidney Patients.

American Association of Transplant Surgeons.

American Heart Association.

American Nurses Association.

American Society of Transplant Physicians.

American Society of Transplant Surgeons.

Association of Organ Procurement Organizations.

Children's Organ Transplant Association.

International Society for Heart and Lung Transplantation.

Michigan Transplant Institute.

Mid-Atlantic Renal Coalition.

National Kidney Foundation.

North American Transplant Coordinators Organization.

Partnership for Organ Donation.

South-Eastern Organ Procurement Foundation.

The Transplant Foundation.

Transplant Recipients International Organization.

United Network for Organ Sharing [UNOS].

I urge my colleagues to join me as a cosponsor of this bill and encourage all Americans to give the gift of life.

YOU CAN TAKE HEART FROM U.S. HISTORY

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. LANTOS. Mr. Speaker, our most distinguished Ambassador to the European Community wrote a singularly perceptive article on the impressive developments in the field of the European integration. I am pleased to share this with my colleagues:

[From the International Herald Tribune, Oct. 29 1993]

YOU CAN TAKE HEART FROM U.S. HISTORY

(By Stuart E. Eizenstat, U.S. Ambassador, to the European Community)

Brussels—As an extraordinary European Community summit meeting inaugurates the Maastricht treaty creating a more integrated union for its 12 member nations, the mood is pessimistic, not celebratory. With recession, Bosnia and the tortuous path to ratification of Maastricht, this year has taken a psychological toll on Europe's leaders and peoples.

Nevertheless, both a look at American history and a review of what has been accomplished on the Continent since the 1957 Treaty of Rome give reason for confidence in the future.

Institution building is always a complex process, even more so because the European Community is unlike anything in world history.

One of the great experiments ever undertaken by democratic governments, the Community is not a regional organization like the Organization of American States, a purely economic entity like the General Agreement on Tariffs and Trade, or an international organization like the United Nations.

Neither is it a classical nation-state. It is a sui generis supranational organization in which nation-states have pooled sovereignty in many areas while retaining it in others. There are no precedents for what is being attempted in the Community—and achieved.

Maastricht is designed to further the integration process by leading to economic and monetary union, including a common currency and central bank by 1999, a common foreign and security policy, and joint action in areas of justice and social policy heretofore solely within the province of the member nations.

No one should minimize the difficulties of achieving these ambitions. But American history affords an encouraging context to counter Euro-pessimists about an integration process that the United States has supported since the inception of the Community.

America was governed by the Articles of Confederation for almost a decade before the current constitution went into effect. The original 13 colonies established a government of states that reflected their distrust of a strong central government. Each state's sovereignty was guaranteed. Congress could not levy taxes or regulate trade.

Even after the constitution established a stronger federal government to replace this ineffectual system, substantial power was retained by the states through the 10th Amendment—a version of the "subsidiarity" issue with which the Community is struggling to give member nations greater freedom to act.

Only late in the last century did the U.S. Supreme Court interpret the constitution's commerce clause in a manner that permitted Washington to regulate in social and economic areas. As the debate over the Clinton health care plan shows, Americans continue to have important disagreements over the appropriate balance between federal and state power.

EC concern about the timetable for creation of a central bank and a common currency parallels U.S. difficulties in developing the sinews of a central financial system in the republic's early years. Alexander Hamilton and Thomas Jefferson sharply disagreed over whether to have a central bank at all.

The 20-year charter of the First Central Bank of the United States lapsed in 1811 under pressure from states. As much of the currency became valueless, Congress established the Second Bank in 1816, but Andrew Jackson vetoed renewal of its charter. Not until 30 years later during the Civil War were national banks created along with a safe, uniform currency. Even then, with no power to regulate the money supply, there were four financial panics from 1873 to 1907 that dwarf the problems faced this summer in the European Monetary System.

The Federal Reserve System was not created until 1913—124 years after adoption of the constitution. Still, the suspicion of a central bank remained so strong that Congress established reserve banks in each district of the country.

I do not suggest that the European Community, with its own history, political culture and society, should emulate an American model. The Community and its members will determine the organizational structures that best meet their needs. But if the United States had such difficulties in institution building with former colonies, it is all the more to be expected with sovereign nations.

France is not Florida. Germany is not Georgia. Italy is not Indiana. The Community's nation-states in some cases have more than a millennium of experience.

Viewed in this perspective, the Community has been an enormous and rapid success. Europeans' criticism of the Community is itself a testimony to its importance. Its institutions are increasingly active.

The European Court of Justice adjudicates disputes among EC bodies, member states and the Community, and its decisions are followed in member states.

The EC Commission is competent in trade, allocation of aid to underdeveloped regions and member states, antitrust policy and harmonization of national laws and regulations. It has been blessed with visionary leaders like Jacques Delors, and embodies the best impulses in Europe—for liberalized markets, social justice and human rights.

The EC Council brings ministers together for regular consultations on virtually every conceivable issue. It has developed a unique depth and breadth of cooperation.

The European Parliament receives expanded authority from Maastricht. Its special significance as the Community's democratically chosen institution will be reinforced by Europe-wide elections next June, which are of increasing importance.

Creation of a single market, reform of the Common Agricultrue Policy and generous assistance to new democracies in Eastern Europe and the ex-Soviet Union, plus support for the Middle East peace process, underscore the Community's success. So do the increasing feelings of a common European identity and the degree to which Europeans travel, study and work beyond their own borders.

The tasks in transforming Maastricht's promises into realities are daunting. But in light of what has been achieved, and with perspective on how long it has taken the United States to find its institutional balance, this is a time for Europe to be proud and optimistic.

The United States looks forward to a growing partnership with the European Community.

EXEMPT ORGANIZATION REFORM ACT OF 1993

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. STARK. Mr. Speaker, following is the full text of a bill I introduced today, entitled "The Exempt Organization Reform Act of 1993":

H.R. —

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

SECTION 1. EXCISE TAXES ON ACTS OF SELF-DEALING AND PRIVATE INUREMENT BY CERTAIN TAX-EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—Chapter 42 of the Internal Revenue Code of 1986 (relating to private foundations and certain other tax-exempt organizations) is amended by redesignating subchapter D as subchapter E and by inserting after subchapter C the following new subchapter:

"SUBCHAPTER D—ACTS OF SELF-DEALING AND PRIVATE INUREMENT BY CERTAIN EXEMPT ORGANIZATIONS

"Sec. 4958. Taxes on certain acts of self-dealing.
"Sec. 4959. Taxes on private inurement.
"Sec. 4960. Other definitions.

"SEC. 4958. TAXES ON CERTAIN ACTS OF SELF-DEALING.

"(a) INITIAL TAXES.—

"(1) ON SELF-DEALER.—There is hereby imposed a tax on each act of self-dealing between a disqualified person and an applicable tax-exempt organization. The amount of such tax shall be 5 percent of the amount involved with respect to the act of self-dealing for each year (or part thereof) in the taxable period. The tax imposed by this paragraph shall be paid by any disqualified person (other than an organization manager acting only as such) who participates in the act of self-dealing.

"(2) ON ORGANIZATION MANAGER.—In any case in which a tax is imposed by paragraph (1), there is hereby imposed on the participation of any organization manager in any act of self-dealing between a disqualified person and an applicable tax-exempt organization, knowing that it is such an act, a tax equal to 2.5 percent of the amount involved with respect to such act of self-dealing for each year (or part thereof) in the taxable period, unless such participation is not willful and is due to reasonable cause. The tax imposed by this paragraph shall be paid by any organization manager who participated in the act of self-dealing.

"(b) ADDITIONAL TAXES.—

"(1) ON SELF-DEALER.—In any case in which an initial tax is imposed by subsection (a)(1) on any act of self-dealing between a disqualified person and an applicable tax-exempt organization and such act is not corrected within the taxable period, there is hereby imposed a tax equal to 200 percent of the amount involved. The tax imposed by this paragraph shall be paid by any disqualified person (other than an organization manager acting only as such) who participated in the act of self-dealing.

"(2) ON ORGANIZATION MANAGER.—In any case in which an additional tax is imposed by paragraph (1), if an organization manager refused to agree to part or all of the correction, there is hereby imposed a tax equal to 50 percent of the amount involved. The tax imposed by this paragraph shall be paid by any organization manager who refused to agree to part of all of the correction.

"(c) SPECIAL RULES.—

"(1) JOINT AND SEVERAL LIABILITY.—If more than one person is liable under any paragraph of subsection (a) or (b) with respect to any one act of self-dealing, all such persons shall be jointly and severally liable under such paragraph with respect to such act.

"(2) $10,000 LIMIT FOR MANAGEMENT.—With respect to any one act of self-dealing, the maximum amount of the tax imposed by subsection (a)(2) shall not exceed $10,000, and the maximum amount of the tax imposed by subsection (b)(2) shall not exceed $10,000.

"(d) SELF-DEALING.—For purposes of this section—

"(1) IN GENERAL.—Except as provided by paragraph (2), the term 'self-dealing' means any direct or indirect—

"(A) transfer, lease, or license of property between an applicable tax-exempt organization and a disqualified person, and

"(B) lending of money or other extension of credit between an applicable tax-exempt or organization and a disqualified person.

"(2) EXCEPTIONS.—The term 'self-dealing' shall not include—

"(A) the lending of money by a disqualified person to an applicable tax-exempt organization if the loan is without interest or other charge (determined without regard to section 7872) and if the proceeds of the loan are used exclusively for exempt purposes,

"(B) the furnishing of goods or facilities by a disqualified person to an applicable tax-exempt organization if the furnishing is without charge and if the goods or facilities so furnished are used exclusively for exempt purposes, and

"(C) any transfer, lease, or license of property if—

"(i) such transfer, lease, or license (as the case may be) is by a disqualified person in the ordinary course of such disqualified person's trade or business and such transaction is on a basis comparable to the basis on which similar transactions are made in the ordinary course of such trade or business with other parties, or

"(ii) such transfer, lease, or license (as the case may be) is by an applicable tax-exempt organization in the ordinary course of its activities and such transaction is made on a basis comparable to the basis on which similar transactions are made in the ordinary course of such activities with other parties.

"(3) EXEMPT PURPOSE.—For purposes of paragraph (2), the term 'exempt purpose' means—

"(A) in the case of an organization described in section 501(c)(3), any purpose specified in section 501(c)(3), and

"(B) in the case of an organization described in section 501(c)(4), any purposes specified in section 501(c)(4).

"(d) OTHER DEFINITIONS.—For purposes of this section—

"(1) TAXABLE PERIOD.—The term 'taxable period' means, with respect to any act of self-dealing, the period beginning with the date on which the act of self-dealing occurs and ending on the earliest of—

"(A) the date of mailing a notice of deficiency under section 6212 with respect to the tax imposed by subsection (a)(1),

"(B) the date on which the tax imposed by subsection (a)(1) is assessed, or

"(C) the date on which correction of the act of self-dealing is completed.

"(2) AMOUNT INVOLVED.—The term 'amount involved' means, with respect to any act of self-dealing, the greater of the amount of money and fair market value of other property given, or the amount of money and fair market value of other property received. In the case of a lease or license, the amount involved is the fair market value of the leased or licensed property. For purposes of this paragraph—

"(A) in the case of the taxes imposed by subsection (a), fair market value shall be determined as of the date on which the act of self-dealing occurs, and

"(B) in the case of the taxes imposed by subsection (b), fair market value shall be the highest fair market value during the taxable period.

"(3) CORRECTION.—The terms 'correction' and 'correct' mean, with respect to any act of self-dealing transaction, undoing the transaction to the extent possible, but in any case place the applicable tax-exempt organization in a financial position not worse than that in which it would be if the disqualified person were dealing under the highest fiduciary standards.

"SEC. 4959. TAXES ON PRIVATE INUREMENT.

"(a) INITIAL TAXES.—

"(1) ON THE ORGANIZATION.—There is hereby imposed on any taxable inurement a tax equal to 10 percent of the amount thereof. The tax imposed by this paragraph shall be paid by the organization with respect to which such inurement occurred.

"(2) ON THE MANAGEMENT.—There is hereby imposed on the participation of any organization manager of an organization in any taxable inurement which occurs with respect to such organization, knowing that it is taxable inurement, a tax equal to 2½ percent of the amount thereof, unless such participation is not willful and is due to reasonable cause. The tax imposed by this paragraph shall be paid by the organization manager who participated in the taxable inurement.

"(3) ON THE BENEFICIARY.—There is hereby imposed on any taxable inurement a tax equal to 5 percent of the amount thereof. The tax imposed by this paragraph shall be paid by the beneficiary of such inurement.

"(b) ADDITIONAL TAXES.—

"(1) ON THE ORGANIZATION.—In any case in which an initial tax is imposed by subsection (a)(1) on any taxable inurement and such inurement is not corrected within the taxable period, there is hereby imposed a tax equal to 100 percent of the amount of the taxable inurement. The tax imposed by this paragraph shall be paid by the organization with respect to which such inurement occurred.

"(2) ON THE MANAGEMENT.—In any case in which an additional tax is imposed by paragraph (1), if an organization manager refused to agree to part or all of the correction, there is hereby imposed a tax equal to 50 percent of the amount of the taxable inurement. The tax imposed by this paragraph shall be paid by any organization manager who refused to agree to part or all of the correction.

"(3) ON THE BENEFICIARY.—In any case in which an additional tax is imposed by paragraph (1), there is hereby imposed a tax equal to 200 percent of the amount of the taxable inurement. The tax imposed by this paragraph shall be paid by the beneficiary of such inurement.

"(c) TAXABLE INUREMENT.—For purposes of this section, the term 'taxable inurement' means any direct or indirect inurement of any part of the net earnings of an applicable tax-exempt organization to the benefit of any disqualified person. Such term shall not include any act of self-dealing on which tax is imposed under section 4958.

"(d) SPECIAL RULES.—For purposes of this section—

"(1) JOINT AND SEVERAL LIABILITY.—If more than one person is liable under any paragraph of subsection (a) or (b) with respect to any one taxable inurement, all such persons shall be jointly and severally liable under such paragraph with respect to such inurement.

"(2) LIMIT FOR MANAGEMENT.—With respect to any 1 taxable inurement, the maximum amount of the tax imposed by subsection (a)(2) shall not exceed $10,000, and the maximum amount of the tax imposed by subsection (b)(2) shall not exceed $10,000.

"(e) OTHER DEFINITIONS.—For purposes of this section—

"(1) TAXABLE PERIOD.—The term 'taxable period' means, with respect to any taxable inurement, the period beginning with the date on which the inurement occurs and ending on the earliest of—

"(A) the date of mailing a notice of deficiency under section 6212 with respect to the tax imposed by subsection (a)(1), or

"(B) the date on which the tax imposed by subsection (a)(1) is assessed.

"(2) CORRECTION.—The terms 'correction' and 'correct' mean, with respect to any taxable inurement, undoing the inurement to the extent possible, establishing safeguards to prevent future taxable inurement, and where fully undoing the inurement is not possible, such additional corrective action as is prescribed by the Secretary by regulations.

"SEC. 4960. OTHER DEFINITIONS.

"(a) APPLICABLE TAX-EXEMPT ORGANIZATION.—For purposes of this subchapter, the term 'applicable tax-exempt organization' means any organization which (without regard to any act of self-dealing or taxable inurement) would be described in paragraph (3) or (4) of section 501(c) and exempt from tax under section 501(a). Such term shall not include any private foundation.

"(b) DISQUALIFIED PERSON.—For purposes of this subchapter, the term 'disqualified person' means, with respect to any transaction—

"(1) any person who was an organization manager at any time during the 5-year period ending on the date of such transaction.

"(2) any member of a family (as defined in section 4946(d)) of any person described in paragraph (1), and

"(3) any 35-percent controlled entity of persons described in paragraph (1) or (2).

"(c) ORGANIZATION MANAGER.—For purposes of this subchapter, the term 'organization manager' means, with respect to any applicable tax-exempt organization, any officer, director, or trustee of such organization (or any individual having powers or responsibilities similar to those of officers, directors, or trustees of the organization). Such term includes any person performing substantial medical services as a physician for the applicable tax-exempt organization pursuant to an employment or other contractual relationship.

"(d) 35-PERCENT CONTROLLED ENTITY.—For purposes of this section—

"(1) 35-PERCENT CONTROLLED ENTITY.—The term '35-percent controlled entity' means—

"(A) a corporation in which persons described in paragraph (1) or (2) of subsection (b) own more than 35 percent of the combined voting power,

"(B) a partnership in which such persons own more than 35 percent of the profits interest, and

"(C) a trust or estate in which such persons own more than 35 percent of the beneficial interest.

"(2) CONSTRUCTIVE OWNERSHIP RULES.—Rules similar to the rules of paragraphs (3) and (4) of section 4946(a) shall apply for purposes of this subsection."

(b) APPLICATION OF PRIVATE INUREMENT RULE TO TAX-EXEMPT CIVIC LEAGUES.—Paragraph (4) of section 501(c) of such Code is amended to read as follows:

"(4)(A) Civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare and no part of the net earnings of which inures to the benefit of any private shareholder or individual.

"(B) Local associations of employees—

"(i) the membership of which is limited to the employees of a designated person or persons in a particular municipality, and

"(ii) which is operated exclusively for charitable, educational, or recreational purposes."

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Subsection (e) of section 4955 of such Code is amended—

(A) by striking "SECTION 4945" in the heading and inserting "SECTIONS 4945 and 4959", and

(B) by inserting before the period "or a taxable inurement for purposes of section 4959".

(2) Subsections (a), (b), and (c) of section 4963 of such Code are each amended by inserting "4958, 4959," after "4955,".

(3) Subsection (e) of section 6213 of such Code is amended by inserting "4958 (relating to acts of self-dealing), 4959 (relating to private inurement)," before "4971".

(4) The table of subchapters for chapter 42 of such Code is amended by striking the last item and inserting the following:

"Subchapter D. Acts of self-dealing and private inurement by certain exempt organizations.

"Subchapter E. Abatement of first and second tier taxes in certain cases."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions occurring on or after January 1, 1994.

PUBLIC FINANCE AND INFRASTRUCTURE INVESTMENT ACT OF 1993

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. NEAL of Massachusetts. Mr. Speaker, I would like to speak about public financing. As the former mayor of the city of Springfield, I am a firm believer in public financing. I have seen its benefits firsthand. In the past 12 years, Federal support to local and State governments has dramatically increased. Public financing can assist to fill this crucial void.

Today, Congressman COYNE is introducing the "Public Finance and Infrastructure Investment Act of 1993." I am a cosponsor of this legislation and I would like to commend Mr. COYNE for his work on putting together this worthy piece of legislation.

Former Congressman Beryl Anthony formed the Anthony Commission on Public Financing. The commission released a report that made recommendations on public financing. Most of the recommendations were in response to the restrictions placed on tax-exempt bonds by the Tax Reform Act of 1986. This legislation incorporates many of the objectives of the Anthony Commission.

Most of the provisions included in the legislation have already been passed by Congress. The bill includes one new provision, distressed community economic development bonds and I believe this type of bond compliments the enterprise zone legislation included in the Omnibus Budget Reconciliation Act of 1993. These bonds would help communities that face economic hardship and this would not just be large urban communities. Many smaller cities such as Springfield who are facing tough economic times would be able to qualify for distressed community economic development bonds.

The other provisions are needed changes and they are supported by the bond community. One of these provisions would eliminate the $15 million limit placed on output facilities. I have introduced a bill on this issue. There is no reason output facilities such as public powerplants should not be treated differently from other facilities.

The purpose of this legislation is to improve the provisions concerning tax-exempt bonds in the Internal Revenue Code. The provisions would include indexation of the volume cap and a small issuer exception for bank deductibility.

Public financing touches many aspects of our everyday life. Municipal bonds are used by State and local governments to finance public facilities such as school, hospitals, roads, and ports. I urge you to review this important piece of legislation. I look forward to a debate on municipal financing during the next session of Congress.

TRIBUTE TO THE PASHAMI DANCERS

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. CARR. Mr. Speaker, I appreciate this opportunity to extend my congratulations to the Pashami Dancers of Lansing, MI, on the occasion of their 25th anniversary.

The Pashami Dancers, a nonprofit dance company specializing in traditional West African dance, have been sharing their knowledge and love of West African culture with the people of Michigan since 1970. Through their local teaching and performances, they have fostered a great appreciation for the richness and complexity of West African dance, music, and culture.

In addition to their local activities, the Pashami Dancers have traveled extensively within the United States, as well as to several West African countries. Members of the group have performed and studied with local dancers in such countries as Benin, Cote D'Ivoire, The Gambia, Ghana, Nigeria, Senegal, and Togo. The Pashami Dancers have also performed for such distinguished persons as Nobel Peace Prize winner Desmond Tutu and Zimbabwe President Robert Gabriel Mugabe.

The Pashami Dancers have enjoyed continued success under the leadership of Dr. Dorothy H. Jones, assistant professor of social

work at Michigan State University, and founder and artistic director of the Pashami Dancers. Other members of the company are active in such varied fields as business, education, engineering, law, and medicine.

The Pashami Dancers have done our community a great service through their teaching and performance of West African dance. Please join me in recognizing their many years of contribution to the cultural life of Michigan, and in wishing them continued success in their endeavors.

TRIBUTE TO HUMBERTO J. TIJERINA

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. ORTIZ. Mr. Speaker, I rise today to pay tribute to a very dear friend, and a man who has molded the souls and the minds of students, both young and old.

Mr. Speaker and colleagues, Mr. Humberto J. Tijerina, of Kingsville, TX, will retire soon, on December 2, 1993. I would ask that all of you join me in commemorating the long and distinguished career of an educator—a career, which to me, is the most important job in our society.

Mr. Tijerina—affectionately known as Mr. T to his friends, is literally a product of the Kingsville educational system. He attended schools in Kingsville, graduating from Henrietta King School, before attaining his degree at Texas A & I University in Kingsville. He majored in accounting and minored in teaching.

He first taught school in Raymondsville, TX, for a year before returning to Corpus Christi, where he worked a stint in the old Army Operations and Inspections Center at Corpus Christi Naval Air Station. The following year, 1957, he joined the Corpus Christi independent school system. Mr. T had realized during his tenure at the Raymondsville independent school district that he loved the art of teaching.

Teaching moved him. Nothing made him happier than seeing others realize their potential. In 1965, he began working with the adult learning center in Corpus Christi. He says that the most enriching reward of all is seeing others summon the very best in themselves as they learn. He feels great pleasure in seeing people attain their goals of receiving an education.

When Mr. T first started at the adult learning center, they only offered graduate equivalency degrees [GED], but soon they moved toward programs that emphasized English as a second language. During the years Mr. T has worked at the adult learning center, he has seen it grow to include language services and informational and self-help programs for welfare mothers.

I would ask that the house join me today—as well as Mr. T's family; his wife Rose, and his sons Terence Neil and Darin Dale—in commending Mr. Humberto J. Tijerina for his lifetime achievements in the field of education.

TRIBUTE TO WILBUR BUCHER

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. GOODLING. Mr. Speaker, today I would like to recognize the accomplishments of Mr. Wilbur Bucher of Mechanicsburg, PA, in the 19th Congressional District, which I represent.

Mr. Bucher has lived in Mechanicsburg all of his life and has contributed much to the community and the Commonwealth of Pennsylvania. In addition to being a leader in local agriculture, he has also served on the Monroe Township Planning Commission.

In December 1993, Mr. Bucher will celebrate his 80th birthday. Many of his friends and family, including myself, will join him for this celebration, which will be held at the Allenberry resort in Boiling Springs, PA.

Mr. Bucher has certainly earned the respect bestowed upon him by the community. He has been an active member of the Cumberland County and Pennsylvania Farmers Association and has ably served on their legislative committee. Mr. Bucher was a member of the very first 4–H Baby Beef Club of Cumberland County. In addition to serving in these official capacities, Mr. Bucher has served on my own Agriculture Advisory Board, which is comprised of about 30 residents of the 19th congressional district to advise me on the impact of Federal Government policies and legislation on local agriculture. I have certainly been very appreciative of Mr. Bucher's efforts through the years.

Mr. Bucher has also provided dedicated service to his community. He has served as a member of the Monroe Township Planning Commission for 27 years 1967–1993. He served as chairman for a majority of those years. As my colleagues know, this is often a thankless job, but one for which a qualified and dedicated individual can make a great difference for the community.

Many communities are built around their churches. For Mr. Bucher, the church is an important part of the community and the foundation upon which to build our future. He has volunteered his time as a Sunday school teacher, assistant superintendent and superintendent of the Sunday school at the Trindle Spring Lutheran Church.

In addition to serving his community, Mr. Bucher also enjoys reading and traveling.

I would like to express the thanks of the entire community to Mr. Bucher for his tireless commitment to the community. We greatly appreciate the knowledge and wisdom he has provided through the years. As he completes his final term as a member of the planning commission, we would like to wish him the very best of luck in all of his future endeavors and hope he continues to enjoy a full and happy life.

THE STATE OF NEW COLUMBIA

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. FARR. Mr. Speaker, this body agonized over whether to extend statehood to Washington, DC. I favored statehood for the District and have a hard time understanding why the segment of the American population living in this city has been singled out for disenfranchisement.

I would like to share with my colleagues a resolution passed by the California Legislature dealing with this issue. It lays out quite clearly the contributions the District of Columbia has made to the country and how its situation parallels that of so many of the existing States.

Though H.R. 51 failed passage yesterday, I believe this is an issue that will return to be reconsidered; maybe not soon, but it will return, nonetheless. It is only right that the people living in this city receive fair and equal representation due each and every American, regardless of their place of residence.

Text of California Assembly Joint Resolution No. 3 follows:

ASSEMBLY JOINT RESOLUTION NO. 3

Assembly Joint Resolution No. 3—Relative to extending statehood to Washington, D.C.

[Filed with Secretary of State Sept. 14, 1993]

This measure would memorialize the President and the Congress of the United States to extend statehood to Washington, D.C.

Whereas, the American Revolution and War for Independence was ultimately declared citing the principle "taxation without representation is tyranny," and there are nearly 650,000 taxpaying American citizens in the District of Columbia who have no federal voting representation in Congress; and

Whereas, of the 117 countries in the world with elected national legislatures, the United States stands alone in depriving the residents of its capital a voice and a vote in our national legislative body; and

Whereas, District of Columbia residents pay more federal income tax per capita than the residents of 48 states, and more in local taxes than the residents of any state in the country; and

Whereas, the District of Columbia's per capita income is $32,000, exceeding the national average by 42 percent and is well positioned for growth as a leader in a number of service industries, for example, law, business services, communications, and tourism; and

Whereas, District of Columbia residents serve disproportionately in the military; have served in all wars since the War for Independence and during the Vietnam War, had more casualties than 10 states and more casualties per capital than 47 states; and

Whereas, the District of Columbia sent more soldiers to the Persian Gulf than 20 states (more per capita than all but four states), and yet had no voting representation on the floor of the House of Representatives or Senate when Congress approved military involvement; and

Whereas, there is no constitutional prohibition against creating the State of New Columbia out of nonfederal parts of the District of Columbia, and the District of Columbia meets all statehood requirements traditionally imposed by Congress; and

Whereas, the District of Columbia has 639,000 residents, nearly as many or more

residents than six states: Wyoming (465,000), Alaska (552,000), Vermont (565,000), North Dakota (641,000), Delaware (669,000), and South Dakota (699,000) with each state possessing two Senators; and

Whereas, historically, statehood has been granted when three criteria were met: (1) the people, through some democratic process, express their desire to become a state; (2) the people accept the republican form of government required by the United States Constitution and practiced in the United States; and (3) there are sufficient people and economic resources to support a state; and

Whereas, District of Columbia residents have democratically expressed their desire to become a state through passage of a statehood referendum (November 1980); approval of a Constitution by district delegates (May 1982); transmittal of the Constitution and a petition for statehood (September 1983) to Congress; and in the tradition of Tennessee in 1796, election of their own statehood delegation to appeal to Congress to accept their petition for admission to the Union as the 51st state; and

Whereas, statehood will provide District of Columbia residents with federal voting representation, as well as local legislative, budgetary, and judicial autonomy: Now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and Congress to extend statehood to Washington, D.C.; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.

PUERTO RICO'S FUTURE

HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. DE LUGO. Mr. Speaker, as chairman of the subcommittee with jurisdiction over matters relating to Puerto Rico's political status, I have noted, that Congress has a duty to seriously consider the decision that the people of Puerto Rico made in an act of self-determination.

To explore with representatives of the administration and the Puerto Rican people how we can constructively respond, the Subcommittee on Insular and International Affairs will hold a hearing at the beginning of the next session.

Our purpose will not be to reopen the debate among the status options that 1.7 million citizens voted upon.

Again, it will be to receive recommendations regarding the measures that the Federal Government should take in reaction to the wishes that were expressed.

Several newspapers have commented on the results of the plebiscite. Thoughtful suggestions about the Nation's responsibility to address Puerto Rico's fundamental problems were made in editorials which I will include in the RECORD.

[From the New York Times, Nov. 16, 1993]

PUERTO RICO CHOOSES, FOR NOW

The close vote in Puerto Rico favoring continued commonwealth status rather than statehood will be greeted with relief in Washington. It spares Congress from deciding how and whether to admit a Spanish-speaking island to the Union.

Gov. Pedro Rossello's New Progressive Party hoped that Sunday's nonbinding referendum would build momentum for Puerto Rico's admission as the 51st state. But this course was preferred by only 46 percent of the voters, compared with 48 percent for commonwealth status and 4 percent for independence. That effectively sidetracks the statehood campaign, at least for now.

Yet the plebiscite does not resolve a more fundamental question: Is Puerto Rico a colony? The honest answer is yes and no.

Puerto Rico is clearly a willing subordinate. President Clinton, and most mainlanders, agree that the islanders themselves should be free to choose their final status. And overwhelmingly, Puerto Ricans favor one of two forms of association with the United States; there is no clamor for independence. In 1952 Congress approved commonwealth status, and a year later Washington persuaded the United Nations to take Puerto Rico off its list of colonies.

Even so, in vital respects Puerto Rico remains a dependent ward. Under commonwealth status Puerto Ricans are U.S. citizens, to a point. They can settle anywhere on the mainland, and on the island they elect their Governor and legislature. But because islanders pay no Federal income taxes, they do not elect U.S. senators or representatives or vote for President.

This arrangement, sweetened by other tax breaks, has spurred investment from the mainland, created jobs and raised wages, a boon that doubtless caused many Puerto Ricans to prefer remaining in a familiar halfway house to the risks of economic pain with any change.

But Puerto Ricans are reminded of their diminished citizenship when Washington gives short shrift to their petitions. The Treasury Department barely consulted islanders this year in proposing elimination of Federal tax incentives that Puerto Ricans deem essential to their economy. Twice since 1953, Puerto Ricans petitioned Congress for changes to enhance commonwealth status; Congress did nothing. Nor could it agree two years ago on a plebiscite whose results would be binding.

Many who voted for continued commonwealth status did so to protect Puerto Rico's distinct culture from homogenization into the English-speaking mainland. This choice of cultural autonomy short of national independence deserves respect in a world groping with the dilemmas of self-determination. Now that Puerto Rico has voiced its preference, it is incumbent upon Washington to react more sensitively to Puerto Rican requests and to continued exploration of the island's status.

[From the New York Daily News, Nov. 17, 1993]

WHAT NOW FOR PUERTO RICO?

Congress heaved a sigh of relief when voters in Puerto Rico narrowly rejected petitioning for statehood in favor of remaining a United States commonwealth. The results of Sunday's referendum, though, don't mean that all is well between Puerto Rico and the U.S. The relationship will not be sound until the island moves toward greater autonomy and less economic dependence.

The Puerto Rican statehood movement is driven by powerful forces—a sense of second class status and feelings of lost identity, among them. Impatience at having citizenship but not the right to vote in federal elections or any true representation in Washington is widespread even among those who voted for the status quo. Their ballots were cast for economic reasons: Statehood would mean having to pay federal income tax while losing much of the assistance that has elevated Puerto Rico, poor as it is, over other islands.

The mission now is to chart a course that moves Puerto Rico toward self-sufficiency. The effort will have to be made jointly by the island's leadership and Congress, but early movements do not bode well. Those who supported maintaining Puerto Rico as a commonwealth are proposing an "enhanced commonwealth" status, whose components leave a lot to be desired. If anything, they'd increase the island's dependency.

The "enhancement" goes no further than asking Congress to restore tax breaks to mainland and foreign companies investing in Puerto Rico, to impose tariffs on some imported agricultural products, and to make Puerto Ricans eligible both for Supplemental Security Income, a federal aid program for the elderly and handicapped, and full food stamp benefits. The cost of the latter two alone would be $1.6 billion annually. Even in good times Washington would balk.

A real "enhanced commonwealth" proposal would include ideas such as allowing Puerto Rico to initiate its trade relations with other countries and to participate in regional economic organizations. It would also seek to give Puerto Rico greater control over its own borders. The more the island is encouraged to go it alone, the better off it will be in the long run.

[From the Washington Post, November 18, 1993]

STATELESS IN SAN JUAN

For years the principal issue in Puerto Rican politics has been the so-called status question. Is the island better off in the constitutional halfway house it currently occupies as a "commonwealth," or should it try to become a state? That's what divides the two major island political parties. The plebiscite last Sunday can't have been a great comfort to either. Commonwealth won—but only by 48 percent to 46 percent. The voters are split; the fight will go on. For now, however, a plurality seems to think the likely cost of becoming a state is greater than the likely benefit. That's probably right.

Statehood would mean tremendous economic change for Puerto Rico. It's anything but clear that the change would be for the better. The island now is a major enterprise zone. Mainland companies are given a lucrative tax break if they build plants there. In part because of the lure of this tax break, Puerto Rico has a high per capita income by Latin American standards. At the same time, more than half the population is officially poor by mainland standards.

If the island were to become a state on a par with all others, it would lose the tax advantage (already reduced last summer). Puerto Ricans would also have to pay federal income taxes, which they don't now. At the same time, they would presumably become entitled to full federal welfare and related benefits, which they also aren't now; benefits currently are limited, lest they flood the economy. If benefits went up, wages would likely have to be increased to match. Labor

costs would rise; the island would lose competitive advantage. The Congressional Budget Office has estimated that the unemployment rate, already too high, could approach a quarter of the work force. The statehooders haven't really spelled out how they would deal with this. Some commonwealthers also argue that statehood would cost the island some of its cultural identity.

The statehooders' leading contrary argument is that commonwealth status is politically unjust. Puerto Ricans are U.S. citizens who serve in the armed forces, are subject to other federal law and yet can't vote in federal elections. They could if Puerto Rico became a state—but that's the bargain that the voters rejected last Sunday. It isn't clear that Congress would have been receptive to a statehood petition anyway.

The plebiscite was a gamble by the statehood party now in power on the island. The statehooders lost, just as the commonwealthers also lost when they tried to lock up the issue a couple of years ago when they were in power. The lesson may be to leave status alone for a while and work on the island's other problems. Status aside, what should U.S. policy be toward Puerto Rico, and how well do present policies fulfill the federal obligation? That's the right question.

TRIBUTE TO MARIA PAPAIOANNOU

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. BILIRAKIS. Mr. Speaker, I rise today to pay tribute to a good friend—both to the Washington, DC, community and to me—Maria Papaioannou, wife of Rev. Dr. George Papaioannou, who died of cancer in October.

It is difficult to express what this woman meant to her family as well as her community. Maria Papaioannou's active participation in the St. George Greek Orthodox Church in Bethesda, MD should be an inspiration to us all.

She was the mother of three daughters, however, one could argue that she was also the true matriarch of the St. George Greek Orthodox community. She was always teaching the principles of the church and touching the lives of so many in a positive and enduring way.

Recently, the St. George Greek Orthodox Church erected a youth cultural center, which will be used by the entire Washington, DC, Greek Orthodox community. It is fitting that the parish at St. George chose to dedicate this building to her loving memory.

Maria will always be remembered for the support that she gave to her husband and the compassion she exhibited for the parish. The love that she elicited from the parish is a testimonial to this.

Despite her illness, Maria displayed greater courage than any of us have had to show, commitment to the church in such a loving way that was so characteristic of her. May her dedication and steadfastness be an example to future generations and provide them inspiration to do the same.

Maria Papaioannou will be sorely missed by all who knew her and loved her. May her memory be eternal.

HONORED AND PRIVILEGED TO SERVE

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. UNDERWOOD. Mr. Speaker, I rise today honored and privileged to be a part of this legislative body and to have participated in this democratic process. As this first year of the 103d Congress comes to a close, I am pleased to note that the work we did over the past year will have a profound impact for my constituents on Guam. My constituents are very important to me and I have the honor and privilege of being their representative in the U.S. Congress.

I have learned much about the political process, but most importantly, I have made new friends that I feel will become lifelong companions.

As the Thanksgiving holiday approaches, I have many things to be thankful for: first and foremost, I give thanks to God for my strength and faith and for blessing me with a healthy family and wonderful constituents to represent on Guam. I would also like to thank my family for being patient with me as I work long hours and as I split my time with them because of my responsibilities. I would like to thank my staff for all their hard work and dedication. Lastly, I want to thank my colleagues for all their cooperation and understanding of issues that are important to the people of Guam.

May your holiday season be bright and joyous, and may all of you have continued health, happiness, and contentment throughout the holiday season and in the years to come.

FOR THE RELIEF OF MARK A. POTTS

HON. MARJORIE MARGOLIES-MEZVINSKY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Ms. MARGOLIES-MEZVINSKY. Mr. Speaker, I am today introducing a private bill on behalf of Mark A. Potts that would remove barriers to make it possible for him to receive an immigrant visa.

Mark is a 20-year-old native and citizen of the United Kingdom. He is the adopted foster son of Derek and Christine Riley, who reside in Exton, PA. Mark and his brother, Darren, have lived with the Rileys since October 1973, when Mark was only 10 months old. Mark has always been hard working and law abiding.

The Rileys are the only family Mark has ever known. In England, it was not the normal practice to go through formal adoption procedures in the case of foster children.

Unless relief is granted by way of a private bill, Mark will be separated from the only family he has ever know—the Rileys and his biological brother. He will be required to return to the United Kingdom, where he has no immediate relatives and no family residence.

Therefore, I am proud to introduce a private bill today on behalf of this deserving young man and encourage my colleagues to join me in making sure that this young man can stay with the only parents he has ever known.

HONORING BRUCE A. COOK

HON. ROB PORTMAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. PORTMAN. Mr. Speaker, I would like to pay tribute today to a distinguished constituent of mine who will soon be the recipient of a prestigious award in Cincinnati, OH—Bruce A. Cook. On January 14, 1994, Mr. Cook will be warded the Spirit of Life Award by the Greater Cincinnati Executive Council for City of Hope National Medical Center. The center is world renowned for its scientific firsts, such as the laboratory synthesis of human insulin and growth hormone, and its pioneering research to eliminate cancer, leukemia, and heart, blood, and lung diseases. This is the highest honor a person can receive from the center, and it could not be presented to a more deserving community figure.

Mr. Cook has made a significant contribution to his country and to the city of Cincinnati during his life. Although I cannot adequately describe his many accomplishments in a brief time, I would like to highlight some of his most notable achievements.

Mr. Cook served in the U.S. Airborne Infantry from October 1946 through March 1948, including overseas duty with occupational forces in Sendai, Japan, with the 11th Airborne Division. Graduating from the University of Illinois in 1954, he joined the Trane Co., in LaCrosse WI, and since 1969 Mr. Cook has been the president of Bruce A. Cook, Inc., representing the Trane Co. in Cincinnati.

Mr. Cook has been active in a number of local civic groups, including the Greater Cincinnati Chamber of Commerce and the Cincinnati Club Reciprocity Table. He has served as the president of the University of Illinois Alumni Association and currently serves as the vice president of the University of Illinois Mechanical Engineering/Industrial Engineering Alumni Board.

A Rotarian since 1969, Mr. Cook was Rotary International Director from 1987 through 1989. He is a member and past president of the Rotary Club of Cincinnati. In addition, he has held the position of district governor for Rotary International District 6670 in 1981–82, has served as secretary-treasurer, a member of the board of directors, and as chairman of numerous committees of the Rotary Club of Cincinnati.

As you can tell from this incomplete, but distinguished, list of accomplishments, Bruce Cook is a deserving recipient of the prestigious Spirit of Life Award. Today, I praise his good work for the betterment of his country and commend this man who has throughout his life given others the spirit of life and hope.

LEGISLATION TO GIVE THE MAYOR OF THE DISTRICT OF COLUMBIA AUTHORITY OVER THE DISTRICT OF COLUMBIA NATIONAL GUARD INTRODUCED

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Ms. NORTON. Mr. Speaker, today, at the request of the Mayor of the District of Columbia, I am introducing legislation that would give the District's Mayor the same authority over the National Guard as the Governors of all 50 states and the four territories.

This bill is simply another legislative step necessary to complete the transfer of full self-government powers that Congress itself began with the passage of the Home Rule Act of 1973. As a U.S. jurisdiction, the District is entitled all of the attributes of self-government.

THE BYRON WHITE FEDERAL COURTHOUSE

HON. DAN SCHAEFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. SCHAEFER. Mr. Speaker, today I am introducing legislation that would name the new Federal courthouse in Denver, CO, after Supreme Court Justice Byron White, who retired in July 1993.

Justice White is a native Coloradan and the only citizen of our State to serve on the U.S. Supreme Court. His tenure on the Court typified his Western origins and self-reliant nature. During his service some of the most controversial and politically divisive decisions were handed down. Nevertheless, he maintained an independent train of thought, true to his vision of the Constitution.

Mr. Speaker, Justice White served his country well and his distinguished service has made his home State proud. I ask my colleagues to join me today in honoring Justice White by designating the new Federal courthouse in Denver, CO, "The Byron White Federal Courthouse."

INTRODUCTION OF THE CONTAMINATED SITES RECLAMATION ACT OF 1994

HON. FRED UPTON

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. UPTON. Mr. Speaker, one constant of legislative policymaking is the proverbial "Law of Unintended Effects." We know it well here on Capitol Hill. It attests to the fact that, despite our best intentions, laws and programs often have effects unforeseen at the time of their creation.

The Superfund program was created in 1980 with passage of the Comprehensive Environmental Response, Compensation and Liability Act [CERCLA]. It was reauthorized and amended significantly in 1986 under the Superfund Amendments and Reauthorization Act [SARA]. The latest authorization expires in 1994.

Hearings have been held before several House committees, including the Committee on Energy and Commerce. A cottage industry has sprung up producing studies and reports on the program and its failings. In his first appearance before a joint session of Congress, President Clinton singled out Superfund as an example of a program long in need of fixing.

The President isn't the only observer to note Superfund's failings, merely the most prominent. Thoughtful analysts in all walks of life have pointed out that Superfund cleanups cost too much, take too long and often impose unjust and disproportionate costs on potentially responsible parties. Superfund has become a super headache.

The core of Superfund is its draconian liability provisions. It doesn't just apply to those who have unlawfully dumped hazardous materials. It applies to anyone who generated or transported hazardous waste or who arranged for its transport. It applies to anyone who owned or operated the land, facility or vessel where the hazardous constituents were found.

Superfund liability is strict, meaning that the Government must only prove that a party was involved in a disposal site. There is no need to prove negligence. It is retroactive, meaning that the action creates liability even if it was lawful at the time that it took place. Lastly, Superfund liability is joint and several, meaning that a party can be held liable for cleanup costs far in excess of its contribution to the contamination requiring cleanup.

This heavy liability burden was devised to discourage the creation of new contaminated sites. Who would willingly incur such liability? Unfortunately, the effects of Superfund's liability have gone much farther than anticipated.

Throughout the United States, but especially in older manufacturing areas, the fear of Superfund liability has scared investors and businesses away from previously used sites. With cleanups averaging more than $30 million per site, it's safer to avoid the brownsites in established manufacturing areas in favor of the greensites where there has been no industrial activity.

The result is thousands of abandoned or virtually abandoned sites that will not be redeveloped because the potential redevelopers fear the staggering liability that can come with a contaminated site. Such sites create great gaps in our cities, like missing teeth. Jobs relocate along with the factories, leaving older manufacturing areas with higher unemployment and shrinking tax bases.

New facilities are built on the periphery stretching infrastructural features like water, sewerage and electricity. Employees must often commute over great distances because greensites aren't near public transportation. New strains are placed on the local ecosystem. Irreplaceable wildlife habitat is lost. Prime agricultural farmland is destroyed.

It's frustrating when Federal programs don't achieve their desired or anticipated results. It's infuriating, however, when a program functions to undermine other efforts to improve American life. We spend money on community development to breathe new life into our older cities and towns. We spend to build public transit, to save farmland and to protect animal habitat. We spend billions to create jobs. These costly efforts are undermined when the Superfund program has opposite effect.

No one planned it. No one wanted it. No one anticipated it, but the Superfund Program has created a chain of dead zones from one end of America to the other. It is a classic case of shooting ourselves in the foot. Common sense dictates that we do something about it.

Mr. Speaker, I am today introducing H.R. 3620, the Contaminated Sites Reclamation Act to address problems the current Superfund Program has created. This proposal has four parts.

First, it strengthens the innocent landowner defense for those who unwittingly acquire contaminated property. The current act exempts innocent landowners from liability, but it simply isn't sufficiently specific about what actions parties must take to shelter themselves from liability for someone else's mess. Basically, the bill protects those who take certain reasonable steps to determine if contamination exists when buying commercial or industrial property.

Second, it provides a framework for negotiated voluntary cleanups when contamination is found. A party might find a site, have it investigated under provisions of the innocent landowner title and still seriously consider buying it. He or she needs to be able to approach EPA or the appropriate State agency and determine just how much needs to be done and how much it will cost. That's very difficult now, some say it is impossible. EPA and State agencies are oriented toward making unwilling polluters pay up through tough liability and enforcement. A voluntary cleanup by a party that didn't create the mess in the first place is not something they're used to dealing with.

Third, it provides tax incentives to those who voluntarily clean up sites they did not contaminate. Let me emphasize this point, Mr. Speaker: In those cases where a party doing the cleanup had no role in creating the contaminated site, there would be a 25-percent tax credit for all expenses incurred in cleaning up the site. It would also allow the expensing of cleanup costs in other situations.

Fourth, it clarifies the lender liabilities provisions that already exist in the Superfund law. There have been some occasions when lenders were held liable for actions taken by interests to whom they had loaned money despite language in the act exempting those "who, without participating in the management of a vessel or facility, hold indicia of ownership primarily to protect his security interest * * *." Lenders have been reluctant to make loans to those who would redevelop previously used sites and this has exacerbated the rush to greensites.

Let me emphasize, Mr. Speaker, that this bill does not carve out new exceptions to Superfund's liability provisions. Both innocent landowners and lenders are ostensibly sheltered in the current law. My bill simply clarifies these existing provisions.

When a law doesn't work, Mr. Speaker, or, worse yet, when a law has effects virtually opposite those intended, we have an obligation

to put things right. We have here a law that was intended to ensure the cleanup of contaminated sites. Instead, it has led to the wholesale abandonment of sites, many of which aren't contaminated, most of which are in our cities and older manufacturing areas. The legislation I am introducing today will not right all of Superfund's wrongs, but it will reverse the program's most important unintended effect.

ABOLISH MANDATORY MINIMUM SENTENCES AND "LET JUDGES DECIDE"

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. EDWARDS of California. Mr. Speaker, Judge Harold Greene, of the Federal district court in the District of Columbia, has written an excellent article in today's Washington Post urging Congress not to enact more mandatory minimum sentences. While Judge Greene writes for himself, my survey of Federal judges shows his views are the same as those of 93 percent of his colleagues on the Federal bench. When Congress considers this issue next year, we should repeal the mandatory minimums already on the books, not enact new ones.

LET JUDGES DECIDE

(By Harold H. Greene)

Congress is engaged in an urgent effort to enact legislation requiring mandatory minimum sentences for a considerable number of criminal offenses. Writing only on my own behalf and not for the judiciary as such, I submit that, whatever else it may accomplish, this effort is not in the interest of justice.

Congress has the power under the Constitution to enact laws governing the sentencing of individuals convicted of crime. Moreover, there is no doubt that members of Congress in their bidding wars of toughness on crime—when a proposal for life imprisonment for a particular violation may be trumped the next day by one for the death penalty—are carrying out the wishes of many, if not most, of their constituents. Indeed, mandatory penalties far beyond the few that exist now for special cases seem to be inexorably on the march toward passage as part of the crime bill. This is to counsel a stop-look-and-listen.

Especially when it comes to matters of fundamental justice, more must be included than polls, the desires of constituents, legitimate anxieties and political calculations. That is the lesson of the Constitution itself and of the Bill of Rights. It is also the lesson of such actions as the internment of Japanese Americans after Pearl Harbor, which most of the participants came to regret even though at the time the internment had the overwhelming support of the citizenry.

Why do some of us believe that it is not consistent with justice to decree flatly that those who engage in the drug trade or in acts of violence be punished by rigid, mandatory sentences of imprisonment for 10, 20 or 30 years, or for life, all without the possibility of parole? No one engaged in the administration of justice would argue that sentences of that magnitude are not sometimes, or even frequently, appropriate or necessary. Drugs and violence have gotten out of hand. They are disrupting our national life, particularly in the large cities, and stern measures must be taken against those responsible. And federal judges in all parts of the country, including here in Washington, have shown through the years that they do not flinch from their duty to be stern and even harsh when appropriate. But the question is whether fixed, mandatory sentences are a fair and just means for dealing with the crime-justice problem.

I submit that they are not. It is simply not true that all those involved in drug transactions or offenses accompanied by a degree of violence deserve a mandatory life sentence or close to it, regardless of what they actually did and what their backgrounds may be. The members of Congress, who of necessity deal only in general principles, cannot be expected to be familiar with the distinctions that should, in equity and fairness, be made, based on facts as distinguished from broad generalities.

It would seem that the judges who will ultimately be called upon to implement the sentencing laws enacted by Congress, and who have wrestled with sentencing problems day-in and day-out, thus have a contribution to make at the take-off, so to speak, not only at the crash landing. The judges, after all, do know from experience, not from philosophical or other general writings, that an individual who is a courier carrying a small amount of cocaine in a bus from one city to another, enticed to do so by a relatively small sum of money, does not deserve the same fixed sentence as a drug kingpin who imports and distributes drugs on a large scale. They also know from experience that violent crimes may differ greatly with respect to such factors as intent, premeditation, provocation, brutality and many others. All of the perpetrators of such crimes deserve punishment, but surely not identical punishment.

Judges also know, having seen the examples many times, that a genuinely contrite offender, perhaps with a distinguished war record or a record of service to the community before becoming addicted and thereafter enmeshed in the drug trade, should not be punished to the same extent as an antisocial defendant who has never done productive work, does not support his family and is unlikely for a long time, if ever, to be anything but a leech on society. Yet under the legislation Congress may be about to decree, the practical effect would be that the sentencing judges must treat them all alike. That is not justice.

It is probably for these reasons that the federal judges of this country, apparently with few exceptions, regard the fixed, mandatory sentencing laws as unjust and an affront to conscience. That revulsion is not limited to the usual suspects—the so-called bleeding heart liberals. It extends from the judicial appointees of President Carter to those appointed by President Reagan and Bush. And the members of the latter group, at least, may safely be assumed to have been nominated, at least in part, on account of their known or expected toughness with respect to crime.

Why, then, are the judges of this view? Cynics might surmise that this is so because the mandatory sentences and the related guidelines issued by the United States Sentencing Commission deprive them of their unrestrained sentencing power and the pleasure that presumably comes from the ability to exercise that power. The cynics are wrong. Left to his or her own devices, each conscientious judge spends a great deal of time, energy and moral capital attempting to fashion a just sentence. Balancing the competing forces of deterrence and retribution, the needs of society, the injury to the victim and the personal circumstances of the defendant is a complex and daunting task, taking much time and thought.

It is far easier on the judicial schedule and the judge's conscience to issue a flat sentence in accordance with a congressionally imposed mandate. Such a sentence requires neither deliberation nor the balancing of competing considerations; it is simply announced. Under that system, when conscience calls it can be stilled by the words that others have used when required to perform unjust acts, "I am just carrying out orders." Yet most judges feel a profound sense of wrong when they have to sit by, powerless, while sentence are imposed in their names and by their voices that are entirely at odds with what justice and basic morality and equity require.

One final word. In many cases, the Draconian, mandatory sentence requirements will be counterproductive, even on their own terms. Jurors are not stupid or uninformed, and they by and large have a profound sense of basic fairness. When they learn, as they will, what will happen upon conviction under the mandatory sentence regime to those who by any rational standard are not really major offenders, they will often engage in the practice of nullification: They will choose to exercise their ability to find the defendant or defendants not guilty, no matter what the evidence.

In sum, notwithstanding their popular appeal, and the undoubted need for toughness on crime and criminals, mandatory sentences are likely very often to be incompatible with the requirements of justice. The nation should be slow and careful before embarking on so radical a departure from traditional norms.

PRESIDENTIAL MEDAL OF FREEDOM FOR "COLONEL MAGGIE"

HON. MICHAEL R. McNULTY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. McNULTY. Mr. Speaker, on Tuesday, November 2, President Bill Clinton awarded to Ms. Martha Raye the Presidential Medal of Freedom, the highest civilian award of the U.S. Government.

In issuing his 1945 Executive order, President Harry S. Truman stated that the Medal of Freedom shall be awarded to any person who "* * * has performed a meritorious act or service which has aided the United States in the prosecution of a war against an enemy or enemies * * *." Throughout World War II, Korea, and Vietnam, Martha Raye did just that.

"Colonel Maggie," as she became known to the U.S. Marines and Special Forces units who commissioned her an honorary lieutenant colonel, dedicated many months of her life to our troops serving abroad during those wars. During World War II, although stricken with yellow fever, Ms. Raye entertained as a U.S. trouper. She nursed the wounded in Korea as well, yet never sought recognition for her selfless actions.

During the Vietnam war, she spent 3 to 6 months each year with our service men and women. She traveled to remote camps, under enemy fire, to entertain the soldiers and to care for the wounded.

Veterans' groups from all over the country cooperated in an effort to recognize Martha Raye's dedication to her country. These groups include AMVETS, the Military Order of the Purple Heart, and the American Legion Auxiliary, all of whom remembered her service and wished to honor her accordingly.

However, no group worked harder to ensure that "Colonel Maggie" be recognized for her work than the Medals' for Maggie Committee, headquartered in Albany, NY, in my congressional district. Ms. Margaret "Noonie" Fortin and Ms. Belle Pellegrino, both Vietnam-era veterans, were devoted and untiring in their efforts to achieve this well-deserved recognition for Ms. Raye.

Mr. Speaker, on Monday, November 15, we were successful. Marine Maj. Leo Mercado, representing the President of the United States, presented the Medal of Freedom to Ms. Martha Raye. God bless you, Colonel Maggie.

TRIBUTE TO CURT FLOOD

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. CLAY. Mr. Speaker, Curt Flood, a friend of mine, was not only a great athlete and great individual, but also a better than average artist. I shall never forget the night I was preparing to open a cocktail lounge in St. Louis. My cousin Arthur, another better than average artist, and Flood started painting caricatures on the walls and ceiling to be highlighted by the black lights of my Glow Worm lounge. At 6 o'clock the next morning Flood left, went home, and prepared for a daytime game where he started as usual.

I would like to share the following article about Curt Flood with my colleagues. The article appeared in the November 21, 1993, edition of the Washington Post.

A BASEBALL LESSON IN FREEDOM

(By George F. Will)

NEW YORK.—Curt Flood, a 165-pound whippet of a centerfielder, could outrun most fly balls, but it took him 24 years to catch up to his 1969 Gold Glove award. His story is rich with lessons about courage, freedom and the conceit that we can predict freedom's consequences.

He has a career batting average of .283 in 15 seasons, 12 with the Cardinals. But nothing so became him in baseball as his manner of leaving it. Although he played 13 games with the 1971 Senators, he really left after the 1969 season when the Cardinals traded him to Philadelphia and he said, hell no, I won't go.

Black ballplayers have done much to move freedom forward. In 1944, 11 years before Rosa Parks refused to move to the back of a bus in Montgomery, Ala., a lieutenant in Texas faced a court-martial for a similar refusal on an Army bus: Lt. Jackie Robinson. A similar spiritedness made Flood help win for players the elemental right to negotiate with employers their terms of employment.

He was born in Houston in 1938 and played his way up through minor leagues in the South in the 1950s, before public accommodations were desegregated. He received food at the back door of restaurants that served his white teammates, and he relieved himself behind the bus on the shoulder of the highway.

In the 1950s and 1960s, pitchers were driven to distraction by black players such as Henry Aaron and Frank Robinson who played with an implacable intensity that suggested the controlled venting of indignation stored up during many minor league and spring training experiences in a South in transition. The Cardinals of the 1960s were fueled partly by the fierce pride of our black men who were taking out their anger on the ball and on opponents—Flood, Bill White (now president of the National League) and two Hall of Famers, Lou Brock and Bob Gibson, the take no-prisoners pitcher who once drilled the ribs of a rookie who had the impertinence to hit a long foul off him.

When the Cardinals traded Flood, he challenged baseball's reserve clause, which bound a player to a team until that team traded or released him. Seeking to win for players the right to sell their labor in a free market, he challenged baseball's antitrust exemption. He lost the 1970 season and lost in the Supreme Court, but he had lit a fuse.

In 1975 the clause was overturned by an arbitrator. Loud were the lamentations predicting the end of baseball's competitive balance—a few rich teams would buy the best players—and a decline of attendance. Well.

The decade 1978–87 was the first in baseball history in which 10 different teams won the World Series. Until 1990 there had been no "worst-to-first" volatility in this century—no team won a pennant the year after finishing last. The Twins and Braves did in 1991, and the Phillies did in 1993. The 1993 A's were the first team since 1915—the A's Philadelphia ancestors—to finish alone in last place the year after finishing first.

In 1993 the team with the worst attendance—the Padres with 1,375,432—drew more fans than the St. Louis Browns drew in the entire 1930s (1,184,436). The Orioles' lowest attendance for two consecutive regularly scheduled games was 83,307—more than the Browns (who became the Orioles in 1954) drew in all of 1935.

In 1954, the year Jacques Barzun wrote that anyone who would know America must know baseball, the average attendance was 13,000. This year the Padres averaged 17,191, and the major league average was 31,337. The Rockies drew 4,483,350, more people than live in Minnesota or 31 other states. Major League attendance was 70,257,938, more than the combined population of 32 states.

But no one last year bought a ticket to see an owner. Because of what Flood started, the players, who largely create baseball value, now receive their share of that value. In 1969 the players' average salary was $24,909. In 1993 it was $1.1 million, much more than Flood earned in his entire career.

Rawlings Gold Gloves are awarded annually to the nine players in each league voted best defensively at their positions. Flood won in 1969, when this could have been said of him: "Two-thirds of the planet is covered by water and the rest is covered by Flood." But in the turbulence of his rebellion he never collected his glove. He got it here last week at this year's award ceremony.

He once said, "I am pleased that God made my skin black, but I wish He had made it thicker." Friends of baseball, and of freedom, are pleased that He didn't.

AMERICA'S ECONOMICALLY UNDERSERVED COMMUNITIES

HON. FLOYD H. FLAKE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. FLAKE. Mr. Speaker, H.R. 3474 is the product of bipartisanship—both on the House Banking, Finance, and Urban Affairs Committee and in the House as a whole. H.R. 3474 addresses one of the Nation's most urgent and pressing concerns—America's economically underserved communities. I commend the President and my colleagues on the Banking Committee for moving this legislation with such speed and decision. The Nation can be proud of its House today as we strive to make economic opportunity a reality for more Americans.

Mr. Speaker, H.R. 3474 removes burdensome regulations from financial institutions, while not jeopardizing their safety and soundness or their ability to serve their customers. By freeing banks of these unnecessary constraints, they will be better prepared to make a positive impact in this country.

I particularly commend Representatives JIM LEACH and TOM RIDGE for their commitment to the idea of community development and the Bank Enterprise Act and its mission of making banks active participants in community development. Their support made this bill work for all of us.

Mr. Speaker, I have dedicated a great deal of my life to community development. I was successful in part because of the participation of mainstream financial institutions. In 1978, I arrived in Queens, NY to a community which the media called "A community in decline."

Today, Queens is bouncing back. There are storefront shopping districts, decent and affordable housing for low- and middle-income homeowners, and most importantly, desperation and stagnation have been replaced by hope and promise.

Hope exists because of the hard work of community organizations and residents who have fought back in the face of adversity. Belief in themselves and their neighbors has allowed them to see the light at the end of a dark tunnel.

Promise comes from banks who make real commitments to the communities where they take deposits.

Mr. Speaker, when I began to develop the community around my church in 1977, I was unable to get banks to participate to their potential. Their participation in 1977 would have increased my church's ability to create the 700 jobs which it now provides to the Queens community. It would have made it easier to build decent, affordable housing units for low- and moderate-income residents in Queens. Their participation would have made the grounds of my community more fertile fields of long-term economic growth which ultimately creates a safer and healthier place to live.

Mr. Speaker, this legislation is not about creating an unaccountable social/welfare program. instead, this legislation is about mainstreaming people who otherwise might not have access to needed capital and credit.

Again, I would like to express my appreciation and gratitude to Representatives JIM

LEACH, TOM RIDGE and their staffs and to all of the Members who supported the Bank Enterprise Act amendment in the Banking Committee.

Mr. Speaker, I urge my colleagues to support H.R. 3474.

AAA PRESIDENT HONORED

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. SCHUMER. Mr. Speaker, on December 9, 1993, the New York County Lawyers' Association will honor Robert Coulson, president of the American Arbitration Association since 1972, with the William Nelson Cromwell Award for useful and outstanding service to the profession and the community. I join in offering my congratulations to him and my appreciation for the energy and intellect he has brought to our profession. Indeed, his work has affected all our lives and most directly the causes of alternative dispute resolution and legal reform.

Robert Coulson joined the American Arbitration Association in 1963. The AAA was founded in 1926 by leaders in the business and legal communities and has become the standard-setting institution for alternative dispute resolution with more than 7,000 members, and more than 52,000 panelists who work on cases involving billions of dollars each year. Mr. Coulson explained AAA's growth on the occasion of its 65th birthday several years ago as a reflection of the fact that arbitration and mediation are favored by business executives and their lawyers as less costly, less time-consuming and more rational ways of settling disputes, particularly when the court system is flooded with cases.

Robert Coulson's passion for reform has affected every activity in which he is involved. He has been active in the Association of the Bar of the City of New York and the American Bar Association, serving as chairman of the Commercial Arbitration Committee of the corporation section of the ABA and cochairman of the Collective Bargaining and Arbitration Committee of the labor section. He serves on the board of the Fund for Modern Courts and is an Honorary Fellow of the Arbitrator's Institute of Canada. He has written and lectured extensively on management-labor relations and dispute resolution. Mr. Coulson is the author of "How to Stay Out of Court," "Family Mediation Will Work for You," "The Termination Handbook," "Business Arbitration," "Labor Arbitration," "Arbitration in the Schools," "Alcohol, Drugs and Arbitration," "Empowered at 40." "How to Stay Out of Court," published in 1968, sold more than 100,000 copies, attracted mainstream media attention, and brought alternative dispute resolution to the attention of the country. The Arbitration Journal, published by the AAA, continues as a preeminent publication in its field.

Robert Coulson is a graduate of Yale University and Harvard Law School. He has received honorary doctorates from Bryant College and Hofstra University. He is married to Cynthia Cunningham Coulson, has five children, and lives with his family in Connecticut.

GREGORY LEWIS HONORED BY THE CARING INSTITUTE

HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. HOCHBRUECKNER. Mr. Speaker, I rise today to recognize one of my constituents, an exceptional young man from Kings Park, NY. In December, Gregory Lewis will be one of 10 young adults honored by the Caring Institute for selflessness, compassion, and caring.

Gregory has been a leader among Long Island chapters of Students Against Drunk Driving [SADD]. During his 3-year tenure as the president of Kings Park High School's Students Against Drunk Driving, Mr. Lewis formed a coalition composed of SADD students from every school district in Suffolk County, Long Island. Among the group's activities was a workshop dealing with drug hotlines, drunk driving, alcoholism, and government relations.

In addition to his work with Students Against Drunk Driving, Gregory established a drug awareness reading program and founded the Athletes Detest Drugs Organization in the Kings Park school district. Furthermore, Gregory Lewis led the charge to heighten the public's awareness of drug abuse. Gregory's efforts included a request to have the board of education declare April as Alcohol and Other Drug Abuse Awareness Month.

Mr. Speaker, I join the Caring Institute in commending Gregory Lewis and Americans who show their concern for humanity everyday. The efforts of these outstanding citizens are truly deserving of the highest praise and I am certain that their work will continue to have a positive impact on our society.

EXEMPTION FOR CLASSIFIED WORKERS UNDER THE FAIR LABOR STANDARDS ACT

HON. RICHARD H. LEHMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. LEHMAN. Mr. Speaker, I rise today to introduce legislation to assist community colleges across the Nation by amending the Fair Labor Standards Act. This legislation will exempt classified personnel from overtime pay provisions as a result of their part-time academic work.

Classified work is that which does not require academic certification, and it includes such activities as support and maintenance. However, many classified personnel earn academic certification in order to teach certain courses at the community college in which they are employed. Unfortunately, under current law community colleges such as Fresno City College and Kings River Community College in California are financially prohibited from hiring classified staff in an educational capacity.

According to the Fair Labor Standards Act, any additional workload which exceeds the 40-hour per week limit is to be considered overtime and the employee must be compensated for the work performed regardless if the work occurs in a certified or classified position. Community colleges that abide by this Federal law are therefore forced to pay not only the negotiated part-time instructor salary for the academic duties, but also the overtime pay formula mandated by the Fair Labor Standards Act. This double-paying by community colleges has forced many districts to discontinue the practice of hiring classified staff as part-time instructors.

In response to the financial shortfalls confronting community colleges and the education system as a whole, I am proposing legislation which exempts classified employees from the overtime pay requirement for additional academic duties they perform. It is my desire to provide classified employees with the opportunity to continue an enjoyable and self-enhancing activity, while not creating an undue financial burden on our educational system.

Classified employees play an important role in our educational system, however, without amending the Fair Labor Standards Act, community colleges will be permanently prohibited from utilizing these valuable people in an academic capacity. I urge my colleagues to cosponsor this important legislation which has the support of the State Center Community College District in Fresno, the California Federation of Teachers and the California State Educational Employees Association.

HAITIAN REFUGEE FAIRNESS ACT

HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mrs. MEEK. Mr. Speaker, today I am introducing legislation, the Haitian Refugee Fairness Act, which will bring the treatment of Haitian refugees by the United States Government into conformity with international law and will make the treatment that Haitian refugees receive from the United States Government consistent with the treatment given to refugees from other nations.

Since May 24, 1992, the United States has been repatriating Haitians interdicted at sea without first assessing whether they are fleeing persecution at the hands of the violent military junta that has seized control in Haiti. My bill would require the United States to determine the legitimacy of such persons' refugee claims and would prohibit repatriation if their claims are found to be legitimate. My bill would apply to Haitians interdicted outside United States territory or within the territorial waters of another nation. Most important, while the legislation would prohibit the return of such persons deemed to be refugees to their country of persecution, it would not require that they be brought to the United States.

My legislation has additional provisions that bring our treatment of Haitian refugees into conformity with the way the United States treats refugees from other nations. For example, it would permit Haitians already in this country as of November 18, 1993, to apply for temporary protected status, a status that has been granted to nationals of other nations,

such as Kuwait, Somalia, Bosnia, and El Salvador, during conflict in their countries.

The Haitian Refugee Fairness Act will ensure that the United States is better prepared to handle future outflows of refugees from Haiti by requiring Federal reimbursement to State and local governments for costs associated with Haitians paroled into the United States.

Why is this legislation needed? It is needed because Haitians are dying on the high seas, and they are being murdered and tortured in their own homeland. My legislation would provide temporary protected status to those who understandably fear returning to the chaos and lawlessness in Haiti, who have been physically present here in the United States since November 17, 1993.

Mr. Speaker, the ultimate solution to the problem of refugee flight from Haiti is to restore democracy there. In the meantime, we must treat those fleeing persecution with the same compassion that we treat refugees from other countries and other parts of the world. I urge my colleagues to join me in this effort by becoming an original cosponsor of the Haitian Refugee Fairness Act.

A summary of the Haitian Refugee Fairness Act follows:

SUMMARY OF THE HAITIAN REFUGEE FAIRNESS ACT

SECTION 1. SHORT TITLE

Designates the bill's short title as the "Haitian Refugee Fairness Act of 1993."

SECTION 2. ADHERENCE TO INTERNATIONAL LAW REQUIREMENT OF NONREFOULEMENT

(a) CONGRESSIONAL STATEMENT.—States the Sense of Congress that the U.S.'s consent to the U.N. Protocol on Refugees obligates the United States under international and U.S. law to refrain from returning refugees it encounters while inside or outside of U.S. territory to their countries of persecution.

(b) OBLIGATIONS OUTSIDE THE UNITED STATES.—Requires that the U.S. determine whether or not foreign nationals are refugees before returning them to their country of persecution if the U.S. encounters such nationals while they are outside of such country. Further precludes the U.S. from returning or otherwise taking an action that causes the return of such foreign nationals who it determines to be refugees.

(c) OBLIGATIONS WITHIN THE TERRITORIAL WATERS OF ANOTHER COUNTRY.—Precludes the U.S. from returning or otherwise taking an action that causes the return of foreign nationals who it encounters inside of the territorial waters of another country unless it first makes a determination that such nationals are not refugees.

(d) LIMITATIONS.—

(1) Provides that the U.S. would not be obligated to protect nationals from return if the nationals participated in the persecution of others or if they had been convicted by a final judgment of an aggravated felony.

(e) RULE OF CONSTRUCTION.—Clarifies that the bill should not be construed to require the U.S. to protect nationals from returning if they are in a U.S. embassy of their country of persecution.

SECTION 3. DESIGNATION OF HAITI UNDER TEMPORARY PROTECTED STATUS

Designates Haiti for Temporary Protected Status (TPS) for a period of 24 months or until the President certifies to Congress that a democratically elected government is securely in place in Haiti, whichever occurs later. Such designation would make Haitians in this country prior to November 18, 1993, eligible to apply for TPS. Once granted such status, the U.S. would be required to refrain from returning a grantee to his home country and the grantee would be eligible for work authorization until the designation expires.

SECTION 4. REIMBURSEMENT FOR STATE AND LOCAL GOVERNMENT COSTS

Requires the Attorney General to reimburse state and local governments for incremental costs they incur in association with Haitians paroled into the United States. Such reimbursement would come from the emergency fund that was created by section 404(b) of the Immigration and National Act.

SECTION 5. EARMARK OF FUNDS FOR CUBAN/HAITIAN PRIMARY SECONDARY MIGRATION PROGRAM FOR FISCAL YEARS 1994

Earmarks $6 Million for each of fiscal years 1994, 1995, and 1966 for the Cuban Haitian Primary Secondary Migration Program, operated by the Community Relations Service of the U.S. Department of Justice, and earmarks $27 Million for each of fiscal years 1994, 1995, and 1996 for the Community Relations Service.

SECTION 6. CUBAN/HAITIAN ENTRANT EMERGENCY FUND

Creates a Cuban/Haitian Entrant Emergency fund to be used to provide primary and secondary resettlement services for Cuban and Haitian parolees in the event that more Haitians and/or Cubans are paroled into the U.S. than planned for and that regular funds appropriated for this purpose are inadequate.

NINTH CIRCUIT COURT OF APPEALS REORGANIZATION ACT OF 1993

HON. MICHAEL J. KOPETSKI

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. KOPETSKI. Mr. Speaker, today I am introducing legislation to divide the Ninth Judicial Circuit of the United States, thereby creating a new judicial circuit in the Federal judicial system.

Mr. Speaker, the Ninth Circuit Court of Appeals is the largest of the Federal circuit courts in terms of the numbers of judges which serve it. It currently has 28 judges, 11 more judges than the next largest circuit—the fifth circuit which has 17 judges. In all likelihood, there will be 10 more judges added to the ninth circuit in the near future. The judges are necessary to meet the rapidly growing caseload. The additional judges will bring the total number of judges in the circuit to 38. In addition, the ninth circuit is the largest circuit in terms of geographic size. It stretches from the Arctic Circle to the Mexican border, from the Northern Mariana Islands and Guam to Montana and Arizona.

The increasing number of judges adversely affects the operation of the circuit. There is a limit on the number of judges which can be added to a circuit. At one time, it was thought that 15 was the outer limit on the number of judges. The ninth circuit has far exceeded that number for some time. Judges serving a circuit need to maintain collegiality and uniformity within the circuit. Also, the increased number of judges can slow decisions issued by a circuit, which is a hardship for litigants.

There have been previous recommendations and legislation to split the ninth circuit. The Congressional Commission on the Revision of the Federal Court Appellate System recommended that the ninth and fifth circuits be split in 1973. The fifth circuit was divided by the Congress in 1981. The ninth circuit instituted a number of innovative measures in an effort to continue to function effectively. Although the judges are to be commended for their ingenuity and innovations in dealing with the sheer numbers and size which complicate their work, it is time to look again to a fundamental solution.

The bill proposes to form a new 12th circuit from the central and southern districts of California, Arizona, and Nevada. Oregon, Alaska, Idaho, Montana, Washington, Hawaii, Guam, the Northern Mariana Islands, the northern and eastern districts of California will remain in the ninth circuit. A new intercircuit panel is proposed for the resolution of conflicts, within the State of California, between the ninth and proposed 12th circuits.

Finally, Mr. Speaker, I want to emphasize that this bill is not motivated out of a desire to split the Northwest, particularly Oregon and Washington, from California in an attempt to affect substantive legal opinions. In fact, the bill would include northern California in the ninth circuit. The only motivation behind the introduction of the bill is to remove what has become an impediment to the swift and uniform administration of the law for all those currently under the ninth circuit. I urge swift consideration of this important legislation.

INTRODUCTION OF THE PUBLIC FINANCE AND INFRASTRUCTURE INVESTMENT ACT OF 1993

HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. COYNE. Mr. Speaker, today I am introducing a bill to provide State and local governments with much-needed Federal assistance in financing investments in infrastructure and economic development.

This legislation, the Public Finance and Infrastructure Investment Act of 1993, makes changes in the Internal Revenue Code that will increase the usefulness of tax-exempt bonds in meeting pressing State and local government capital financing needs.

My service on the Pittsburgh City Council has provided me with substantial first-hand knowledge about the challenges facing State and local governments. Since I left the city council to become a Member of Congress, the demands on State and local governments have increased substantially, and the resources at their disposal have declined.

In the last 12 years, the Federal Government has eliminated General Revenue Sharing and Urban Development Action Grants, and it has limited funding for programs like the Economic Development Administration and Community Development Block Grants.

At the same time, the Federal Government has imposed a number of unfunded mandates

on State and local governments that require expensive new investments in infrastructure like water and sewage treatment facilities. Such investments clearly improve Americans' quality of life, but they also consume large portions of State and local governments' scarce capital budgets, which might otherwise be used to foster economic development.

Tax-exempt bonds are important tools in financing both types of large capital investments.

The legislation I am introducing today is necessary because the tax-exempt bond provisions in the Tax Code have been developed in a haphazard fashion over the last 25 years. According to a Congressional Research Service study, Congress enacted 18 laws between 1968 and 1990 that contained tax-exempt bond provisions. As recently as this summer, the reconciliation bill included changes to the tax-exempt bond provisions in the tax code. As a result of these piecemeal changes, many of the provisions that affect tax-exempt bonds are confusing and needlessly complex.

Tax-exempt bonds were last addressed in a comprehensive fashion in the Tax Reform Act of 1986. The Tax Reform Act of 1986 was a monumental piece of legislation that dramatically reformed many provisions in the Federal tax code. This law made significant positive changes in the code with regard to tax-exempt bonds. Some of these changes need to be revisited, however. In addition, a broad consensus has developed in Congress since 1986, primarily as a result of the work of the Anthony Commission on Public Finance, that a number of additional reforms in our tax-exempt bond laws are necessary. Lastly, subsequent events unrelated to, or only indirectly related to, the Tax Reform Act of 1986 have had an impact on States and local governments, and on the market for tax-exempt bonds, and these changes need to be addressed as well.

Since 1986, a number of bills have been introduced to correct some of these problems. Many of the provisions in this bill were included in H.R. 11, the Revenue Act of 1992, which was passed by Congress last year but subsequently vetoed by President Bush. Many of them were also included in H.R. 13, the Tax Simplification Act of 1993, as originally introduced by Ways and Means Committee Chairman DAN ROSTENKOWSKI earlier this year. In fact, with the exception of the distressed community economic development bond, which is a new proposal, most of these provisions have enjoyed a long history of strong support from the public finance community.

The Public Finance and Infrastructure Investment Act of 1993 would streamline the definition of tax-exempt private activity bonds, simplify existing arbitrage rebate requirements, increase the small-issuer exception for bank deductibility of interest, index the private activity bond volume cap to inflation, and establish a new type of tax-exempt private activity bond, the distressed community economic development bond.

Over the years, Congress has modified the definition of tax-exempt private activity bonds, adding different provisions to prevent issuers from abusing the Federal interest subsidies provided through tax-exempt financing. Today, however, a cap on the total annual volume of private activity bonds that can be issued effectively forces States and local governments to choose their investment initiatives from among many needed projects. As a result of this change to the tax code, several older provisions of the Internal Revenue Code today increase the system's administrative complexity without contributing significantly to reducing abuse or Federal revenue loss. Consequently, this legislation repeals the 5 percent unrelated and disproportionate private use test and the lower private business test for certain output facilities, and it increases the nominal limit on the private loan financing test from $5 million to $15 million.

The Public Finance and Infrastructure Investment Act of 1993 also contains a number of provisions that simplify the tax-exempt bond arbitrage provisions in the Internal Revenue Code. A number of arbitrage restrictions in the tax code predate the adoption of the arbitrage rebate requirement. Now, in light of the comprehensive rebate requirement, these provisions add little to the code but administrative complexity. In addition, the bill expands the small issuer arbitrage rebate exception to cover issuers that issue up to $10 million in a given calendar year. The current limit of $5 million exempted more than half of the issuers of tax-exempt bonds from the arbitrage rebate requirement in 1992. The bonds issued by these small issuers made up less than 5 percent of the volume of long-term municipal new issues that year. Increasing the exception to issuers issuing $10 million or less in any given year would exclude over 70 percent of municipal issuers from the requirement to track, calculate, and rebate arbitrage profits. Those issuers combined produced less than 10 percent of the long-germ municipal issues that year.

Banks and other financial institutions are, for the most part, denied a deduction for the portions of their interest expenses attributable to investment in tax-exempt bonds required after August 7, 1986. An exception to this disallowance is permitted for tax-exempt bonds issued by governments that issue no more than $10 million of such bonds during a calendar year. This provision is known as the small-issuer exception.

Six thousand of the eight thousand and five hundred issuers of tax-exempt municipal bonds each issued less than $10 million in bonds in 1992. These issuers were responsible for only $19 billion of the $235 billion in long-term municipal new issues that year. Increasing the limit from $10 million to $25 million would provide over 1,000 more issuers the benefits of the bank deductibility of interest exception; such issuers were responsible for only $17 billion in long-term municipal new issues in 1992.

The bill increases the small issuer exception from $10 million to $25 million. This change substantially increases the number of tax-exempt bond issuers eligible for coverage under this provision without a proportionate impact on Federal revenue loss. In addition, it addresses the impact of inflation in the years since the Tax Reform Act of 1986 was enacted; due to inflation, the $10 million volume limit now affects small issuers that the Congress never intended to exclude from coverage under this provision.

The bill also indexes annual State volume cap allocations for inflation in calendar year 1994 and each year thereafter. This change would address the impact of inflation in the years since the Tax Reform Act of 1986. Due to the decrease in the purchasing power of the dollar since 1987, the volume cap now allows a smaller volume of private activity bond issuance that the Congress intended in 1986. Moreover, the volume cap level was set with the understanding that mortgage revenue bonds and small-issue industrial development bonds would expire at the end of 1987. These tax-exempt bond provisions were subsequently extended and have now been made permanent, reducing the volume of private activity bonds available under the cap for other purposes to a level less than that Congress intended in 1986. Consequently, indexation of the private activity bond volume cap is advisable.

Finally, the bill creates a new type of tax-exempt bond, the distressed community economic development bond. The distressed community economic development bond would be targeted at communities that have been hard-hit by population loss, job loss, slow growth, or military base closings. Communities which meet the bill's criteria for designation as distressed communities could issue private activity bonds to promote a wide range of economic development projects within their jurisdictions. In light of the sharp decline in Federal support for State and local governments in recent years—and the concurrent growth in federally imposed mandates on those same governments—congressional action to encourage development is long overdue.

The Federal Government's financial support for community and economic development activities has declined markedly over the last 12 years. At the same time, other government policies and changes around the world have adversely affected particular communities and regions of our country. For example, U.S. efforts to open up global trade markets benefit domestic manufacturers of export products, but they have at times had adverse impacts on other domestic industries and specific regions of the country. Another informative example is defense spending. Defense production and military activities encouraged the growth of many communities over the last 50 years. With the end of the cold war, these same communities face shrinking economic opportunities and a surplus of operational infrastructure assets.

In addition, national infrastructure programs have had inadvertent secondary effects which have placed many hard-hit communities at a disadvantage in attracting new sources of employment. For example, in the past, Federal funding for new highway construction often encouraged the location of business facilities in suburban or rural green field sites, to the detriment of existing communities with the necessary infrastructure already in place.

As a result, many communities have experienced unprecedented job loss and economic dislocation. These communities are in desperate need of economic development activities that will provide new jobs and tax revenues.

There have been other adverse effects as well. Certain Federal policies increase the overall cost of providing public services by encouraging underutilization of existing infrastructure in some areas and shifting demand

for such services to areas where new infrastructure must be built. Moreover, many of these same policies produce insidious side effects like excessive energy consumption and increased air pollution. The Federal policies described above, however, provide important benefits to society. Such policies should not be eliminated; rather, additional Federal action is needed to offset their adverse effects on communities that have been hard-hit by major changes in the economy, and to recognize the value of existing infrastructure like housing, roads, schools, and water and sewage treatment facilities.

The bill addresses these problems by creating a new type of tax-exempt private activity bond, the economic development bond. The proceeds of such bonds could be used to finance economic development projects in areas which qualify as distressed communities.

The eligibility criteria consist of: First, population loss equal to or greater than 5 percent, second, an average 5-year unemployment rate of not less than 8 percent, third, slow job growth, or fourth, a military base closing resulting in the loss of not less than 500 jobs.

Only 50 percent of any economic development bond will be counted toward the issuing authority's volume cap allocation, and banks could deduct the interest costs of purchasing economic development bonds issued by qualified small local governments.

I believe that these bonds will provide economically hard-hit communities—whether they are large or small, urban or rural—with the necessary means to foster economic growth and create new jobs. In short, these bonds will help communities that have been hit by the recent recession at a time when local and State governments find themselves without sufficient resources to make important long-term investments.

The Public Finance and Infrastructure Investment Act of 1993 would increase the usefulness of tax-exempt bonds in meeting pressing State and local infrastructure needs. I urge my colleagues to cosponsor this legislation.

HEALTH CARE REFORM

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. LEVIN. Mr. Speaker, on November 20, President Clinton's health care reform plan was formally introduced as legislation in both the House and the Senate. After 12 years of not-so-benign neglect by previous administrations, this President is to be commended for putting health care reform on the front burner, where it belongs.

Although I do not endorse all aspects of this proposal, I want to work with the President and my colleagues in the Congress—on both sides of the aisle—to achieve serious health care reform. Certainly the final product will be different than the bill that was introduced yesterday. But let us not lose sight of the significance of this moment: We are, at last, beginning the debate on health care reform. As complex and controversial as this issue is, we are eager to roll up our sleeves and work hard to shape a good bill—one that will provide quality health care to all Americans at an affordable price.

Let us also recognize that the President's bill is just the starting point. The bill that Congress will eventually pass will be the product of a long process of debate, discussion, negotiation, and compromise. Democrats and Republicans will help write this bill. But we also need the advice and counsel of health care providers, business owners, insurance companies, retirees, families, and the disabled, to name but a few. In other words, we need to hear from the American people.

For the past several months, in town meetings and in my office, through surveys and roundtable discussions, I have listened to my constituents' ideas on and concerns with health care reform. I know that they do not want to fund health care reform with any increase in general income taxes. As I have made clear from the outset, neither do I. Over the next several months, I want to learn as much as I can about my constituents' views. Their input on health care reform is crucial. Each and every one of us has a stake in this. Health care reform is an area where we can and must find common ground. I want to work with my constituents to pass a bill that we can support.

As we proceed, I will rely on six basic principles to guide my work on this bill: First, quality; second, choice; third, affordability; fourth, security; fifth, universal access; and sixth, a realistic approach. Let me say a few words about each of these, in turn.

First, we must maintain the high quality care that most Americans now have and want to keep. There is much that is right with our health care system. For those who can afford it, America has the finest health care system in the world. We have—and continue to develop—the most sophisticated technology available, and we can diagnose and treat what were once fatal diseases. Our biomedical research is unsurpassed. But we also have the highest infant mortality rate of any industrialized nation. We do not even immunize all of our children against serious, but preventable, diseases. There are millions of working families who cannot afford even basic health care.

To address these disparities, we must change certain components of our health care system. However, we must make sure that we do not throw out the baby with the bath water. We must identify what works in our current system, and build on it. Therefore, we should begin this debate—and I will work on this bill—with the presumption that we do not want to diminish the quality of America's medical care.

Second, we must all be able to continue to choose our doctors and other health care providers. Before the administration sent its proposal to the Congress, I told key officials it was imperative to allow all qualified fee-for-service providers to compete under any new system. I am very pleased that the President and his advisors have since amended their proposal to make this possible. His plan also requires Health Maintenance organizations [HMOs] to offer members a "point-of-service" option, which allows members to go outside the HMO for care—at a higher co-payment rate. I strongly believe that we must be free to choose our health care providers. That way, we have an extensive choice of doctors and the increased competition in the marketplace should lead to lower costs.

Third, we must make health care affordable by bringing health care spending and inflation under control. In the last 10 years, the average Michigan family's health payments rose 257 percent faster than wages. If health care inflation continues unabated, in the year 2000—just 7 years from now—Michigan families can expect to spend, on average, over $11,000 per year on health care, compared to average annual expenditures of $4,569 per family in 1991.

Federal and State government budgets are being decimated by out-of-control health care costs. In 1980, total Federal spending for health—which is mostly for Medicare and Medicaid—accounted for about 12 percent of all Federal spending; this amount rose to 15.4 percent in 1990. If our system remains unchanged, Federal spending on health is estimated to nearly double to 29 percent by the year 2000. Much the same is happening in the States. State spending on health care accounted for about 8 percent of total State expenditures in 1980, increasing to 12.5 percent in 1990. This percentage is expected to grow to 19 percent by the year 2000, with all the increase attributable to rising Medicaid costs.

Trends in private sector spending on health care are just as troubling: In Michigan, between 1980 and 1991, employers' annual health expenditures rose by 175 percent. Nationwide, the average cost to employers to provide health insurance to their workers increased by over 140 percent, from $1,645 per worker per year in 1984 to $3,968 in 1992. Ultimately, it is employees who bear much of the burden of these increases in the form of lower wages, or the reduction or even elimination of health insurance benefits.

Escalating prices affect not only our pocketbooks, but our global competitiveness. American employers spent 107 percent of corporate after-tax profits in health care in 1991, compared to only 48 percent in 1980. These exploding health care expenditures drive up the cost of labor, raise the retail prices of American goods and services, and severely restrict our ability to compete in the global marketplace.

In my home State of Michigan, the Big Three automakers are at a decided disadvantage when it comes to competing with Japanese manufacturers, even if those Japanese cars are manufactured in this country. According to a recent study conducted by the University of Michigan, Japanese facilities in this country have a $600 per car advantage over the Big Three automakers, which can be entirely attributed to health care costs. We simply must get these escalating health care costs and runaway inflation under control.

Fourth, we must be secure in the knowledge that our health care will always be there for us—even if we change jobs or are laid off, and especially if we or our loved ones become seriously ill. Some 30 percent of Americans cannot change jobs because of job lock. Workers often find that if they change jobs, and consequently health insurers, they cannot get coverage if they or their dependents have

a preexisting condition, such as diabetes or even pregnancy. Sometimes, the new employer's insurer may charge ridiculously high premiums; sometimes, they flatly refuse to provide coverage at any price. For these reasons, many people feel trapped, unable to take new jobs because they or their families will lose their health insurance.

We also want to make certain that when a serious illness strikes—and we or our loved ones need our health insurance the most—it will be there for us. We have all heard stories about people who became critically ill, and suddenly the cost of their health insurance skyrocketed—or worse, was canceled. Many of us are just one catastrophic illness away from financial disaster.

Fifth, we must strive, over time, to make access to basic health care services available to all Americans. In Michigan alone, it is estimated that some 76,000 people are losing health care each month. Nationally, more then one-half of the uninsured in 1990 were full-time workers and their families. More than 1 million of those who lost their health insurance in 1991 were earning between $25,000 and $40,000 annually, and almost one-half of the uninsured go without health insurance for 2 years or more.

By making basic health care universal, we will end the destructive and costly practice of cost shifting, where those of us with private insurance are charged more for medical services in order to pay for medical care provided to those without such insurance. People without health insurance end up paying, on average, about 20 percent of the cost of any health care they might receive. But those of us with insurance are charged, on average, 130 percent of the cost of the care we receive. The excess amounts we pay help defray the costs of caring for those without insurance. In health care, as in all other things, there is no free lunch.

Cost-shifting also affects businesses. Just as privately insured individuals help subsidize the uninsured, employers who provide health care insurance for their workers and dependents are unintentionally subsidizing the medical costs of workers left uninsured by other employers. The 75 percent of all employers who now provide health care insurance shouldering more than their fair share of health care costs. These employers' annual health care tabs are rising, on average, by 15 percent per year—nearly four times the annual inflation rate. This is particularly tough on the two-thirds of all small businesses who now insure their employees. These small businesses, lacking the purchasing clout of big corporations, already pay premiums one-third higher, on average, then their big-business counterparts.

Sixth, if we are to achieve serious health care reform, we must be clear-eyed and hard-headed—short, realistic. We cannot bankrupt ourselves or our businesses as we undertake any reforms. As we continue to reduce our budget deficit, we need to make absolutely sure than any reforms we propose are fiscally sound, affordable, and fairly financed. At this stage, it is impossible to know with complete accuracy how much any plan we may finally pass will cost. But I will not vote for a plan if I cannot explain how it works or if I am not confident about the precision of the cost estimates. And of course, we must be certain that we can afford to make the changes we are contemplating. We must not bite off more than we can chew.

Mr. Speaker, I will use these six criteria as we work through this enormously complex legislation: Quality, choice, affordability, security, universal access, and realism. I will, for example, evaluate two of the bill's linchpin provisions—the employer mandates and small-business subsidies—in the context of cost-shifting, sound fiscal policy, and labor-force implications.

I want to support a health care bill that is good for us—the patients using the system—and good for business. Toward that end, I strongly support the President's proposal to have the Federal Government assume most of the costs of early retirees health care benefits. These are individuals who retire between the ages of 55 and 64 and who are not yet eligible for Medicare. In the past, many of these people decided they could afford to retire because their employers promised to continue providing health care coverage. However, as American businesses continue to downsize and seek ways to lower their operating costs, older workers and early retirees are often the first casualties.

As a result, millions of early retirees are finding their health care benefits severely reduced or even terminated. As corporate America continues to retrench, increasing numbers of older workers will be forced into early retirement, only to find their families' health care benefits in serious jeopardy. It is extremely difficult for these older individuals to get health insurance on their own. Many insurance companies consider people between the ages of 55 and 64 "uninsurable," and do not even offer coverage. And those individual policies that are available are often prohibitively expensive, particularly for those living on a fixed income, as most retirees are.

Businesses that do provide health care coverage for their retirees are at a decided competitive disadvantaged both in global and domestic markets. Because nearly all industrialized countries have national health care programs, foreign businesses have much lower health care costs. And U.S. employers who do not provide health care benefits to their early retirees or, for that matter, to any of their workers, have an obvious operating cost advantage.

Moreover, many industries in this country—including automobile manufacturing, steel, mining, telecommunications, and airlines—have an aging workforce and large numbers of early retirees for whom they already provide health care benefits. These industries are subsidizing a disproportionately large number of these retirees, both in relation to their roster of active workers and in relation to American industry in general. This is yet another example of the cost-shifting that occurs in our current patchwork system. The burden of high health care costs for early retirees in lopsided—borne primarily by certain industries.

To address this inequity, the Clinton plan will have the Federal Government assume, over time, 80 percent of the costs of these retirees' health care premiums—simultaneously securing their health care coverage and lifting a great economic burden from their former employer. This is an excellent example of how health care reform can be good for both families and business. I will work diligently to keep this provision in the final bill.

There are many other components of the President's plan that I support, including the home and community-based long-term care benefits for the elderly and disabled, as well as the Medicare prescription drug program. I am also pleased to see the prominence of preventive care in the basic benefits package, as well as the coverage of basic mental health services, although I would like to see more of an emphasis on non-institutional care. There are some gaps in the basic benefits package, such as vision care and routine dental care for adults, that I would like to explore further. I am also very interested in encouraging the education and training of more primary care practitioners, particularly given the emphasis on preventive care. In addition, I will pay close attention to the quality assurance provisions of the plan, and want to highlight the active role of the consumer in promoting and protecting quality of care. The role of the health alliances, and their relationships to employers and employees, must be meticulously crafted, as will the risk adjustments the alliances make to the various participating health plans.

And so, Mr. Speaker, with this bill's introduction, we make a start. This is an historic undertaking, in which I am proud to be involved. I will work very hard to help shape what I hope will be a bipartisan reform of which this country will be proud: Quality health care available to all Americans, at a price we can afford. It is about time.

TRIBUTE TO JESSE L. BROWN, FIRST AFRICAN-AMERICAN NAVAL AVIATOR

HON. GENE TAYLOR

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. TAYLOR of Mississippi. Mr. Speaker, on April 30, 1994, the Knox-class frigate *Jesse L. Brown* will be hot-transferred to the Egyptian Navy. The ship bears the name of the first African-American naval aviator. I am proud to say Jesse L. Brown was from Hattiesburg, MS. He served with great distinction during the Korean war, and it is only fitting that today we pay our respect to the memory of one of America's finest heroes.

On December 4, 1950, four naval aviators scrambled to their F4U Corsairs in a gallant attempt to save American soldiers trapped by Chinese forces at the Chosin Reservoir in east central North Korea.

Eight Chinese divisions had encircled the 1st Marine Division and the Army's 7th Infantry Division, and it was up to these aviators to pave the way for the American troops as they hiked 40 miles to escape down a narrow valley road to safety.

One of those naval aviators was Ens. Jesse L. Brown. Brown at the age of 19 enlisted in the U.S. Naval Reserve in 1946 as an engineering student at Ohio State University. He excelled first in his studies, and later as an officer candidate.

In just a little more than 2 years Brown achieved his life-long ambition, and on October 21, 1948, he was awarded his wings of gold and designated a naval aviator. At 22, Brown became the Navy's first African-American aviator.

Shortly after the outbreak of the Korean war, Ensign Brown and his squadron were sent to the Sea of Japan. While aboard the carrier U.S.S. *Leyte,* he flew a total of 19 combat missions. His commanding officer, Capt. Thomas Sisson of Winona, MS, called Brown "one of the best pilots of the air group."

However, on his 20th mission Brown was flying a low altitude run when his plane was hit by enemy gunfire. As his plane trailed smoke, Brown meticulously set his plane down on a barren rocky slope on a rugged snow-covered mountain. The plane came to an abrupt halt, apparently striking a rock. Upon impact, the fuselage broke in two and the engine was ripped loose.

Strong-willed, the badly injured Brown survived the crash, but was trapped in the cockpit by twisted metal. Valiant attempts were made to rescue the downed pilot. One of his wing mates went as far as to crash his own plane next to Brown's in an attempt to pull him from the burning wreckage. But after hours of unsuccessful attempts in near-zero temperatures to free Brown, he could hold on no more.

The story of Brown should survive forever. In 1948, he accomplished a goal that had never been accomplished by an African-American before him. As an aviator and as an officer, he made tremendous strides in the U.S. Armed Forces and saved innumerable lives. We must never forget unselfish acts of courage. After 43 years Michael Gregory, a Marine who was fighting around the Chosin Reservoir as Brown offered protection from overhead, explains, "Jesse L. Brown died for us, the survivors."

Today I would like to request that the Foreign Affairs Committee, when they meet with the Navy in regard to the *Jesse L. Brown*'s transfer, have all the ship's major artifacts, such as the ship's plague, bell and any other artifacts that bear the name Jesse L. Brown, be transferred to the people of Hattiesburg, MS, so they may establish a memorial in his honor.

TRIBUTE TO WOLFGANG RUPPE

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. COLEMAN. Mr. Speaker, I rise today to honor the achievements of Wolfgang Ruppe, a man of great character and integrity who has unselfishly given of his time to help the Allied cause in Berlin.

Born in East Germany in 1939, Wolfgang Ruppe forged his ties to the West very early in life when at the age of 10 he escaped to West Berlin to pursue an advanced education, an education that was forbidden in his native East Germany.

At the end of 1973, Mr. Ruppe forged an intimate relationship with the commanders of the third Allied military hospital in Berlin. With this relationship, Mr. Ruppe was able to assist in the formation of the Berlin International Medical Society [BIMS] in 1978. The BIMS was established to foster cooperation and professional medical interaction between allied medical professionals and their counterparts among civilian medical professionals in West Berlin. As a result of this effort, the lives and health of many U.S. soldiers, family members, and civilians were greatly enhanced because of increased access to high quality specialty care. The BIMS has been a great success and it continues to serve the public in the present day.

Because of his work with the BIMS, Mr. Ruppe became a personal supporter and sponsor of many United States military units in Berlin, most prominently, the U.S. Army Hospital in Berlin. Currently, the stewards the BIMS administrative division with overall responsibility for ensuring the continued cooperative efforts between the Berlin medical community and the remaining allied military medical facilities and their supported population.

Wolfgang Ruppe's generosity was also felt during one of the darkest hours of modern West German history: The La-Belle disco terrorist bombing in 1986. In the aftermath of this event, Mr. Ruppe gave his personal and financial support in a multitude of ways to ease the impact of this attack on its victim and their loved ones. Because of these actions and his efforts as BIMS cofounder, the Scroll of Appreciation was conferred upon him by Gen. Glenn K. Otis, Commander of the U.S. Army-Europe, in 1987.

Mr. Speaker, this gentleman gave of his time, and of his financial resources without any expectation of recognition or gratitude. Time and again, Mr. Ruppe has exhibited tireless dedication to the Allied cause in Berlin and his garnered the trust, respect, and admiration of Allied medical personnel and the senior leadership of the Allied forces. Wolfgang Ruppe is a true friend of the American, British, and French forces and the Democratic principles they represent. Today, let us honor and celebrate his example of charity. The spirit by which he has lived his life is truly an ideal for which to strive.

ABC NEWS "20/20" TRANSCRIPT NO. 1349

HON. KEN CALVERT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. CALVERT. Mr. Speaker, my congressional district recently suffered a catastrophic brush fire that destroyed homes and lives. The devastation and suffering that were caused by this fire is hard for anyone to understand who is not from an arid region. But one possibility has been reported in the press that may add an additional element of tragedy to this situation: some homeowners who are now homeless believe that they lost their homes due to the rigid implementation of the Endangered Species Act.

The November 16, 1993, edition of the Los Angeles Times contains an article in which several homeowners allege that the Endangered Species Act protection of the Stephens kangaroo rat prevented the development of the types of firebreaks that could have protected their homes from brush fires. The ABC news show "20/20" aired an expose on Friday, November 19, 1993, on this same topic. I will be investigating this situation further over the winter recess.

Mr. Speaker, all of us are concerned about species extinction. However, we must also ensure that our laws for protecting species are sensitive to the needs of humans. If, in fact, the Endangered Species Act has contributed to the loss of homes in Riverside County, the Endangered Species Act will, inevitably, lose public support. When we reauthorize the Endangered Species Act next year, we must ensure that the act balances the needs of humans with the need to preserve and enhance endangered and threatened species—so that the act may continue to enjoy the strong support of the public. That is why I am pleased to be a cosponsor of H.R. 1490, the Endangered Species Act Reform Amendments of 1993, which seeks to accomplish this goal.

Mr. Speaker, I insert a copy of the article from the November 16, 1993, edition of the Los Angeles Times and the transcript from "20/20" to be printed into the RECORD at this point.

[From ABC News "20/20," Nov. 19, 1993]

MY HOUSE FOR A RAT?

Hugh Downs, ABC News: Good evening. I'm Hugh Downs.

Barbara Walters, ABC News: And I'm Barbara Walters and this is 20/20.

Announcer: Tonight, the untold story of the California fires. How many homes were lost to protect this rodent?

Anna Klimko, Lost House in California Fire: In seven minutes, everything was gone. For what? A rat?

Announcer: The kangaroo rat—its home was saved, but theirs weren't.

John Stossel, ABC News: It says here even to annoy the rat is illegal.

Announcer: Have we taken animal protection too far? John Stossel with some outraged victims. They're asking, "My House For a Rat?"

Hugh Downs: Can you imagine letting your house burn down to save a rat? Some victims of the recent California fires say that that's just what happened to them. As flames swept down on their neighborhood, they knew what they should have done to try to save their homes, but their hands were tied by a law that you may not have paid much attention to up to now. But this law might eventually threaten your home and property, too.

Barbara Walters: It's the Endangered Species Act, a well-intentioned and valuable law that's supposed to see that animals and even insects aren't squeezed out by the existence of man. The question is, does this law go too far?

Should we have to sacrifice our homes for theirs? If you're not sure, John Stossel's report may help you decide.

John Stossel, ABC News: Most every year there are fires in California, but this year it was worse. One reason was the weather. It was unusually windy and dry. And of course, more homes were destroyed simply because more people live here now. But in the aftermath of the fires, some who lost their homes now say one cause of the disaster was government's rules.

Anna Klimko, Lost House in California Fire: I did exactly what they required of me. My home is gone.

2nd Homeowner: [?] If they were smart, they would have let us do what we had to do up there—make firebreaks and do all these things—and they would have saved the whole thing.

Stossel: These people believe they could have protected their property, but the government wouldn't let them because of a rat. Let me explain. One of the best ways to stop brush fires is to create a firebreak—to clear out a strip of vegetation so that when the fire gets here, it won't have anything to burn. Doing it with this machine is called disking, and the people around here have disked their property for years, until a few years ago when the government told them they could not because disking, by digging into the ground destroys the burrows of the Stevens [sp?] kangaroo rat. Most kangaroo rats live in the desert, but the Stevens rat—here's a better look—likes to live around Riverside County. This is a problem only because humans want to live here, too.

A few years ago, the U.S. Fish and Wildlife Service decided that all this homebuilding is enough of a threat to the rat that it should be protected under the Endangered Species Act. This means Riverside County must now spend up to $300 million to protect the rat. For local residents, this also meant that when the Fire Department posted signs ordering people, "Get rid of flammable vegetation on your property," residents were not allowed to disk the brush under. A Fish and Wildlife field officer told Michael Rowe, "You may not disk because your property is occupied."

Michael Rowe, House Survived California Fire: That was his statement. "Your land is occupied by kangaroo rats. You cannot remove the fire—vegetation hazard by disking.

Stossel: Well, what about just disking a strip?

Mr. Rowe: That's all we were asking is just a strip.

Stossel: The government followed up with a threatening letter from the Interior Department. "Provides civil and criminal penalties."

Mr. Rowe: Correct.

Stossel: So they, what, put you in jail for this?

Mr. Rowe: Yes. The term is one year in prison and $100,000 fine.

Stossel: It says here even to annoy the rat is illegal.

Mr. Rowe: Annoying means many things—shining a flashlight on it is considered annoying the rat.

Stossel: This means the homeowners are caught between Fish and Wildlife, which says, "Don't hurt the rats," and the Forestry Service, which says the best way to stop fires is to disk. Michael Rowe obeyed the non-disking rule until last month, when the California fires hit. Rowe saw flames roar through the valley toward his house.

Mr. Rowe: I went down to my equipment area and got my tractor that had the disk hooked up on it, brought it up here, cut my neighbor's fence, which you see right here, and began disking a firebreak in as much of this area as I could along the property line to protect my buildings. By the time I got about 50 feet by 200 feet disked in this particular area, the fire was already on me, burning all around the area that I had disked.

Stossel: You saved the house.

Mr. Rowe: I saved the house, no question about it.

Stossel: Twenty-nine of his neighbors lost their homes. Others here say they, too, saved their homes by breaking the law.

2nd Homeowner: And my property was in the middle of the fire and it's still there today because I do disk my property.

Mr. Stossel: Fish and Wildlife officials say, "We're not responsible for the disaster."

Dr. John Bradley, U.S. Fish and Wildlife Service: That's a tragedy of a wildfire and even disked firebreaks don't guarantee that a house is not going to burn down.

3rd Homeowner: [?] I disked in front of my house, which was illegal, from fence line to fence line. That's what saved my house. Beyond the fence line, it burned.

Stossel: Ken Tessier obeyed the law to protect the rat. He lost his home.

Ken Tessier, Lost House in California Fire: I feel that they've put—the government and the biologists have put a rodent before the human being.

Stossel: Fish and Wildlife says the Fire Department approved mowing, that that was enough.

2nd Homeowner: Mowing is not enough. I have a neighbor that mowed hers and hers is history.

Stossel: His neighbor is Anna Klimko. She followed the government's suggestion and mowed her property. Mowing doesn't disturb the rat's burrows, but it also doesn't get rid of all the vegetation, which then burned.

Ms. Klimko: In three minutes, my house was fully consumed in flames and in seven minutes, everything was gone. For what? A rat?

Stossel: But maybe this kangaroo rat is key to the ecosystem. Maybe——

Mr. Rowe: Well, you know, I sort of have a feeling that I have some key role in this society, too.

Stossel: When the Endangered Species Act passed 20 years ago, it passed easily. Everyone wants to stand for protecting nature, especially species like the bald eagle and the grizzly bear. But laws like this tend to grow.

When the act was passed, many people assumed it would protect perhaps a few dozen species, but as of this week, Fish and Wildlife has declared 600 species in danger. In the future, they say, they may expand the list to another 3,000 species.

And species aren't just animals. The act gives Fish and Wildlife power to set rules protecting insects and plants.

People who want to build are going to be confronted by you folks much more often as you classify these other 3,000 species.

Gail Kobetich, U.S. Fish and Wildlife Service: That's true. There is no doubt about it, and my advice to folks outside of California where they don't have the pressures that we have here now is to begin to plan now.

Stossel: People are going to be hearing from you?

Dr. Bradley: Yes.

Stossel: Just this spring, Fish and Wildlife declared the California gnat catcher endangered. An Orange County fire chief says this meant brush in Emerald Canyon couldn't be cleared away, and that helped this fire burn.

There are how many species—three million, 10 million, 100 million?

Dr. Bradley: Very conservative estimates are three million. There are 100 million, maybe.

Stossel: Are they all necessary?

Dr. Bradley: We don't know, but——

Stossel: So you've got to preserve all of them?

Mr. Kobetich: I'm much more inclined to the idea of protecting them and just part.

Stossel: All 600,000 species of beetle should be protected:

Mr. Kobetich: If we can.

Stossel: More people are being born all the time. Where will they live?

Mr. Kobetich: Develop denser living quarters in areas that are already developed.

Ms. Klimko: It's impossible to save every species. We can't feed every mouth on the planet. How can we possibly save every microscopic species? We've got a fly that was listed here a month ago—300 acres for this fly and 250,000 acres for a bird and 88,000 acres for a rat. The list goes on and on and on and where does it stop, till they have it all?

Downs: That's a problem, John. I can see that. Is it likely to happen again next year in California where people can't clear out brush and save their house?

Stossel: Oh now, after the fires, they are willing to talk about some compromise.

Downs: You know—I know you're aware nature weeds out species, had—and throughout geologic time, isn't there something to be said for natural selection? We're part of nature and do we—as you said, do you need all 600,000 species of beetle?

Stossel: Well, I mean, this is a good point in that evolutionary theory tells us nature is changing, adapting all the time. Lots of species have already gone extinct, many new ones are being created. The law is sort of unnatural in that it seeks to stop the clock now. And we certainly want more diversity—more species makes life richer—but do we want to turn life upside down to preserve all of them?

Downs: To preserve all of them—yeah, and the question exists whether we should preserve all of them, a trade-off seems to be almost inevitable and necessary here.

Stossel: Well, the law does not allow for a trade-off.

Downs: Interesting, John, Thank you.

[From the Los Angeles Times, Nov. 16, 1993]

IRE AFTER THE FIRE—VICTIMS SAY ENDANGERED RAT GOT MORE PROTECTION THAN THEIR HOMES

(By David W. Myers)

A group of Riverside County residents who claim they needlessly lost their homes in the recent fires are teaming up with local developers to campaign for changes in federal laws designed to protect endangered animals and plants.

Almost half a dozen burned-out families in the Winchester area of south Riverside County say their homes might have been saved if government officials had given them permission to clear the brush and build firebreaks around their property earlier this year.

But officials from the county, state and federal government discouraged home-owners from wholesale clearing because it could have displaced the Stephens' kangaroo rat, a tiny rodent put on the federal endangered species list in 1988.

The Winchester fire, which roared through the mostly rural area in late October, charred 25,100 acres and destroyed 29 homes—some of which may have been saved if homeowners had cleared their land.

"My home was destroyed by a bunch of bureaucrats in suits and so-called environmentalists who say animals are more important than people," said angry rancher Yashmael Garcia, who lost his 3,000-square-foot home in the fire.

"I'm now homeless, and it all began with a little rat."

But environmentalists worry that the emotional stories of people like Garcia may encourage lawmakers to pass hasty, ill-conceived changes to the Endangered Species Act, without considering the long-term consequences.

"These fires weren't started by the kangaroo rat, and it shouldn't be made a scapegoat for something that happened naturally," said Anne Dennis, an official with the

nearby San Gorgonio chapter of the Sierra Club. "To use this as an excuse to scrap the whole Endangered Species Act would be ludicrous."

The furry kangaroo rat has been the bane of many homeowners and developers in the inland Empire for years.

The Endangered Species Act either bans or strictly limits development on most of the 77,000 acres that have been deemed "rat study" areas in Riverside County.

Builders complain that dozens of new housing projects have either been scuttled or delayed by the rodent, while some homeowners gripe that they can't even remodel their homes or build firebreaks without running afoul of the federal law.

Efforts to ease restrictions on the rat habitat and open up it up for more development have so far been unsuccessful. But now some of the fire victims, as well as other local homeowners, plan to work more closely with Southland home builders and Riverside farmers to either "de-list" the rat or repeal or amend the Endangered Species Act.

"What happened a couple of weeks ago is tragic, but the stories of the fire victims might finally help us put a human face on the cost of all this foolishness," said Michael Rows, a Riverside real estate agent who has so far been thwarted in his attempts to replace the one-bedroom house on his 20-acre parcel with a larger home.

Ironically, Rowe says his home was spared by last month's fire because he hastily built a break by completely clearing, or "discing," a swath of land as the blazes approached. The flames didn't jump the break and the house was saved, he said.

But Garcia and some of Rowe's other neighbors say they lost their homes because they obeyed the rules discouraging discing, which can kill or displace the kangaroo rat. By clearing the land to save his own house, Rowe may have violated the Endangered Species Act and could be jailed or fined.

No charges have yet been filed against Rowe.

Officials at the Riverside County Fire Department and the U.S. Fish and Wildlife Service say they had been encouraging homeowners in the fire area to mow their grass and remove the trimmings with a grass catcher.

But Rowe, Garcia and some of their neighbors say that mowing dozens of acres would be too expensive and impractical, in part because a blade that strikes a rock can spark a fire by itself.

"Besides, grass burns whether it's four inches tall or four feet tall," Garcia said. "The only way to protect against fire is to build a firebreak, and we weren't allowed to do that.

Riverside County Deputy Fire Chief Bob Martinez agreed that discing is the best way to protect property against fires, but his department had encouraged property owners to simply mow their land to appease Fish and Wildlife officials.

In addition, Martinez said there is no guarantee that discing would have saved any of the names given the intensity of the firestorm.

John Bradley, a biologist for Fish and Wildlife's Carigbad office, said no one at his agency ever explicitly told Rowe or any other homeowner in the area that discing would break federal law.

But in a letter concerning's Rowe's request to build a firebreak several months ago, the supervisor of the Carisbed office, Brooks Harper, told Rowe that the proposed break posed "potential endangered species conflicts" and that harming the rat or its habitats would make him "liable for both State and Federal prosecution."

Rowe's ongoing battles with government officials have made him an unofficial spokesman for some of the homeowners fed up with the government's restrictions on their property.

The group's efforts to amend or repeal the act, which is up for reauthorization by Congress next year, are being joined by two powerful local trade groups, the Riverside Building industry Assn, and the Riverside Farm Bureau.

"I think the public is starting to realize that the kangaroo rat is not an issue that affects only big developers," said Jon Friedman, president of the builders group, who claimed to have had two housing projects torpedoed by concerns over the rodent.

"Hopefully, something good will come out of these fires," said Dennis Hollingsworth, the Farm Bureau's environmental manger, who complained that some farmers have been prevented from working their land because it could displace the rat.

"It was bad enough that some people had to lose their homes," Hollingsworth said, "It would be even worse if Congress ignored their loss and leaves the act intact."

Indeed, the political heat caused by last month's fires is being felt in Washington.

"We have to change the [environmental] laws so they show more concern about human life and property rights," said Rep. Ken Calvert (R-Riverside), who added that he may ask fire victims to testify before Congress in his efforts to amend the Endangered Species Act.

At the very least, Deputy Fire Chief Martinez hopes that last month's blasts will lead to some type of compromise that will balance the Fire Department's primary responsibility to protest the public with the government's goal of protecting endangered species.

A CITATION HONORING A. JOHN MENICHETTI, PRESIDENT AND CHIEF EXECUTIVE OFFICER, NEWINGTON CHILDREN'S HOSPITAL

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mrs. KENNELLY. Mr. Speaker, since coming to Newington Children's Hospital as president and chief executive officer in 1976, A. John Menichetti has dedicated himself to improving the delivery of health care services to the children in Connecticut.

In August, John Menichetti announced that he is taking a medical retirement, effective June 30, 1993.

In honor of John Menichetti's 17 years of service, Newington Children's Hospital is honoring him during its annual meeting of the board of directors and board of governors on December 7.

As Newington's president, John Menichetti has been responsible for the development of goals and objectives for the hospital; coordination of institutional operations; integration of activities of the board of directors and hospital management; served as the hospital's primary representative to its patients and the public and provided leadership to the hospital's more than 700 employees.

In 1985, as the result of a corporate restructuring, John Menichetti assumed the additional responsibilities of president and chief executive officer of a number of new corporate entities including NCH Corporation, the hospital's parent corporation; the Newington Children's Hospital Foundation, NCH affiliates, Inc. a nonprofit subsidiary corporation; and Newington Ventures, a for-profit subsidiary corporation.

John Menichetti's most significant accomplishment at Newington has been his unswerving leadership toward the creation of a comprehensive children's hospital. Since the early 1980's his vision of a hospital that could serve all a child's medical needs in one location has guided Newington Children's Hospital toward this goal.

Today, Newington Children's Hospital is at the crossroads of the most significant new direction in its 95-year history of providing specially medical and surgical care to children with disabilities. Through a consolidation with the pediatric programs and personnel of Hartford Hospital and the University of Connecticut Health Center's John Dempsey Hospital, a new Newington Children's Hospital will be built in Hartford.

This new children's hospital will provide a full spectrum of health care services to the children of Connecticut. It's mission will be to keep children healthy and safe, provide sophisticated medical and surgical care when they are sick or injured, and help children reach their full development potential.

In 1986, the first formal step toward this goal was taken when Newington Children's Hospital signed a memorandum of understanding with Hartford Hospital to embark on this new course. In 1989 Newington Children's Hospital joined Hartford Hospital's parent organization, Connecticut Health System, providing the institutional flexibility necessary to make the new children's hospital a reality.

Throughout a long regulatory approval process, John Menichetti's leadership and dedication helped keep the plan for the new children's hospital moving forward.

He guided the hospital's board of directors through the considerable compromises and accommodations necessary to achieve approval. His commitment to the vision of the new children's hospital was confirmed by the many courageous decisions made by the board.

Newington Children's Hospital is trying to accomplish something that only one other hospital in the country is even considering. It is moving from a suburban location that has been home for 95 years, to the inner city of Hartford, the fourth poorest city in the country in one of the Nation's wealthiest States.

This move will greatly improve children's access to badly needed primary and preventive health care services. The new children's hospital will be the hub of a complete range of pediatric practitioners of the future.

To further demonstrate it's commitment to improving children's health, Newington Children's Hospital has taken a leadership role in committing $15 million to endow the Greater Hartford Children's Fund. This fund, the first of its kind in the Nation, will provide grants to

community-base initiatives supporting such programs as preventing lead poisoning and curbing adolescent violence.

It takes a leader with extraordinary courage and foresight to commit a hospital to the kind of dramatic changes required by the health care situation in this country, and that person is A. John Menichetti.

Thank you, John, on behalf of all the children who will benefit from what we know will be a great hospital for the children of Connecitcut.

IN HONOR OF KENNETH BEATY

HON. BILL SARPALIUS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. SARPALIUS. Mr. Speaker, I rise today to honor an individual who has shown his strength and courage to all of America. Kenneth Beaty was recently released from a Iraqi prison, after serving 7 months of an 8-year prison term.

Mr. Beaty was sentenced to prison in Iraq for illegally entering that Middle East country from Kuwait. The oil man, employed by Santa Fe Drilling based in Orange, CA, has problems with his health and several of my colleagues and I soon began asking for his humanitarian release. Senator DAVID BOREN, of Oklahoma, went to Iraq on the weekend of November 14 after President Saddam Hussein honored that humanitarian request, and was able to bring Mr. Beaty home to the United States.

Mr. Beaty graduated in 1966 from Borger High School. He attended Oklahoma State University before going to work for Santa Fe Drilling. His current home is in Mustang, OK. He is married to the former Robin Smith of Cushing, OK, and they have two young daughters.

While in prison, Mr. Beaty was kept relatively comfortable along with several other prisoners from Sweden, Britain, the Philippines, and Pakistan. The prisoners were allowed to leave their cells, cook together, and socialize. Mr. Beaty's health was monitored fairly closely.

Prison is not a pleasant experience, and it is especially unpleasant in a foreign country. But Mr. Beaty demonstrated extreme courage during the past 7 months, and he never lost faith in the possibility of a happy ending.

Mr. Speaker, I thank my colleagues who help in the humanitarian effort and ask that they all join me in this special honor to Kenneth Beaty.

FEDERATION OF STATE MEDICAL BOARDS

HON. THOMAS J. BLILEY, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. BLILEY. Mr. Speaker, during the debate of the North American Free-Trade Agreement [NAFTA], it was my intention to have correspondence between the Federation of State Medical Boards of the United States, Inc., and the Office of the United States Trade Representative included as part of my remarks. It is important to have this correspondence included in the CONGRESSIONAL RECORD, for it explains how NAFTA will not preempt the authority of State medical boards.

Unfortunately, due to a clerical error, these letters were not part of my remarks. For that reason, I wanted to take this opportunity to place the correspondence into the CONGRESSIONAL RECORD.

THE FEDERATION OF STATE MEDICAL BOARDS OF THE UNITED STATES, INC.,

Ft. Worth, TX, November 9, 1993.

Ambassador MICHAEL KANTOR,

United States Trade Representative, Washington, DC.

Re: North American Free Trade Agreement.

DEAR AMBASSADOR KANTOR: The Federation of State Medical Boards is a national organization, the members of which are the state medical licensing and disciplinary boards in the fifty states, the District of Columbia, Guam, Puerto Rico and the Virgin Islands. The Federation has examined the North American Free Trade Agreement in an attempt to determine its effect, if any, upon state medical board licensing activities, an issue of great concern to our membership and to the public. Our review has focused primarily on the issue of whether NAFTA will preempt a state's authority to license physicians. We believe NAFTA does not preempt the licensing authority of the states, and we are writing to you for confirmation or refutation of our interpretation of the treaty.

Under NAFTA's definitions physician services fall under professional services and are addressed in Chapter Twelve "Cross-Border Trade in Services" and Chapter Sixteen "Temporary Entry for Business Persons." Using these chapter titles, we have stated our conclusions and presented our reasoning for these conclusions on the topics of licensing and certification, mutual recognition of licensed professionals, and temporary entry procedures.

CROSS-BORDER TRADE IN SERVICES

1. It is our conclusion that state medical board licensing standards are not preempted.

NAFTA's objective in relation to licensing is to prevent licensing requirements from being "unnecessary barriers to trade." Art. 1210, sec. 1 provides that any state licensing requirements be 1) based on objective and transparent criteria, 2) not be unduly burdensome, and 3) not constitute a disguised restriction on the provision of services across borders. These standards are not necessarily preemptive of the states' licensing authority. A state can set its own licensure requirements as long as the requirements fall within these standards. Requirements not based upon competence or which are considered to restrict trade will have to be revised or eliminated by the states.

NAFTA sets requirements for processing applications for licenses and certifications (Annex 1210.5). NAFTA requires that upon receipt of complete applications a determination on the application and notification of that determination must be made within "a reasonable time". Upon receipt of an incomplete application the applicant must be informed "without undue delay" of the status of the application and what information is necessary to complete the application. Thus, although a state licensing board may be obliged to review licensure applications of physicians from NAFTA countries, the board may apply the same standards and criteria in reviewing the qualifications of these applicants as it applies to domestic applicants. If such items as educational and training qualifications are not within the state's established standards, the state will be under no obligation to grant a license to an individual just because that person is a citizen of a NAFTA party.

2. It is our conclusion that Art. 1203 "most favored nation" designation will not change state licensure requirements or standards.

Article 1210, section 2(a) expressly states that most favored nation treatment (Art. 1203) does not require the recognition of education, experience, licenses or certifications obtained in other countries. Although NAFTA countries must give each other adequate opportunity to demonstrate that their respective education, experience, or licenses or certifications should be recognized, any process by which these issues are discussed in the context of medical licensure will not lead to coercive efforts to force a state's acceptance of any element of an applicant's qualifications.

3. It is our conclusion that some state medical boards' requirements concerning citizenship and permanent residency will be affected by NAFTA.

Art. 1206 of NAFTA requires elimination of all citizenship and permanent residency requirements for licensing of professionals within two years after implementation of the treaty. As a result of this provision, any state seeking to maintain citizenship or permanent residency requirements may need to seek an exception, or "reservation" from NAFTA. A board seeking such a reservation will not, however, be subjected to any dispute settlement cases under the treaty.

4. It is our conclusion that the provisions dealing with mutual recognition of licensed professionals do not to require automatic reccgnition of credentials of physicians of other countries.

Contrary to the concept of automatic recognition of credentials, the provisions of Annex 1210.5 suggest and encourage, but do not mandate, the development of standards and criteria for licensing which are mutually acceptable to all of the countries under the Agreement. Education, examination, experience, conduct and ethics, professional development and re-certification, scope of practice, local knowledge and consumer protection are given as possible but not exclusive criteria upon which the NAFTA parties may develop such standards. It is our understanding that the section will not be used to force NAFTA countries to agree to any common standards, but is suggestive only.

TEMPORARY ENTRY FOR BUSINESS PERSONS

1. It is our conclusion that Chapter 16 provisions do not prohibit state medical boards from applying applicable licensure standards to physicians.

Annex 1602, section D, pertains only to physicians desiring to enter the United States to teach or research, not physicians wanting to practice medicine temporarily in the U.S. The purpose of this Chapter is to simplify the documentation required for physicians desiring to teach or research temporarily in a NAFTA country. This chapter does not circumvent state licensure requirements, and a citizen of a NAFTA country seeking to enter the U.S. even in a teaching or research capacity will be required to meet licensure requirements of a given state as required for the activities that individual will undertake.

We look forward to your comments about our interpretations of this important document. If our interpretation is incorrect on any points, please inform us so that we may reevalute our position based on new information.

Thank you in advance for your consideration of and prompt response to this letter.

Yours truly,

DOROTHY G. HARWOOD, JD,
Assistant Vice President,
Administrative and Legislative Affairs.

OFFICE OF THE UNITED STATES
TRADE REPRESENTATIVE,
Washington, DC.

Ms. DOROTHY G. HARWOOD, JD,
Assistant Vice President, Administrative and Legislative Affairs, The Federation of State Medical Boards of the United States, Inc., Fort Worth, TX.

DEAR MS. HARWOOD: Thank you for your letter of November 9 outlining the results of your review of the North American Free Trade Agreement. Your letter addresses the five issues most asked about by medical professionals and other concerned individuals.

We agree with your interpretations of Chapter 12 and Chapter 16 of the NAFTA, and how they will affect the duties of state medical boards. The NAFTA does not permit Mexican or Canadian health care professionals—or any professional service providers—to circumvent state licensing and certification procedures. The NAFTA does not permit Mexican or Canadian professionals to practice a licensed profession in the United States, even on a temporary basis, without meeting all applicable state licensing criteria and receiving such a license. Nor does the NAFTA require any change in state certification or licensing criteria or procedures, except for citizenship or permanent residency requirements. The Statement of Administrative Action presented to the Congress by the President also states this very clearly.

I appreciate the effort you have made in taking the time to thoroughly review the NAFTA. If you need additional information, please do not hesitate to contact my office.

Sincerely,

DONALD S. ABELSON,
Assistant U.S. Trade Representative
for Services, Investment,
and Intellectual Property.

OCEANSIDE COMES TOGETHER TO RESPOND TO BIGOTRY

HON. PETER T. KING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. KING. Mr. Speaker, it is truly remarkable to see an entire community come together to respond to a crisis. I am proud to report that Oceanside, NY, a community in my district, is one such place where this is happening.

I had intended to rise today only to condemn and express my outrage at recent acts of anti-Semitic vandalism in Oceanside. And I do want to clearly state that these incidents are disgusting acts and an unacceptable affront to the decent and hard-working people of Oceanside and neighboring communities on Long Island. Very simply, such acts cannot and will not be tolerated.

However, rather than taking time to discuss the outrageous actions of a few very troubled individuals, I want to report to the Members of this institution on the admirable response of the people of Oceanside and an important event scheduled for this Sunday.

From the beginning of this crisis, people have decided to come together. An antibias task force was formed. A community meeting was scheduled to develop a strategy and more than 400 people attended—far in excess of anyone's predictions. Civic organizations, religious leaders, educators, merchants, law enforcement officials, and concerned citizens have all been working together to promote awareness—among young and old of the threat posed by the haters.

Mr. Speaker, I am pleased to report that the task force has scheduled a day-of-unity rally to make a stand against prejudice. The event will be held at Oceanside High School on Sunday, November 28 at 1:30 p.m. I am proud to say that I will attend and have personally encouraged my friends, neighbors, and other government officials to do so.

Since taking office earlier this year, I have made it a top priority to condemn the kinds of acts that have plagued the people of Oceanside and to speak out at schools, houses of worship, in public forums, and in the Chamber. I have also contacted local law enforcement officials to urge that every effort be made to bring to justice those responsible for crimes of hate.

I am pleased to report that the dedicated men and women of the Nassau County Police Department have worked tirelessly in this matter. They have established a 24-hour hotline for anyone who has information about bias-related vandalism. The telephone number is (516) 573–7717.

Mr. Speaker, if we have learned any lesson from the past, it is that we cannot remain silent in the face of intolerance and bigotry. I commend the people of Oceanside who are responding to this insidious threat and who, by coming together, have already won a great victory over hate.

OUTSTANDING COMMUNITY INVESTMENT AWARD

1993

HON. MARTIN T. MEEHAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. MEEHAN. Mr. Speaker, I want to call attention to the fine work performed by the Coalition for a Better Acre and Enterprise Bank and Trust in the development of my hometown, Lowell, MA. CBA and Enterprise are being recognized by the Social Compact in conjunction with the 1993 Outstanding Community Investment Awards program, which focuses national attention on outstanding efforts to strengthen disadvantaged neighborhoods.

The Coalition for a Better Acre [CBA] is Lowell's only community based nonprofit development organization. Its Hispanic Empowerment and Leadership Project and Southeast Asian Organizing Project help local residents strengthen their communities and revitalize their neighborhoods. The Enterprise Development Center focuses on the creation and retention of local jobs by supporting the smallest and newest business ventures in high-growth sectors of the economy. In the field of affordable housing, the CBA has developed nearly 400 residential units for low- and moderate-income people.

The Acre community in Lowell is one of New England's most diverse—and poorest—communities, with nearly 85 percent of its 15,000 residents living in poverty. With thousands of jobs lost in the Lowell area since the beginning of the recession in 1989, home businesses, self-employment ventures and micro-sized enterprises have exploded in number and represent a critical source of income for the urban poor in the Acre and provide a realistic alternative to minimum wage jobs and welfare.

With the help of Enterprise Bank and Trust, CBA created the Minority Enterprise Development Assistance Initiative [MEDAI] in 1992. MEDAI is based on a micro-enterprise development model created by the Grameen Bank in Bangladesh. The program offers $500 working capital loans to individuals who form peer groups of up to seven members. To be eligible for participation in MEDAI, peer members must be currently living on some type of public assistance. As a group, the members review each other's business plans and then approve and co-sign each other's loans. Loans graduate up to $1,500 when members stay current on payments.

Enterprise played a lead role in capitalizing the experimental MEDAI peer loan program by pledging $25,000. In addition, the chief executive officer and assistant vice president actively participated in the planning and development of the program and continue to offer their advice and expertise on a regular basis.

CBA secured operating funds from the city of Lowell, private foundations, and national religious philanthropic organizations, including the Theodore Edson Parker Foundation, Sun Microsystems Inc., the Marianist Sharing Fund, and the Adrian Dominican Sisters. In addition to loan fund capital supplied by Enterprise, loan pool resources were committed from five additional banks, the city of Lowell, and religious philanthropies. In all, 11 different sources of funds were found to begin the MEDAI program.

This awards program is built upon a national competition which seeks out the most innovative and effective affordable housing, community and/or economic development strategies carried out by partnerships between financial services institutions and neighborhood-based nonprofit organizations. With the support of the country's national nonprofit housing and community development leadership, almost 2,000 applications were distributed and 120 applications received. The award-winning partnerships are representative of each of the types of financial services institutions represented in the pool of applicants. Each of these nonprofit partners receives a grant averaging $5,000 to further their work. The CBA/Enterprise Bank and Trust partnership was chosen as one of sixteen honorees in the Outstanding Community Investment Awards competition. I think the keen competition for this award speaks to the exemplary quality of work

by both the coalition and Enterprise in helping restore the economic vitality of Lowell.

FEDERAL PROGRAM FOR ARTS IN SMALL COMMUNITIES

HON. J. ROY ROWLAND

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. ROWLAND. Mr. Speaker, a modest Federal program to help devleop the arts in smaller communities throughout the country is something I have long supported. Such a program not only enriches communities from a cultural standpoint, it also has real economic benefits. Artistic activities such as theater, musical events, and museums greatly enhance the growth potential as well as the quality of life of every community.

Tift County and neighboring areas of southwest Georgia are an example of this. Artistically, this is an area that is really on the move. There are a number of reasons for this, including the work of the arts experiment station at Abraham Baldwin College in Tifton, the contributions of the Georgia Council for the Arts, the assistance from the National Endowment for the Arts, and, most of all, the support of civic leaders like the Tifton-Tift Chamber of Commerce and the community at large.

These are the artistic initiatives now underway: The renovation of an historic church building in Tifton so it can be converted into a museum of arts and cultural heritage; a chamber music program in Tift, Turner, Irwin, Ben Hill, and Colquitt Counties through a 9-month residency of 11 professional musicians; a series of professional performing events for the community including dance, storytelling, orchestral programs, and theater; an exhibition of Georgia artists in two shows, including a national show attracting artists from throughout the country and an art display specially designed for the visually impaired; a series of performing art programs in the public schools; and recognition of a fine arts festival as a cultural olympiad event by the Atlanta Committee for the Olympic Games.

This is an example of how a partnership between private citizens and State and Federal Government can work for the benefit of everyone. Community development is what NEA does best. And it is the part of NEA's mandate that should be emphasized more.

TRIBUTE TO HAROLD BATESON ON THE OCCASION OF HIS RETIREMENT

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. GILLMOR. Mr. Speaker, it gives me great pleasure to rise today and pay tribute to Harold Bateson, on the occasion of his retirement as auditor of Wood County, OH.

A lifelong resident of Wood County, Harold has been auditor since 1971. He and his wife, Betty, have a farm partnership with their two sons, Tom and Mike. The Batesons also have two daughters, Sally and Ann.

Prior to becoming auditor, Mr. Bateson served three terms as a Liberty Township trustee and has served as president of both the Wood County Township Trustees Association and Ohio Township Trustees Associations. He is a former president of the Wood County Cooperative Extension and Advisory Committee and served three terms as director of the Wood County Soil and Water Conservation.

Bateson was actively involved in promoting the State constitutional amendment creating the Agricultural Land Use Program. He also was instrumental in passage of the Farmland Preservation Act which creates agricultural districts. Since his initial election as auditor, he has expanded the modernization of Wood County's tax accounting procedures through massive computerization, all without additional staff or the incident costs to the taxpayers.

He is past president of the County Auditor's Association of Ohio and currently represents that organization on the State Advisory Board for current agricultural land use. As a member of the legislative committee for the County Auditor's Association, Mr. Bateson is frequently called upon to offer expert testimony before various State senate and house committees in Columbus.

The professionalism demonstrated by Bateson's administration has been recognized by the voters in his past campaigns. He would often receive the highest percentage vote of any candidate, regardless of party affiliation, on the ballot in Wood County.

Mr. Speaker, I ask my colleagues to join me in congratulating Harold Bateson on a job well done and wish him the best in the years ahead.

TRIBUTE TO WALTER CHRISTIAN PLOESER

HON. JAMES M. TALENT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. TALENT. Mr. Speaker, I rise today to recognize the Honorable Walter Christian Ploeser, a former distinguished Member of this body, who passed away on November 16, 1993, at the age of 86. He was a remarkable man who epitomized the concept that with hard work, you can accomplish anything regardless of income. Orphaned at age 7 and raised by maternal and paternal aunts, hawking newspapers in Wyoming at age 11, selling insurance at age 15, and forming his own business at age 26, he took life's setbacks as challenges to expand his opportunities beyond most people's imagination.

Mr. Ploeser's drive for excellence is shown in the many ways he served his country. In 1931, at age 25, he was elected to serve as a State representative to the Missouri General Assembly. At that time he was the youngest person ever elected to the State House. In 1934 he founded the Young Republicans Federation of Missouri and served as its first president until 1935. From 1937–38 Mr. Ploeser served as regional chairman of the Republican National Program Committee. In 1941 he was elected to represent the 12th U.S. Congressional District of Missouri, where he served until 1949. While there, he served as a member of the Republican Steering Committee, was the Chairman—80th Congress—Select Committee on Small Business, was chairman of the Appropriation Subcommittee on Government Corporations, and was a member of the Navy Appropriations Committee. He was rated one of Congress' six best orators in the 1940's.

In 1953, Mr. Ploeser served as citizen advisor to the U.S. Senate Committee on Banking and Currency. In 1957, President Eisenhower appointed him to be U.S. Ambassador to Paraguay. He served in that position until 1959, and was decorated with the Grand Cross of the Republican or Paraguay. In 1966, he served as the Republican National Committeeman for Missouri. In 1970, President Nixon appointed him U.S. Ambassador to Costa Rica, a position he held until 1972.

During his time of political service, Mr. Ploeser received numerous awards. Among them: The Navy Certificate of merit, an Honorary Doctor of Law from Norwich University, and Honorary Doctorate of Honoris Causa-National University of Asuncion, Paraguay, the Wisdom Award of Honor of Wisdom Hall of Fame and the Religious Freedom Award.

Mr. Ploeser's accomplishments and service were not limited to just the political front. In 1964, he served as chairman of the Salvation Army Tree of Lights Campaign, an organization with which he was involved for many years. He was active in many Masonic organizations as well. In 1986, he was inducted into the Demolay Hall of Fame. In 1961, he rose to 33 degree status in the Scottish Rite, the highest level of Scottish Rite masonry. That year he also served as potentate of Moolah Shrine Temple. In 1967, he was appointed Sovereign Grand Inspector General of the Orient of Missouri of the Scottish Rite. He retired from that position in 1988.

Mr. Ploeser is listed in Who's Who in America, Who's Who in the World, Who's Who in Finance and Industry, Who's Who in the Midwest, and Who's Who in American Politics.

Mr. Speaker, the Honorable Walter Christian Ploeser is survived by his two daughters, five grandchildren, and six great-grandchildren. He will be greatly missed by his family and the many friends whose lives he has touched.

ELECTIONS IN JORDAN

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. HAMILTON. Mr. Speaker, on November 8, 1993, the Jordanian people participated in free and open parliamentary elections. These elections were the first multiparty elections to take place in Jordan in nearly 40 years. They were among the freest ever to take place in the Arab world. The people of Jordan can be justifiably proud of their emerging democracy, which has produced a democratically elected, representative parliament.

The United States has placed a high value on helping other nations around the world

achieve democratic forms of government. The people and Government of Jordan should know that the American people support them in this noble undertaking. It is my hope that the example set by Jordan will inspire similarly free elections elsewhere in the Arab world and that the spread of democracy will augur an era of peace, prosperity, and stability in the Middle East.

QUEENS PUBLIC LIBRARY

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. ACKERMAN. Mr. Speaker, it is with great pride that I bring to the attention of the House a special project under consideration in my home district of Queens, NY. The Queens Public Library, the busiest library in the United States and one of the most appreciated institutions in all of New York City, is spearheading a visionary effort to construct an Asian Center as part of their new, state-of-the-art library complex in Flushing, NY. When completed, this multifaceted library will serve as a cultural resource and beacon for the multiethnic residents of the Borough of Queens and the Greater New York Metropolitan area.

Recognizing both the critical need and the crucial importance of library functions, the city of New York has pledged over $20 million in construction financing for this important new building. No city funds, however, are available for the proposed Asian Center, an integral component of this development.

The Queens Library makes an essential contribution to the cohesiveness of community unity by providing thousands of free programs—educational, cultural, and practical self-help—along with free borrowing privileges for books, tapes, and videos. The Queens Library provides critical services to tens of thousands of new immigrants who daily come to its doors for help. For example, a newly arrived Chinese or Korean immigrant will find free classes in English as well as programs in their native language to help them find a job or to adjust to the bewilderment of life in America.

The Borough of Queens in New York City is the most ethnically diverse region in the country, and has the largest concentration of Asian-Americans east of California. They have, as all ethnic groups do, special language and cultural needs. Through the proposed Asian Center, the library will establish a bridge between its Asian and non-Asian residents. The Asian Center will promote community harmony and cultural understanding by providing a forum—open to all residents—for a limitless range of programs on Asian culture, such as lectures, music appreciation, readings, et cetera. The proposed Asian Center will become an important business reference resource for the growing number of Asian businesses which are locating and expanding in Queens.

I applaud the Queens Library for undertaking this project. I look forward to reporting to the House that financial support has been secured and the Asian Center's potential has begun to be realized.

DEVELOPMENT OF ARTICLES OF INCORPORATION FOR TERRITORIES OF THE UNITED STATES

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. YOUNG of Alaska. Mr. Speaker, I am introducing legislation today to provide a process to permit any U.S. territory to be considered decolonized by international standards through incorporation with the United States. The citizens of a territory could seek full self-government with constitutional rights and responsibilities equal to those of citizens in the several States, by the development of articles of incorporation. The goal, if possible, is to achieve decolonization for all of the U.S. territories by the end of this decade.

It would be at the discretion of a territory to initiate a request of the United States to discuss incorporation with the United States of America. Both the President of the United States and the Governor of the territory would designate special representatives to consult and develop, in good faith, articles of incorporation for the territory concerned. The proposed articles would include measures that lead to the political empowerment of the U.S. citizens of the territory. Those measures may include special Federal laws or a constitutional amendment to address the matter of enfranchisement and representation. Incorporation provisions could be phased in over an extended period of time, with varying transition periods for benefits and responsibilities.

The articles of incorporation and an accompanying report would be submitted to the Congress within 1 year after the appointment of the special representatives, but not later than December 31, 1998. This would give Congress time to act on the matter before the end of the decade. It is expected that incorporation would not become effective until the congressionally approved articles of incorporation had been accepted by the people of the requesting territory in a freely expressed act of self determination.

The United Nations has declared the 1990's as the International Decade for the Eradication of Colonialism. A territory may be considered fully self-governing and decolonized, either as an independent and sovereign entity through independence or free association, as in the case of the Philippines and the Marshall Islands, or by being incorporated into an administering power. The residents of U.S. territories currently live in unincorporated areas in which the Constitution has not been extended in full.

I am aware of the aspirations of the citizens in the territories as I have served for over 20 years on the committee in the House with primary jurisdiction for insular affairs. I represent Alaska which was an unincorporated territory for 45 years. Then, in 1912, Congress enacted legislation in order for the Constitution to have the same force and effect in the Territory of Alaska as in the several States. A similar act of incorporation had been passed some years earlier for the Territory of Hawaii. No other territory has subsequently been extended the full protections and rights under the Constitution. Although the act of incorporation has carried with it a promise of equal citizenship rights, it has been incorrectly assumed that those rights could only be attained through statehood. This misperception has lead to the limited application of the Constitution to the territories.

To help clarify this matter, in December, 1989, I asked the General Accounting Office to analyze and study the extent to which the Constitution applied to the territories. In June 1991, the GAO responded with a report entitled "The Applicability of Relevant Provisions of the U.S. Constitution to the Territories." The report indicated that not only does the Constitution not apply in full to the territories, but its application varies with each of the unincorporated territories: American Samoa, Guam, the Northern Mariana Islands, Puerto Rico and the U.S. Virgin Islands.

The history of United States decolonization has shown that the only status options which have successfully lead to full self-government have been independence and statehood. While some form of an unincorporated territory has been developed with the label of "commonwealth" in the cases of Puerto Rico and the Northern Mariana Islands, neither of these has been recognized as having achieved decolonization. Other creative formulations of commonwealth have been proposed by Guam, Puerto Rico and other territories, although the fundamental resulting status will be that of an unincorporated territory. This is not in opposition to the title "commonwealth." An incorporated commonwealth is consistent with the U.S. Federal system. There are currently four incorporated commonwealths; all happen to be States. The question that must be answered is, Can an unincorporated territory under the territorial clause of the Constitution, as defined in the insular cases, achieve full self-government and equality of rights, and thereby be considered decolonized? The answer so far is "no" and it is implausible that it could ever be otherwise.

A void has existed in the development of an alternative mechanism toward full self-government and equality of constitutional rights of the citizens in the U.S. territories, particularly for the smaller territories which have not met the traditional profile of a State. This legislation is a serious attempt to provide a path for the people of a territory who want to be a permanent part of the United States, but do not believe unincorporated territorial status provides a viable basis for permanent union.

For years attempts have been made to develop relationships between the Federal Government and the unincorporated territories which provide a degree of self-government which would be viewed as fully self-governing by international standards. In many instances these were precedent-setting acts which did provide for increased local self-government. Territories were authorized to elect their own Governors and establish legislatures, court systems, and local constitutions. Today, nearly all of the territories are represented in the Congress by a nonvoting delegate. Special Federal laws have been enacted to provide for economic development in the territories. All of these have contributed to the development of self-government in the territories. However, the fundamental Federal-territorial relationship remains as an unincorporated territory.

Regardless of how one attempts to embellish or enhance these relationships, as long as

the Constitution has not been extended in full, or conversely withdrawn along with U.S. sovereignty, an unincorporated territorial status exists. I hope no one misconstrues what I am saying as derogatory to the development in self-government that has taken place in the territories. Both the United States and the territories can proudly point to the many substantive developments in self-government which have occurred over the years in the territories.

However, the United Nations has defined what it means for a non-self-governing territory to be considered fully self-governing. The territory either becomes incorporated into the administering power or a separate and distinct sovereign entity. The latter means independence or a form of independence termed "free association." We have had a number of territories or trust territories which have chosen separate sovereignty from the United States: Cuba, the Philippines, the Marshall Islands, the Federated States of Micronesia, and most recently, Palau.

The attempts which have been made to develop self-government in the unincorporated territories have yet to result in decolonization. When the cold war was raging, the United States was attacked as a colonial power by the Communist block. The United States responded for many years by pointing to various improvements in self-government in the territories. However, all of the possible improvements to self-government in unincorporated territories have been insufficient to meet the decolonizing definition of full self-government.

It is important to have this process for the incorporation of any U.S. territory to become law if a genuine effort is to be made to bring about decolonization before the end of this century. It remains up to the people of the territories to determine if they want to seek a closer relationship with the United States. This will provide a path to explore arrangements unique to the needs of a territory, while achieving full self-government and equality of rights.

The following is the text of the bill to provide consultations for the development of articles of incorporations for territories of the United States.

H.R. 3715

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

SECTION 1. ARTICLES OF INCORPORATION.

(a) FINDINGS AND PURPOSE.—

(1) FINDINGS.—The Congress finds that—

(A) the United Nations General Assembly has declared the 1990's to be the International Decade for the Eradication of Colonialism;

(B) the United States is one of the remaining administering powers responsible for the evolution of self-government in territories;

(C) a territory may be considered de- colonized once incorporated into an administering power consistent with a freely expressed act of self-determination of the people of the territory;

(D) nearly 4,000,000 United States citizens live in unincorporated territories in which the United States Constitution has not been extended in full; and

(E) the citizenship of residents born in the unincorporated United States territories is of a subordinated nature without equal protection, rights, and responsibilities of those born in the several States.

(2) PURPOSE.—The purpose of this Act is to provide for a process to enable the people of any United States territory to become self-governing with constitutional rights and responsibilities equal to those of the citizens in the several States, through consultation and working with the United States.

(b) GENERAL AUTHORITY.—Before the period ending on December 31, 1998, a territory of the United States may develop, in consultation with the United States, and submit to the Congress proposed Articles of Incorporation, which shall include measures that lead to the political empowerment of the United States citizens of the territory.

(c) APPOINTMENT OF SPECIAL REPRESENTATIVES.—At the request of a government of a territory of the United States to discuss incorporation with the United States of America, the President of the United States and the Governor of the requesting territory may designate special representatives to consult and develop in good faith, Articles of Incorporation, with the United States.

(d) SUBMISSION TO CONGRESS.—The proposed Articles of Incorporation and accompanying report of the consultations shall be transmitted to the United States Congress within one year after the appointment of the special representatives, but not later than December 31, 1998.

(e) DEFINITION.—As used in this section, the term "territory of the United States" includes the Territory of American Samoa, the Territory of Guam, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, and the Territory of the United States Virgin Islands.

EXEMPT ORGANIZATION REFORM ACT OF 1993

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. STARK. Mr. Speaker, today I rise to introduce a bill with three reforms to exempt organization law. My bill would first, create a category of transactions that would be considered self-dealing because of insiders involved in a transfer of 501(c)(3) and 501(c)(4) organization assets; second, clarify that private inurement prohibitions apply to 501(c)(4) organizations; and third, impose intermediate sanctions on both private inurement and self-dealing transactions.

This bill is necessary because assets accumulated by organizations enjoying tax exempt status are being raided through certain business transactions and the IRS does not have appropriate sanctions to address the problem.

Problems of insiders inappropriately benefiting from a tax exempt entity are all too common among nonprofit healthcare providers. For this reason, I have introduced this bill now, with the hope that it will be incorporated into any health reform proposal enacted. However, the problem is broader than what is evident in the health care field. The following examples illustrate transactions in which individuals have enriched themselves at the public's expense while nonprofit organizations have been looted.

The Cystic Fibrosis Foundation, one of the country's largest and best known charities, recently announced a plan to transfer the use of its most valuable assets to the foundation's current president, Robert K. Dresser. Mr. Dresser reportedly was interested in leaving the nonprofit sector and starting up his own business. To assist Mr. Dresser in his new venture, the board of trustees is considering the transfer of half of the work force of the nonprofit, the direct mail list that raised $13.8 million in contributions last year, the mail order pharmaceutical operation that reported sales of $10 million last year, and its home health services that generated $3.4 million in revenues last year.

In considering the transfer of assets to the current president, the foundation's board rejected the idea of requiring Mr. Dresser to bid or compete with other companies for the work his new company will perform.

Televangelist Pat Robertson, chairman of Christian Broadcasting Network [CBN], and his son, Timothy, turned a $150,000 investment into stock worth $90 million by the 1992 sale to the public of cable TV stock they had originally bought from CBN.

This story is complicated, with twists and turns that often exist in self-dealing and private inurement cases. A cable TV programming company, the Family Channel, was started in 1977 as a division of the nonprofit CBN and financed with charitable donations of viewers. CBN wanted to sell the Family Channel in 1989, partly because the Family Channel was so lucrative that it jeopardized the tax exempt status of the CBN—IRS rules require charities to get their revenues more from charitable activities than from business activities. The family channel reportedly generated $17.5 million in just 9 months of 1989.

For the purchase in 1990, Pat and Tim Robertson formed a for profit company, the International Family Entertainment, Inc., [IFE], with a minority shareholder and bought the Family Channel. The Robertsons put up $150,000—2.22 cents a share—and the minority shareholder put up $22 million.

IFE/Family Channel went public at $15 a share in 1992, and the Robertsons' $150,000 investment became worth $90 million. They retain 69 percent control of IFE/Family Channel. The Family Channel continues to be a cash cow. Pat Robertson's 1992 salary and bonus from IFE/Family Channel amounted to $390,611. His son, Tim, received $465,731 in 1992.

All the while, Robertson remains chairman of the nonprofit CBN that created the lucrative Family Channel.

Health Net in California is a third example of what should not happen.

Health Net, a not for profit health plan with 844,000 members, proposed a conversion to for profit status. Health Net's board of directors approved an offer by a group of insiders—many of the board members and key management personnel—for significantly less than all other bidders. This self-dealing by the organization's insiders could reap a benefit of hundreds of millions of dollars.

Health Net insiders led by Health Net chairman Roger Greaves initially bid $108 million for Health Net. The bid was later increased to $127. The Health Net insiders' deal would have required them to pay only $1.5 million in cash and a note for the balance owed to be

paid out of the profits of the new entity. Tax law requires that the value of the assets at the time of conversion must go to a charitable organization.

When outsiders bid on Health Net, offers ranged from $130 million to $300 million. Salomon Bros. appraised Health Net for one of the bidders and came up with an estimated value of between $252 and $302 million—more than twice the amount that the board agreed to accept from the Greaves group of insiders.

Health Net's stated reason for the conversion was to get access to capital and yet they summarily rejected a merger offer by Blue Cross of California which would have provided a substantial source of debt-free capital, significantly reduced administrative costs, and maintained the not-for-profit status as well.

But the insiders had a different standard for what was a good deal.

Another example of abuse by insiders involved directors of a nonprofit psychiatric hospital purchasing the hospital's assets for $6.3 million and selling them 2 years later for $29.6 million. In this case, although the IRS retroactively revoked the hospital's exempt status, no tax penalties exist to levy against the directors who pocketed $23 million on the deal.

In the medical area, there are, and will continue to be, a growing number of transactions involving the purchase of private medical practices. Sale of physician practices often involves physicians with a substantial influence over the exempt organization purchaser. Two recent IRS rulings illustrate the amounts and issues at stake.

Under the first ruling, the exempt organization paid $110 million for private medical practices and assets, including intangible assets such as covenants not to compete, HMO contracts, an assembled work force, warranty rights, trademarks and trade names. In the second ruling, the facts involved an $8 million purchase of stock of a private medical corporation whose assets consisted largely of intangible assets such as its trade name, patient files and records, software, a work force in place, contracts to provide medical services, noncompetition agreements, and goodwill.

In both cases, the IRS approval was contingent upon no more than fair market value being paid to the physicians in the practice. However, the IRS cannot rule on valuation in advance; it can only determine whether fair market value was paid when it subsequently audits the exempt organization. Thus, it could be years before we find out if the exempt organizations paid the appropriate amount for these mostly intangible assets which are so hard to value.

Another way insiders profit from their association with a tax exempt organization is through the receipt of no-interest or low-interest loans. According to an April 22, 1993, article in the Philadelphia Inquirer, Children's Hospital of Philadelphia loaned its president $600,000 to purchase a $550,000 house in Chester County. The loan was for a term of 10 years with no interest. Georgetown University loaned a senior officer of the Medical Center $107,700 at 5 percent interest and $644,380 with no interest charged—a blatant example of charitable contributions being diverted from the charitable purpose.

Under current law, the only sanction available to the IRS to combat private inurement is revocation of the organization's exempt status. Unfortunately, the IRS rarely imposes this sanction. In addition, even where it is imposed, it may not be effective because there are no penalties imposed directly on the persons responsible for the organization's loss of exemption.

At a July 10, 1991, hearing before the Ways and Means Committee, the IRS testified that although its agents do find questionable transactions involving private benefit and private inurement, they revoke a hospital tax exemption infrequently. According to John Burke, Assistant Commissioner of the IRS Exempt Organizations Division, "agents are reluctant to propose revocation of exemption because the sanction of revocation of a hospital's exempt status greatly outweighs the private gain of a few individuals."

Current IRS Commissioner Margaret Milner Richardson testified this year that the lack of intermediate sanctions cause "significant enforcement difficulties."

At the July 10, 1991, hearing, the Treasury Department also testified that the sole sanction for noncompliance under current law—loss of tax exempt status—may merit reexamination. Treasury suggested that intermediate sanctions for tax exempt organziations may be needed. In the Treasury's view, such sanctions should be modeled on the private foundation excise tax provisions that impose monetary penalties on responsible persons. My legislation takes this approach. It is based on the private foundation rules applicable to self-dealing transactions.

A summary prepared by the Joint Committee on Taxation follows:

EXPLANATION OF BILL

PRESENT LAW

Under the Internal Revenue Code (the "Code"), a tax-exempt charitable organization described in section 501(c)(3) must be organized and operated exclusively for a charitable, religious, educational, scientific, or other exempt purpose specified in that section, and no part of the organization's net earnings may inure to the benefit of any private shareholder or individual. Organizations described in section 501(c)(3) are classified as either private foundations or public charities. Organizations described in section 501(c)(4) also must be operated on a non-profit basis, although there is no specific statutory rule prohibiting the net earnings of such an organization from inuring to the benefit of shareholder or individual.

Under the Code, penalty excise taxes may be imposed on private foundations, their managers, and certain disqualified persons for engaging in certain prohibited transactions (such as so-called "self-dealing" and "taxable expenditure" transactions, see sections 4941 and 4945). In addition, under present law, penalty excise taxes may be imposed when a public charity makes an improper political expenditure (section 4955). However, the Code generally does not provide for the imposition of penalty excise taxes in cases where a public charity (or section 501(c)(4) organization) engages in a transaction that results in private inurement. In such cases, the only sanction that may be imposed under the Code is revocation of the organization's tax-exempt status.

SELF-DEALING

The bill would amend the Code to impose penalty excise taxes as an intermediate sanction in cases where a public charity described in section 501(c)(3) (such as a hospital) or organization described in section 501(c)(4) (such as an HMO) engages in a self-dealing" transaction with certain disqualified persons. The bill refers to such organizations as "applicable tax-exempt organizations."

For purposes of the bill, "self-dealing" generally means any direct of indirect transfer, lease, or license of property between an applicable tax-exempt organization and a disqualified person. However, the bill provides exceptions for transfers of property by an organization (or disqualified person) in the ordinary course of its activities (or the person's trade or business), provided that the transaction is made on a basis comparable to the basis on which similar transactions are made in the ordinary course of such activities (or business). Thus, the bill imposes penalties on unique sales or exchanges of property between applicable tax-exempt organizations and disqualified persons (where there is significant potential for private inurement). It does not, for example, prohibit an organization from selling gift shop items to a disqualified person on the same basis that such items ordinarily are sold to the general public. Likewise, a disqualified person could sell items to an organization on the same basis that the person ordinarily sells such items to the public as part of the person's trade or business. In addition, the bill excludes from the definition of "self-dealing" goods or facilities furnished free of charge by a disqualified person to an exempt organization for use in furthering the organization's exempt purposes.

Under the bill, "self-dealing" also includes the lending of money or other extension of credit between an applicable tax-exempt organization and a disqualified person, other than the lending of money by a disqualified person on a no-interest (and no-other-charge) basis, if the proceeds are used by the organization to further its exempt purposes.

"Disqualified persons" would be defined under the bill as any person who was an organization manager at any time during the five-year period prior to the self-dealing transaction at issue, as well as certain family members and 35-percent owned entities. The term "organization manager" means any officer, director, or trustee of a public charity or social welfare organization (or any individual having powers or responsibilities similar to those of officers, directors, or trustees). The bill specifically provides that any person performing substantial medical services as a physician for the organization shall be deemed to be an "organization manager."

The bill would provide for a two-tiered penalty excise tax structure, similar to the excise tax penalty provisions applicable under present law to prohibited transactions by private foundations and political expenditures by public charities. Under the bill, an initial tax equal to 5 percent of the amount involved would be imposed on a disqualified person who participates in self-dealing transaction. In general, the "amount involved" with respect to an act of self-dealing would be the greater of (1) the amount of money and fair market value of other property given, or (2) the amount of money and fair market value of other property received. Organization managers who participate in self-dealing transactions, knowing that the transaction constitutes self-dealing, would be subject to a tax equal to 2.5 percent of the amount involved (subject to a maximum amount of tax of $10,000), unless such participation was not willful and was due to reasonable cause.

Additional, second-tier taxes would apply under the bill if the self-dealing transaction is not "corrected," meaning undoing the transaction to the extent possible, but at least ensuring that the organization is in a financial position not worse than that in which it would be if the disqualified person were dealing under the highest fiduciary standards. If a self-dealing transaction is not corrected within a specified time period (generally ending 90 days after the IRS mails a notice of deficiency), then the disqualified person would be subject to a tax equal to 200 percent of the amount involved. Any organization manager refusing to agree to correction would be subject to tax equal to 50 percent of the amount involved (subject to a maximum amount of tax of $10,000). Under the bill, if more than one person is liable for a first-tier or second-tier tax with respect to any one self-dealing transaction (or instance of taxable inurement, discussed below), then all such persons would be jointly and severally liable for the tax.

TAXABLE INUREMENT

In addition to imposing penalty excise taxes on "self-dealing" transactions, the bill also provides for a two-tiered penalty excise tax regime applicable to cases involving "taxable inurement." "Taxable inurement" is defined as any direct or indirect inurement of any part of the net earnings of a public charity described in section 501(c)(3) or an organization described in section 501(c)(4) to the benefit of a disqualified person (as defined above). These penalty excise taxes would apply, for example, in cases where a disqualified person receives excessive compensation from the organization. The organization would be subject to a first-tier penalty tax equal to 10 percent of the amount of taxable inurement (e.g., the amount exceeding reasonable compensation). Beneficiaries of taxable inurement would be subject to a first-tier penalty tax equal to 5 percent of the amount of the taxable inurement. Organization managers who participate taxable inurement would be subject to a first-tier penalty tax of 2.5 percent of the amount of taxable inurement (subject to a maximum amount of tax of $10,000).

Additional, second-tier taxes would apply if "taxable inurement" is not corrected within a specified time period. In such cases, the organization would be subject to a penalty tax equal to 100 percent of the amount of taxable inurement, the beneficiary would be subject to a penalty tax equal to 200 percent of the amount of taxable inurement, and an organization manager who refuses to agree to correction would be subject to a penalty tax equal to 50 percent of the amount of taxable inurement (subject to a maximum amount of tax of $10,000). For this purpose, "correction" would mean undoing the taxable inurement to the extent possible, establishing safeguards to prevent future taxable inurement, and where fully undoing the inurement is not possible, taking such additional corrective action as prescribed by the Secretary of the Treasury by regulations.

APPLICATION OF PRIVATE INUREMENT RULE TO SOCIAL WELFARE ORGANIZATIONS

The bill would amend section 501(c)(4) to provide tax-exempt status to civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare, provided that no part of the net earnings of such organization inures to the benefit of any private shareholder or individual. The bill would not alter the present-law standards under section 501(c)(4) governing the tax-exempt status of local associations of employees.

EFFECTIVE DATE

The provisions of the bill would be effective for transactions occurring after December 31, 1993.

HONORING THE 122D ANNIVERSARY OF UNION BAPTIST CHURCH IN HARTFORD, CT

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mrs. KENNELLY. Mr. Speaker, on December 12, the members of Hartford's Union Baptist Church and their many friends will mark their 122d anniversary in our city. This thriving congregation plays a vital part in Hartford's religious and community life, and I welcome this opportunity to congratulate them.

Union Baptist Church had its beginnings in 1871, when a group newly arrived from Virginia and began holding Sunday meetings at various homes. Through the years, the congregation has had many places of worship. Starting with a boxcar on Spruce Street in Hartford, the congregation moved to Albany Avenue, to Wooster Street, and to Mather Street. It was not until 1921 that Union Baptist Church occupied its current home at 1921 Main Street. Through the Great Depression, through the 1983 hurricane, and through the struggle for civil rights, Union Baptist has been a force in Hartford.

Many of us still remember Dr. J.C. Jackson, pastor of the church for many years, and known as the Old Patriarch. His accomplishments are a rollcall of social justice: his efforts to get black teachers and social workers employed in Hartford; his work toward the establishment of the State's Inter-Racial Commission, which tracked employment discrimination; and his membership of the original 10-member commission, which today is known as the Connecticut Commission for Human Rights and Opportunities.

Union Baptist continues to thrive. This congregation is a historic part of our community, and so it is fitting that the church and the near-by Jackson Center are both listed on the National Registry of Historic Places. But this is also a congregation committed to the city and its people, who joined in the celebration when Union Baptist dedicated its parish house.

It is part of Union Baptist's history that its first congregants, walking to services, used lanterns to light their ways at night. Union Baptist continues to light the way today. I congratulate the congregation and Pastor Emeritus Rev. D. A. Roger Williams, and look forward to working with the next pastor when he is named.

TRIBUTE TO ERNESTINE "LULU" DOUGLAS

HON. BOBBY L. RUSH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. RUSH. Mr. Speaker, I rise today to honor the achievements of Ernestine "Lulu" Douglas on the occasion of her retirement from the Chicago Board of Education and the celebration of her 65th birthday.

Mrs. Douglas, born to Walter and Eva Penn in Winston Salem, NC, moved to Chicago in 1954. She worked as a clerk for the Cook County Department of Public Aid from 1960 until 1974. From 1974 until this year, Mrs. Douglas served with distinction as a clerk for the Chicago Board of Education.

Mrs. Douglas is an active member of the Trinity United Church of Christ and the CHUMS organization. She is a highly respected member of the Beverly community area located in my congressional district.

Mr. Speaker, it is with great pride that I salute the life and legacy of Ernestine "Lulu" Douglas. I am privileged to enter these words of congratulations into the RECORD.

SEXUAL HARASSMENT IN THE FEDERAL WORKPLACE

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. LANTOS. Mr. Speaker, in 1988, the U.S. Merit Systems Protection Board [MSPB] released a report which found that sexual harassment in the Federal workplace is a pervasive, costly, systemic problem. The MSPB report emphasized the need for tough enforcement of the laws against sexual harassment.

The Government Operations Subcommittee on Employment, Housing, and Aviation, of which I am a member, and which has oversight responsibility over the MSPB, received allegations that, earlier this year, an MSPB employee was fired in retaliation for complaining of sexual harassment by a high-level official at the MSPB. Yet, no investigation of the allegations was done. Rather, the MSPB settled this case with a sealed settlement agreement.

The subcommittee investigation into the process by which MSPB settled the allegations revealed serious flaws. Therefore, I joined today with other subcommittee members in referring the matter to President Clinton, with the request that he take steps to assure than an independent, impartial investigation of these allegations be carried out and a determination made of the factual issues involved. A copy of the subcommittee's referral letter follows:

COMMITTEE ON GOVERNMENT OPERATIONS,

Washington, DC, November 22, 1993.

President BILL CLINTON,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: A six-month staff investigation by the Subcommittee on Employment, Housing, and Aviation has uncovered serious flaws in the procedures used by the U.S. Merit Systems Protection Board (Board) to respond to a complaint of discrimination brought by an excepted service employee against Antonio C. Amador, then vice chairman of the Board. Subcommittee staff reviewed the Board's official file on its review of these allegations and interviewed key officials and employees of the Board.

Based on the results of the Subcommittee's investigation, we believe it is appropriate at

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this time to refer the matter to your Office. We request that a full investigation of the allegations against this official be carried out by an independent, statutory inspector general from another agency, and a determination made of the factual questions involved. Further action, if so indicated by the results of such an investigation, can be considered at that time.

In May of this year, the Subcommittee learned of allegations that Mr. Amador, then vice chairman (and now member) of the Board, sexually harassed an employee[1] (Complainant) on his staff over a one-year period both in the office and off federal premises, and summarily fired her after she raised the sexual harassment allegations with an agency equal employment opportunity (EEO) counselor. Although Mr. Amador denied all allegations, the Board resolved the informal complaint through a sealed settlement agreement with the Complainant under which she was reinstated, assigned to a regional office, and received a cash payment of $17,500.

Charges of sexual harassment and retaliatory firing are serious allegations against any presidential appointee, but are even more significant in this case. As one of three Board members, Mr. Amador is responsible for adjudicating appeals for retaliatory firing and sexual harassment cases brought to the Board by federal employees. The allegations against him raise serious questions as to his ability to maintain impartiality in considering such cases.

If true, the charges suggest a breach of public trust by a high-ranking government official, a probable violation of Title VII of the Civil Rights Act, and possible malfeasance in office, one of the grounds for which a member of the Board may be removed from office under 5 U.S.C. 1202(d). Given Mr. Amador's significant position of trust, the charges raise both ethical and legal considerations.

The process by which the Board responded to and settled these allegations was seriously flawed. No investigation of the allegations was done. The agency's pre-complaint counseling process consisted merely of interviews of the Complainant and Mr. Amador, and a review of relevant personnel records. Other potential witnesses to the allegations were not contacted. No findings, of fact were made prior to the negotiation of the settlement agreement. The Board's General Counsel, though charged with drafting the settlement agreement, did not review the records of interviews with the Complainant and Mr. Amador prior to negotiating the settlement on the agency's behalf.

Intimidation, fear, and the desire to avoid public disclosure of the allegations pervaded the process. Shortly after the Complainant brought her informal complaint on February 17, 1993, the Complainant's EEO counselor withdrew, stating a fear of intimidation and a desire to remain anonymous. Janice Fritts, the Board's director of the Office of Equal Employment Opportunity, advised then Chairman Daniel R. Levinson that, due to the nature of the allegations and the rank of the accused, intimidation of agency employees who participated in the investigation was a serious risk. Ms. Fritts then assumed responsibility for serving as the employee's EEO counselor.[2]

Ms. Fritts also requested that the Equal Employment Opportunity Commission (EEOC) become involved in investigation at the pre-complaint counseling stage because: "the counselor in this action is alleging sexual harassment and termination based on sex (female) and reprisal, and the alleged perpetrator of these actions is an agency official at the highest levels in the agency. These facts, combined with the small size of the agency, make it *virtually impossible to conduct an inhouse counseling and investigation of these allegations in an objective intimidation-free environment.*[3] (emphasis added)

The next day, February 24, 1993, after a meeting with Chairman Levinson and General Counsel Llewellyn M. Fischer, Ms. Fritts withdrew her request to EEOC, noting in the EEO Counselor's Report (EEO report) that the Board would handle the matter internally "in order to expedite the counseling process rather than waiting on EEOC." The Board was well aware that if the informal complaint could not be settled within 30 days, the Complainant had the right to then file a formal, recorded complaint.

Chairman Levinson had written to General Counsel Fischer recommending that an outside inspector general be brought in the investigate the matter. No outside investigators were ever called in, however, because Mr. Levinson had also directed his subordinates to take no action without the consensus of the Board members. Mr. Amador did not consent. In effect, Chairman Levinson accorded Mr. Amador veto power concerning an independent investigation.[4] The Board's inspector general was going to interview Mr. Amador, but dropped his inquiry when the general counsel told him the Complainant had been reassigned elsewhere.

Ms. Fritts conducted a preliminary review of the allegations at the pre-complaint counseling stage. Her review of relevant personnel records and interviews with Mr. Amador and the Complainant, while useful, cannot substitute for an independent investigation. Indeed, the EEO report also contains allegations pertaining to racial discrimination by Mr. Amador, which are never addressed.

The chronology that follows is based on documents contained in the energy investigative file, including the EEO Counselor's Report (EEO report), and on interviews conducted by Subcommittee staff.

The EEO report compiled by Ms. Fritts contained information suggesting that Mr. Amador abruptly dismissed the Complainant after he learned that she had taken action to trigger EEO discrimination complaint procedures, as well as a defense by Mr. Amador. Ms. Fritts interviews Mr. Amador on February 24, 1993, and recorded in the EEO report: "The Vice Chairman stated on February 19, Robert Hernandez, his Executive Assistant, said he had talked to [the Complainant]. She was upset and told him that she wasn't going to leave, that the VC was not going to fire her; that if the VC fired her, she was going to file a sexual harassment charge against the VC, unless the VC kept her employed until September. The VC said this shattered all of his trust and confidence in her and *he decided to terminate her employment sooner*—that he wasn't going to be held hostage. He said that he was amenable to settlement." (emphasis added)

In an interview with Subcommittee staff on November 12, 1993, Mr. Amador said that, despite the superior performance ratings he gave the employee on February 9, 1993, he had lost confidence in her, and therefore, on that same day, he had given her 30 days' notice to find another job. The EEO report notes that on February 10, the Complainant told Mr. Amador's executive assistant that she [the Complainant] was being pressured to leave because of sexual harassment. Mr. Amador told Subcommittee staff that his response upon learning of this conversation was, "No one was going to blackmail me."

On February 17, 1993, the Complainant met with an EEO counselor at the agency, alleging sex discrimination in the form of sexual harassment and naming Mr. Amador as the harasser. By statute, this meeting triggered prescribed Title VII/EEO procedures, beginning with a 30-day period for investigation and pre-complaint counseling.

Around 11:15 a.m. on February 18, 1993, Mr. Amador fired the Complainant. According to the EEO report, Mr. Amador ordered his executive assistant, Robert Hernandez,[5] to escort the Complainant out of the office immediately. The Complainant left so quickly that she did not have the opportunity to retrieve her personal belongings. Agency personnel files recorded the Employee's involuntary determination on February 19, 1993.

Mr. Amador gave the Complainant notice on February 9 that he would no longer employ her after march 9. Mr. Amador could not recall to Subcommittee staff his reason for having the Complainant physically removed from the office at midday on February 18. One significant intervening event was the Complainant's filing an informal complaint of sexual harassment on February 17.

The Subcommittee makes no judgment as the validity of the allegations. However, this sequence of events and the EEO report suggest retaliatory firing, which should be investigated to determine if it violated Title VII of the Civil Rights Act. From both a legal and an ethnical perspective, violation of Title VII may constitute a breach of trust and malfeasance in office, one of the grounds for removal from office under 5 U.S.C. 1202(d). As then vice chairman of the Merit Systems Protection Board, it is reasonable to expect that Mr. Amador should have foreseen the implications of his action on February 18, 1993.

The severity of the consequences flowing from these allegations, and the information compiled in the EEO report suggesting possible wrongdoing by Mr. Amador, should have prompted the agency to arrange for a more thorough, independent investigation. Instead, the agency closed ranks and rushed to settle the matter within the 30-day, pre-complaint stage prescribed by EEOC regulations. This guaranteed that there would not be a formal, recorded complaint against Mr. Amador.

On March 17, 1993, the Complainant, through her counsel, notified the Board that she would not agree to an extension of the 30-day counseling period. The Complainant requested from the Board a notice of final interview, giving her the right to file a formal discrimination complaint within 15 days after receipt of the notice. On March 18, 1993, the Complainant and the Board entered into a confidential settlement agreement of her informal complaint.

Because there was no formal hearing and determination of the validity of the allegations, the question of whether Mr. Amador sexually harassed the Complainant, and then fired her in retaliation for her making an informal complaint, remains unanswered. Without an independent investigation and a factual determination as to the validity of the allegations, the integrity and impartiality of the agency as an adjudicatory body may be compromised.

The failure of the Board's own IG to investigate these allegations, and the intimidation of agency employees, indicate the need for an independent investigation. Therefore, we suggest that an independent, statutory inspector general carry out a full investigation of the allegations.[6] In the interim, it is

essential that Mr. Amador be required to recuse himself from consideration of all cases involving sexual harassment or retaliatory firing.

Due process for the accused in discrimination cases and accountability of high-level agency officials are not mutually exclusive. This case, however, is an example of inadequacy of the present system when a small agency fails to arrange for an independent, impartial investigation of the allegations against the official, but instead settles the matter with a sealed agreement. Secrecy does nothing to counter the perception that a high-level Administration official—in one of the federal agencies charged with rooting out discrimination—fired an employee in retaliation for her filing a complaint of sexual harassment, thus triggering the EEO process, and got away with it.

If your staff has any questions or needs additional information with respect to this referral, please contact Edith Holleman, Subcommittee staff director and counsel, or Andrea Nelson, Subcommittee counsel, at 202/225-6751. Thank you for your attention to this matter.

Respectfully yours,

COLLIN C. PETERSON,
Chairman, Subcommittee on Employment, Housing and Aviation.
TOM LANTOS.
KAREN L. THURMAN.
BOBBY L. RUSH.
FLOYD H. FLAKE.
BARBARA-ROSE COLLINS.

FOOTNOTES

[1]The employee, as confidential assistant to Mr. Amador, worked as one of his four staff members from March 11, 1991, until she was fired on February 18, 1993. As a Schedule C political appointee, the employee had none of the usual job protections accorded to career federal employees. However, under Title VII of the Civil Rights Act, it is illegal to fire any employee, including a Schedule C political appointee, based on discriminatory reasons. Dismissal of an employee in response to the employee's filing of an informal complaint is illegal under Title VII.

The employee's performance was rated "Outstanding" on February 6, 1992, for which she received a performance award of $1,621. She was promoted from GS-11 to GS-12 on April 5, 1992. And, on February 9, 1993, little more than one week before the employee was fired, Mr. Amador rated her job performance as "Exceeds Fully Successful," and recommended another cash award.

[2]29 C.F.R. 1614.105 sets out the procedures for the pre-complaint processing of discrimination complaints. In summary, individuals who believe they have been discriminated against on the basis of sex must consult a Counselor prior to filing a complaint. After reviewing relevant documents and interviewing interested parties, the Counselor must prepare an "EEO Counselor's Report."

[3]February 23, 1993, letter to Ronnie Blumenthal, Office of Federal Operations, U.S. Equal Employment Opportunity Commission, from Janice E. Fritts, Director, Office of Equal Employment Opportunity, U.S. Merit Systems Protection Board.

[4]March 1, 1993, memorandum from Daniel R. Levinson to he agency's General Counsel and Director of EEO states ". . . have the allegations underlying the matter investigated by an Inspector General in another agency. Please make sure that the Vice Chairman knows about this effort, and that Member Parks concurs in the choice of the designated Inspector General." In an interview with Subcommittee counsel, General Counsel Fischer stated that his directions were to proceed only with the consensus of the Members, and since that could not be obtained, he did not make arrangements for an independent IG investigation.

[5]Mr. Hernandez was not interviewed by Janice Fritts.

[6]The individual charged with conducting a full investigation may wish to interview the following current and former officials and employees of the Board: Daniel R. Levinson, former chairman, Ben Erdreich, chairman; Antonio C. Amador, former vice chairman; now member; Jessica L. Parks, vice-chair; Llewellyn M. Fischer, general counsel; Paul Riegart, Inspector General; Janice E. Fritts, director of the Office of Equal Employment Opportunity; Judy Bowes, confidential assistant to Vice Chair Parks; Evangeline W. Swift, director, Office of Policy and Evaluation; Robert Hernandez, exective assistant to Amador; and the Complainant.

SOMALIS MUST HELP THEMSELVES

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. PORTER. Mr. Speaker, the United States and the United Nations have sent a clear message to the Somali people, "Stop fighting each other and begin rebuilding your country or we are going to stop trying to help you."

Last December, the United States sent 28,000 troops to Somalia and joined the international community in providing billions of dollars of food to try to avert the starvation of as many as 2 million Somalis, mostly women and children. We had no ulterior motive in doing this. We simply wanted to help, and we realized that no other nation was willing to take the lead. As we have so many other times in our history, we took the chance, assumed the leadership role, and stepped forward to do what we knew was right. Our best effort, combined with assistance from other nations, was successful and hundreds of thousands were saved.

While we achieved the initial goal of saving the starving, we have had a far more difficult time getting the Somalis themselves to work toward stability in their own country. Somalia's 16 different political factions continue to fight among themselves and the safety of international relief workers is in doubt. Worse yet, the ability of United Nations and United States efforts to promote a long term solution to Somalia's problems through local institutions—police, courts, schools, village councils—is greatly hampered by the Internal Somali situation.

This apparent lack of interest in compromise for the greater good of their country has prompted U.S. and U.N. officials to threaten a cut-off of assistance to factions that impede nation-building.

Rebuilding Somalia will be a difficult task. Tremendous efforts must be made to build local institutions and to promote trust and understanding among the factions. The people of the United States have willingly started the wheel turning. The Somali people must understand very clearly that responsibility for rebuilding is theirs, not ours. The United States has been extremely generous in its efforts to give the Somali people a chance for stability. But we can go only so far.

I applaud Madeline Albright's announcement that United States assistance will go only to Somali factions willing to seriously negotiate a settlement to Somali's problems. I also call on Somali faction leaders to attend the assistance conference in Addis Ababa next week.

United States troops will be withdrawing from Somalia the latest on March 31. The Somali people must know that they have only until that date to take their destiny into their own hands and create a viable system to govern their country. After March 31, we will be gone and if they do not act now, their opportunity for a peaceful future may be lost.

FEDERAL JUNIOR DUCK STAMP CONSERVATION PROGRAM

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. ORTIZ. Mr. Speaker, I rise today to introduce legislation to establish the Federal Junior Duck Stamp Conservation Program within the U.S. Fish and Wildlife Service.

The Federal Junior Duck Stamp Design Contest and Conservation Program targets youth in grades K–12 for participation in activities which lead to a greater awareness of our Nation's living resources. Establishing conservation education in the arts, plus other subjects which have been traditionally associated with conservation education, will provide more students with learning opportunities related to concerns for the preservation of waterfowl and their habitat.

The annual Federal Junior Duck Stamp Design Contest, and numerous exhibitions of the winning stamp designs at State fairs, national refuges, art galleries, museums, Government buildings, and at educational conferences have been of invaluable assistance in helping to inform the public about the maintenance and the protection of waterfowl and wetlands. Conservation education materials are distributed to schools, refuges, organizations, and to individuals by the Federal Duck Stamp Office, in order to provide information on the Federal Junior Conservation Education Programs.

Mr. Speaker, the authorization I propose will allow the program to expand from 8 States to all 50 States. In addition to the social benefits of this program, it is expected that expansion of the Junior Duck Stamp Program will lead to an increase in future revenues generated by the larger Duck Stamp Program, thereby covering the costs of administering an expanded Federal Junior Duck Stamp Conservation Program. I urge you and the other Members of the House to support this initiative.

PRESIDENT CLINTON'S RETREAT FROM THE WAR ON DRUGS

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. SOLOMON. Mr. Speaker, drug pushers are the primary cause of violent crime in this country and I take strong exception to the liberal rhetoric which argues that they are not violent criminals and therefore should not be taking up prison space. That's like saying an individual who pays another person to commit murder is not guilty of murder.

Drug pushers are responsible for most of the violence occurring on our streets. And for

President Clinton, in a speech last week, lecturing the African community on the need to take responsibility for this violence when his administration has retreated from the war on drugs is totally disingenuous.

The President gutted the Drug Czars Office. He tried to cut $240 million in domestic drug programs. His administration is trying to cut drug interdiction by over $200 million. They oppose the death penalty for drug kingpins and worst of all, the President has yet to develop a comprehensive drug control strategy.

And guess what the result has been? Drug use is up in this country. According to recent reports, drug use by eighth graders in this country is up. Crack, marijuana, LSD, heroin, and cocaine use is up. And drug related violence is up across the country.

We can all agree with the President's program to do more to rehabilitate hard-core drug addicts. What we cannot agree with is the administration's coddling of so-called recreational drug users and drug pushers!

Mr. Speaker, I've offered many drug amendments. A recent one was incorporated into the new National Service Program. It conditions eligibility in the program to remaining drug free.

If you live in Ohio, Massachusetts, Florida, Pennsylvania, Texas, Virginia, New York, and several other States and receive a drug conviction, your driver's license is automatically suspended. This was a result of my amendment to the 1991 DOD appropriations bill.

These amendments all have a common thread. They all emphasize the need to reduce drug demand in this country by going after casual drug users. Something this administration just doesn't get.

I would again point to the conclusion of the Rand Corp. study entitled "Money From Crime: A Study of the Economics of Drug Dealing in Washington, DC." According to this study, 74 percent of the cocaine purchased in Washington, DC is sold to casual drug users in the suburbs.

Just think about that for a minute, up to 75 percent of the cocaine sold in our major cities is bought by these so-called casual drug users in the suburbs.

People who use cocaine or other illegal drugs are financing the drug-related violence in the inner cities. And yet this President has been dead silent about casual drug use.

Is it only coincidental that the President's reactions to these events always coincide with the latest poll results.

Well, the drive-by shootings are taking the lives of innocent young children all year. And the leading cause of death for all African-Americans, between the ages of 15 and 34 is homicide. And most are drug related. The war on drugs is turning into a massacre in the black community but it was wrong of the President to place all of the blame on them.

It took a serious election defeat before this administration even woke up to the seriousness of the problem. The next time President Clinton is looking to place blame for this problem he should locate the closest mirror.

There is a direct correlation between the white flag this administration has hoisted in the war on drugs and the level of violence on America's streets.

This administration's casual policy regarding casual drug users puts criminals right back on the streets.

Let me just conclude by referring back to the Rand Corp. study and a quote from Washington Post columnist William Raspberry. "With affluent buyers at risk of obtaining criminal records or even imprisonment, selling in the street markets becomes much less attractive.

"The most effective strategies involve stiffening the sanctions on drug users, particularly the nonpoor, so-called recreational users."

Mr. Speaker, at this time I would include into the RECORD the most recent poll results regarding crime and drugs. It seems to be the only way to get this administration's attention.

THE RISE OF THE CRIME ISSUE

[In percent]

Survey date	Crime	Drugs
October	2	2
January 1993	5	3
April 1993	5	3
July 1993	5	4
September 1993	14	4
October 1, 1993	16	4
October 26, 1993	15	6

CONGRESSIONAL REFORM NEEDS MORE WORK

HON. BILL EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. EMERSON. Mr. Speaker, this morning the Joint Committee on the Organization of Congress reported out the House version of congressional reform. Today marks the end of one phase and the beginning of another in the reform process, with the final destination being a vigorous—and probably heated—debate on the House floor culminating in a vote by the full House early next year. I look forward to that time. It will be a very important event for Congress and the Nation.

Briefly, I want to thank my colleagues on the Joint Committee who worked diligently and honestly towards the reform effort. It was a long and interesting year of hearings and meetings and discussions and debate. The bill before us proposes some positive changes—changes I have advocated and strongly support such as biannual budgeting, committee and subcommittee membership limits, a longer work week, floor and committee scheduling improvements and important oversight requirements. Unfortunately, I cannot say that the bill before us is my idea of profound and far-reaching congressional reform. However, this is the only bill the House Members of the Joint Committee will have to work with. This being the case, I am committed to working within the legislative process to vastly improve this document so that it will reflect a vision of real congressional reform; and, we hope this measure will come to the floor under a generous and open rule that will permit the House full debate of the subjects that have been the preview of the Joint Committee, and the opportunity to amend the committees work.

It is difficult for a representative democracy to thrive in a climate when leaders are constantly eyed with suspicion and distrust. Still, I believe that this institution is worthy of great respect, and one of the tasks still before us is to restore public confidence in our Government. Today, we are moving toward that end, but we are not yet there.

Understandably, congressional reform is not necessarily a well-understood subject, but needed reform will positively impact the Congress and the Nation. The day-to-day business of Congress and how this body operates does affect the substance and quality of the legislation we pass. Most importantly, unless Congress can prove to the country that it has both the fortitude and desire to change itself, Congress will not have the credibility to make the changes the country needs.

In closing, I would like to remind my colleagues of the truly bipartisan spirit which led to the creation of the Joint Committee on the Organization of Congress. I hope that this spirit that unfortunately was missing in the mark-up will find its way to the House floor where I believe more of our colleagues are committed to true congressional reform. I would like to submit for the RECORD, and associate myself with the remarks made by my colleague, the distinguished vice chairman of the Joint Committee on the Organization of Congress, my friend and congressional classmate, the Honorable DAVID DREIER of California. Mr. DREIER's remarks follow:

STATEMENT OF VICE CHAIRMAN DAVID DREIER, JOINT COMMITTEE ON THE ORGANIZATION OF CONGRESS

Mr. Chairman, it has been a long and somewhat disappointing process. After nearly a year of deliberations, including six months of hearings and taking testimony from hundreds of witnesses, and in speaking with colleagues on both sides of the aisle, I was confident that all of the major options for reform would be placed before us in the chairman's mark. I, as well as my House Republican colleagues, came away from our two-day full committee retreat at the Naval Academy with optimism that the reform process would yield a bicameral and bipartisan series of recommendations that would significantly change this institution for the better.

Yet, our joint markup slipped from early September to October to November 3rd. After the third delay in the joint committee process, the Senate subcommittee moved on its own, and they were justified in taking that action. At this late date, we all have to acknowledge that the full Joint Committee on the Organization of Congress will never meet together again. That is a tragedy for the process of reform.

During this week, the House subcommittee has attempted to do as much as it can to move the process forward. I acknowledge that there are some significant elements in the base bill—particularly the recommended reforms in the ethics process and in bringing Congress into compliance with most, if not all, of the laws that apply to the private sector and the executive branch. I also acknowledge that the committee assignment limitations in the base bill are a significant step forward, and I would note that those limitations and the tough waiver provisions to accompany them were contained in my amendment to comprehensively reform the committee system.

I also acknowledge that eight amendments, offered by Republican Members, were adopted during the markup of the subcommittee. Some were more significant than others. I was particularly pleased that biennial budgeting, including appropriations, and

our proposal to make committee voting records more accessible to the public through the Congressional Record were accepted by a clear bipartisan majority of the subcommittee.

Nevertheless, there are several very important elements to comprehensive congressional reform that do not appear in the bill, as amended. A ban on proxy voting, jurisdictional reform, a significant reduction in the cost and unnecessary bureaucracy of the legislative branch, as well as a number of other bold new ideas for reform were all rejected. We were not even able to agree that the Rules Committee should be required to spell out waivers of points of order—a proposal that would make it possible for Members to have a clear understanding of which provisions of the standing Rules of the House are being abused in the consideration of legislation.

I have long been concerned by the attempts of a small but vocal, faction of the Democratic Caucus to derail this effort. To some degree, they have succeeded. Twenty-five amendments, offered by House Republicans, fell in a 6-6 tie. The irony, of course, is that many of these amendments were not meant just to benefit the minority. Their purpose was to enhance the ability of a majority of members, Democrats and Republicans, to work their will in the People's House.

We can do better than this, and I hope we can on the floor of the House under an open rule. The Chairman admitted as much when we opened our proceedings this week when he indicated that this package was not all he had hoped for. I appreciate the assurances of the Chairman that he is willing to support as generous a rule as possible. It will come as no surprise to him, however, that "generous" is not, in my view, how we should proceed. This is just the first step toward reform of the Congress. Our recommendations will have to be reviewed by our colleagues. It is they that, in the end, should have the final vote. Only an open rule will assure that the will of the House can be determined. This institution belongs to the people and it is to the people's representatives that we should fully entrust the responsibility on this question.

Nevertheless, despite my deep and serious misgivings about these recommendations as a whole, I will support the motion to report to keep the process moving. In doing so, I want to state emphatically that this package is the lowest common denominator reform package. It is not a bipartisan package. It is the Democrats' package.

However, I have faith, not in the "old bulls," but in the membership. At some point, Mr. Chairman, the House will have an opportunity to work its will. Based on my recent experience with the bipartisan effort that went into the successful passage of the North American Free Trade Agreement, I am holding out the hope that we will be able to work in a similar bipartisan fashion that will allow the House to work its will on the floor. If so, I am confident that the membership, Democrats and Republicans, will do the right thing.

INTRODUCTION OF THE POSTAL RESPONSIBILITY ACT OF 1993

HON. SAM COPPERSMITH

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. COPPERSMITH. Mr. Speaker, today, sixteen of my colleagues and I introduced the Postal Service Fiscal Responsibility Act of 1993. This legislation requires the Postal Service to reconsider its unwise decision to replace its existing logo with a new bird.

Given our Federal budget deficit no Government agency or quasi governmental agency has any business in exalting style over substance. If the Postal Service truly wishes to improve its image among its customers, our constituents, it should do so by improving reliability, improving service, and fulfilling its claims of job reductions. The Postal Service should focus its attention, and that of the public, on its substantive efforts, not on style and dress.

My legislation is simple. Unless the Postal Service withdraws its plans to put the new logo on stationary, buildings, uniforms, and trucks, Congress will rescind $6.6 million from the fiscal year 1994 appropriation. This bill sends a clear message that Congress understands symbolism too, and that our constituents consider the new bird wasteful spending, brought to us by the same Madison Avenue thinking that gave us new Coke.

Postal workers from my district have told me that they disagree with the decision to spend money on an unneeded change at this time. Our constituents are tired of gimmicks. They want real, substantive change, not a glossy new logo.

We should not allow image to triumph over today's reality of frugality. Join me as a cosponsor of the Postal Service Fiscal Responsibility Act of 1993 and return the new bird to sender. Your constituents will thank you for it.

TRIBUTE TO BISHOP-ELECT LARRY D. TROTTER

HON. BOBBY L. RUSH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. RUSH. Mr. Speaker, I rise today to honor Rev. Larry Darnell Trotter, pastor of the Sweet Holy Spirit Missionary Baptist Church in Chicago on the occasion of his appointment and consecration to the office of bishop in the Full Gospel Baptist Fellowship over the Midwest region of the United States of America on December 30, 1993.

Bishop-elect Trotter has served as pastor of Sweet Holy Spirit for the past 12 years. During his pastroate, the Sweet Holy Spirit congregation has grown from 25 members to nearly 5,000 Saints. Bishop-elect Trotter served as youth minister at the Greater New Mount Eagle Baptist Church from 1976 until 1981.

A native of Chicago, IL, Bishop-elect Trotter is a graduate of the Chicago Public School system. He attend the Moody Bible Institute. He and has wife, the former Ms. Celeste Gibbs, have been blessed with five children.

Bishop-elect Trotter is the president of the African-American Pastors Fellowship and a member of the Southern Baptist Convention and the Illinois Baptist State Association. He is also a member of the Chicago Metropolitan Baptist Association, the Black Council of Churches, the Roseland Clergy Association, Operation PUSH, and the Baptist Pastors Conference.

A world-renown speaker, Bishop-elect Trotter has preached in Greece, Belgium, Israel, Kenya, Uganda, Ethiopia, and Zimbabwe. He has spoken extensively in the United States, including the States of New York, Missouri, Pennsylvania, Michigan, New Mexico, Tennessee, Alabama, Georgia, and Ohio.

Mr. Speaker, Bishop-elect Larry Darnell Trotter has dedicated his life to God. Through his ministry, thousands have been blessed, healed, and delivered. I am privileged that in this life our paths have crossed. I am proud to enter these words into the RECORD.

THE HOUSE VOTE ON H.R. 51—THE NEW COLUMBIA ADMISSION ACT

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Ms. NORTON. Mr. Speaker, I come to the floor this morning to thank Members who voted to give the District a seat at the table of democracy yesterday. I especially thank the leaders of the House for allowing a historic debate for the first time in more than 200 years.

For many, yesterday's vote was not the easiest vote they have ever cast. But Members who voted with us were unable to vote against parity in citizenship for Americans who bear the full weight of citizenship obligations.

We got many votes from unexpected quarters in this House. Some who had sat through debates where District laws were summarily overturned were unable to justify the District as the lone exception to American principles of democratic representation and self-government. Others remembered how fiercely their own constituents resist taxes even with representation in the House. They could imagine the Federal tax-paying rage of District residents who rank third per capita, far above what most Americans who are represented here pay.

I say to you, my colleagues, "I shall return" to statehood. With a base now of 60 percent of the Democrats, a substantial majority of my own party, I will not stop until we go over the top.

However, I do not intend to let the House and the Senate off the hook while we continue to build support for statehood. Many in the House have indicated that they indeed want greater self-rule for the District. Well, some elements of statehood are immediately achievable. I intend to give Members the opportunity to make good on the prevailing sentiment I hear on both sides of the aisle in the House—that statehood or not, some way should be found to afford District residents at least the self-government and representation rights other Americans enjoy. I will press next year for bills no American, who claims democracy as a creed, can oppose.

H.R. 2071 will give the District control over its own tax funds raised exclusively in the District. It also will allow District laws to become effective as soon as enacted rather than after 30 to 60 legislative days, a period that can stretch to months. This bill takes little authority from the Congress. What it does is to remove the shortcuts Congress employs to overturn District laws. Until statehood is achieved, Congress could still do so by introducing legislation through the normal process.

After yesterday's vote, I hope that this House will not resist this additional dose of democracy for the District. "Try it, you might like it." District residents deserve it. And so does the Congress. These bills will relieve the House of the details of local government, which miniaturize this body and distract it from the large and urgent issues confronting our country.

I invite Members to call my office and agree to cosponsor H.R. 2071. I thank you again for the votes so many of you gave the District yesterday. I ask you to continue to march with us until my constituents are as free and equal as you have insisted that yours must be.

H.R. 2921, THE HISTORICALLY BLACK COLLEGES AND UNIVERSITIES BILL

HON. ALCEE L. HASTINGS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. HASTINGS. Mr. Speaker, I wish to announce my support for H.R. 2921, a bill which authorizes grants to historically Black colleges and universities. This is a subject that is near and dear to my heart since I am a proud graduate of Fisk University.

This bill will authorize $25 million to assist historically Black colleges and universities in the restoration process of historic landmarks on their campuses. Five million dollars of this funding will go directly to Fisk University to help rehabilitate beautiful historic buildings that are in great need of repair.

Fisk, which first opened its doors as the Fisk School to a student body of former slaves in 1866, is a symbol in African-American communities nationwide of what can be achieved through high quality higher education coupled with dedicated work. The university is a small, predominantly Black institution with a strong liberal arts and sciences emphasis.

I urge my colleagues to join me in supporting H.R. 2921 to ensure that the Fisk tradition may be extended to teach young African-American students well into the future.

FINDING A SUITABLE REPOSITORY FOR HIGH-LEVEL RADIOACTIVE WASTE

HON. MARJORIE MARGOLIES-MEZVINSKY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Ms. MARGOLIES-MEZVINSKY. Mr. Speaker, recently Members of the Pennsylvania congressional delegation wrote to President Clinton bringing to his attention the concerns of our State regarding the Nation's spent nuclear fuel management program. Underscoring the importance of this issue to our State, the Pennsylvania House of Representatives voted 194 to 0 earlier this year in favor of a resolution calling upon the President and Congress to act expeditiously in finding a suitable repository for the Nation's high-level radioactive waste.

Members of the Pennsylvania delegation likewise believe it is imperative that the Federal Government move forward with its efforts to develop a suitable storage site for spent nuclear fuel and that the Department of Energy take action to ensure it will meet its obligation to begin accepting spent fuel from utilities beginning in 1998.

The reason for this urgency is that in Pennsylvania, all but two of the nine electricity generating reactors will be out of spent fuel storage space shortly after the turn of the century. After that, we face the choice of either constructing additional temporary storage facilities, which is a safe but expensive option, or having to shut down efficient, reliable, and nonpolluting powerplants that supply a significant percentage of the State's electricity.

It is important for my colleagues to understand that this program is being funded by American electric ratepayers in 41 States who have paid more than $7.6 billion into the nuclear waste fund. Pennsylvania ratepayers have paid more than $500 million into the fund. For the sake of our energy security, for economic stability, for environmental safety and in fairness to the hardworking American ratepayers who have paid in good faith for this program, justice demands that this money be made available to get on with the work of resolving this issue.

We applaud Secretary O'Leary's recognition of DOE's moral obligation to move forward with its program to determine the suitability of Yucca mountain as a repository site and meet its 1998 responsibilities. However, Congress has the responsibility to make the funds available for this to happen.

The Pennsylvania congressional delegation joins with the Pennsylvania House of Representatives in supporting Secretary O'Leary's efforts to establish a new funding mechanism—a revolving fund—which would ensure that ratepayer money is available to the program as needed and not subject to congressional budgetary constraints, which would divert these funds for deficit reduction. To be sure, this would be accomplished while retaining strong congressional oversight.

Mr. Speaker, this is not only an urgent matter for Pennsylvanians, but for our environment, for our energy security, and for American ratepayers who are shouldering the expense, which I stated to date is more than $7.6 billion. I ask Members to join with me in urging DOE to fulfill its responsibilities with the spent-fuel management program and adopt a revolving fund mechanism to jump start this vital energy program and ensure that sufficient funds are available when needed.

Mr. Speaker, I ask that the letter sent by the Pennsylvania delegation to the President of the United States and the resolution adopted by the Pennsylvania House of Representatives be inserted into the RECORD.

PENNSYLVANIA HOUSE RESOLUTION NO. 91

A Resolution memorializing the President and Congress to act expeditiously in procuring a site or sites for the storage of high-level radioactive waste

Whereas, Decades into the commercial use of nuclear power the government has failed to establish a permanent high-level radioactive waste disposal facility; and

Whereas, Nuclear power facilities must store high-level nuclear waste onsite; and

Whereas, There are currently 25 nuclear facilities in the United States that will be forced to expand onsite storage capacity by 1996; and

Whereas, Congress enacted the Nuclear Waste Policy Act of 1982 and directed the Department of Energy (DOE), through its Office of Civilian Radioactive Waste Management, to establish a program for the management of the nation's high-level waste, including high-level radioactive waste and spent nuclear fuel, and for its permanent disposal in a deep geologic repository; and

Whereas, Congress placed a fee on electricity generated by nuclear energy plants and directed that the funds collected via the fee be deposited in the Nuclear Waste Fund to pay for the development of a waste depository program; and

Whereas, Both the National Academy of Sciences and the Nuclear Waste Technical Review Board, which were established to provide Congress and the Administration with sound scientific and technical advice, have concluded that they do not know of any scientific reason to discontinue the studies at Yucca Mountain, Nevada; and

Whereas, Both the National Academy of Sciences and the Nuclear Waste Technical Review Board have also recommended more studies to determine if the site is suitable for a repository, particularly studies underground; and

Whereas, DOE is prepared to begin underground studies if adequate funding is available; in fact, DOE has begun constructing the experimental studies facility and broke ground on November 30, 1992, at the Yucca Mountain site for the surface facilities needed to support the experimental studies; therefore be it

Resolved, That the House of Representatives of the Commonwealth of Pennsylvania call upon the President and Congress to take action to ensure that a timely and comprehensive study at sites, including the site at Yucca Mountain, be conducted and concluded to establish a site for a permanent repository; and be it further

Resolved, That the House of Representatives of the Commonwealth of Pennsylvania call upon the President and Congress to work with the utilities and other affected industries and to explore approaches that will allow DOE to meet its obligation and satisfy the requirements set forth in the Nuclear Waste Policy Act and contained in its contract with nuclear facilities to receive spent fuel from utilities beginning in 1998; and be it further

Resolved, That copies of this resolution be transmitted to the President, the President pro tempore of the United States Senate, the Speaker of the House of Representatives and to each member of Congress from Pennsylvania.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, September 10, 1993.

Hon. BILL CLINTON,
The President, The White House,
Washington, DC.

DEAR MR. PRESIDENT: Earlier this year, the Pennsylvania House of Representatives, by a

vote of 194–0, approved a resolution (attached) "memorializing the President and Congress to act expeditiously in procuring a site for the storage of high-level radioactive waste."

As members of the Pennsylvania Congressional Delegation, we believe it is imperative that the Federal government move forward with its efforts to find a suitable site for storing high-level radioactive waste.

Specifically, we fully support the resolution's call for action to ensure that the Department of Energy will meet its obligation to begin accepting spent fuel from utilities beginning in 1998.

Many utilities are concerned about delays in waste acceptance because they will soon be unable to continue to store spent fuel onsite in their spent fuel pools. Of the nine reactors in Pennsylvania, all but two are expected to lose their full core discharge capability shortly after the turn of the century. The construction of additional on-site storage facilities, while safe, is expensive. Utilities and their ratepayers will be, in effect, paying twice for the storage and disposal of waste—first to the Nuclear Waste Fund, and second time for added on site storage necessitated by delays in the DOE program.

In addition, we would like to express our support for Secretary of Energy Hazel O'Leary's efforts to establish a revolving fund which would allow contributions to the program to be spent in a timely and efficient manner. It is imperative that the program receive adequate funding if the Department is to meet its obligation in 1998.

Since enactment of the Nuclear Waste Policy Act, electric utilities in 41 states have paid $7.523 billion into the Nuclear Waste Fund through 1992. Pennsylvania utilities have contributed $534.1 million to the Fund through 1992. Less than half of the money collected in the Nuclear Waste fund has been spent on the high-level waste program. Nearly $4 billion remains unexpended in the Fund.

Finally, it is our understanding that the Department of Energy has announced that it will be conducting a review of the high-level waste program in the coming months. We would like to express our hope that the review will not be accompanied by a moratorium on the valuable and necessary work currently being conducted by the Department at Yucca Mountain and that the review will be limited in scope so that it will not in any way interfere with forward progress on the characterization of the site at Yucca Mountain.

Thank you for your consideration of our views on this very important issue.

Sincerely,

Hon. John Murtha, Hon. William Coyne, Hon. Thomas Foglietta, Hon. Robert Borski, Hon. Paul McHale, Hon. Tim Holden, Hon. Ron Klink, Hon. Paul Kanjorski, Hon. Joseph McDade, Hon. Robert Walker, Hon. William Clinger, Jr., Hon. Curt Weldon, Hon. Rick Santorum, Hon. James Greenwood, Hon. Lucien Blackwell, Hon. Marjorie Margolies-Mezvinsky.

PENNSYLVANIA CONGRESSIONAL DELEGATION,
Washington, DC, September 24, 1993.

Hon. BILL CLINTON,
The President, The White House
Washington, DC.

DEAR MR. PRESIDENT: Earlier this year, the Pennsylvania House of Representatives, by a vote of 194–0, approved a resolution (attached) "memorializing the President and Congress to act expeditiously in procuring a site for the storage of high-level radioactive waste."

As members of the Pennsylvania Congressional Delegation, we believe it is imperative that the Federal government move forward with its efforts to find a suitable site for storing high-level radioactive waste.

Specifically, we fully support the resolution's call for action to ensure that the Department of Energy will meet its obligation to begin accepting spent fuel from utilities beginning in 1998.

Many utilities are concerned about delays in waste acceptance because they will soon be unable to continue to store spent fuel onsite in their spent fuel pools. Of the nine reactors in Pennsylvania, all but two are expected to lose their full core discharge capability shortly after the turn of the century. The construction of additional on-site storage facilities, while safe, is expensive. Utilities and their ratepayers will be, in effect, paying twice for the storage and disposal of waste—first to the Nuclear Waste Fund, and a second time for added on-site storage necessitated by delays in the DOE program.

In addition, we would like to express our support for Secretary of Energy Hazel O'Leary's efforts to establish a revolving fund which would allow contributions to the program to be spent in a timely and efficient manner. It is imperative that the program receive adequate funding if the Department is to meet its obligation in 1998.

Since enactment of the Nuclear Waste Policy Act, electric utilities in 41 states have paid $7.523 billion into the Nuclear Waste Fund through 1992. Pennsylvania utilities have contributed $534.1 million to the Fund through 1992. Less than half of the money collected in the Nuclear Waste Fund has been spent on the high-level waste program. Nearly $4 billion remains unexpended in the Fund.

Finally, it is our understanding that the Department of Energy has announced that it will be conducting a review of the high-level waste program in the coming months. We would like to express our hope that the review will not be accompanied by a moratorium on the valuable and necessary work currently being conducted by the Department at Yucca Mountain and that the review will be limited in scope so that it will not in any way interfere with forward progress on the characterization of the site at Yucca Mountain.

Thank you for your consideration of our views on this very important issue.

Sincerely,

Hon. Harris Wofford, Hon. Bud Shuster, Hon. Tom Ridge, Hon. Arlen Specter, Hon. George Gekas, Hon. Bill Goodling.

TRIBUTE TO WRYM 840 AM

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mrs. KENNELLY. Mr. Speaker, I rise today to recognize a very important occasion in the First Congressional District of Connecticut. I speak of the 25th anniversary of the establishment of the State's largest and oldest Spanish-language radio station, WRYM–AM. I also wish to give equal recognition to the accomplishments of the founder and director of WRYM, Mr. Omar Aguilera.

Radio communications has traditionally been one of the primary sources of news, information, and entertainment for diverse groups in our State. WRYM and Omar Aguilera have been performing this task successfully and admirably for a quarter century in the Spanish-speaking community of our State. Presently WRYM reaches over one-quarter million people in our region with information, commentary, music, and live coverage of many important events. Omar Aguilera and WRYM have provided a forum for many worthy causes and valuable public services.

Omar Aguilera first came to the United States from Argentina in 1962. Then a professional soccer player, he brought a wealth of enthusiasm and knowledge to our area about this great sport. He joined with Mr. Walter Martinez in founding Spanish-language programming on WRYM in 1962, beginning with a half-hour broadcast on Saturdays. In the intervening 25 years a full range of Spanish-language programming has taken to the air 7 days a week, and Mr. Aguilera has brought to our community important and exciting reporting from throughout the United States and Latin America.

Assisting Mr. Aguilera at WRYM is a team of dedicated professionals, including Mr. Alberto Virdo, engineer; Mr. Karl Virdo Ciarci, secretary; and announcers Pedro Garcia, Danny Delgado, Felix Pagan, and Juan Campos, all of whom have endeared themselves to the Spanish-speaking audience throughout the State.

Mr. Speaker, I am very pleased to mark for the benefit of my colleagues 25 years of valuable public service by WRYM and Mr. Omar Aguilera, and to wish them many more accomplishments in the future.

THE NEXT BOSNIA

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. ENGEL. Mr. Speaker, the horrors which the world has witnessed in Bosnia and Herzegovina continue unabated. Many foreign policy experts argue rightfully that this tragedy would have been prevented by firm international action at the onset of the crisis.

Western governments are now faced with yet another opportunity to stem aggression in former Yugoslavia. The Republic of Kosova, where 2 million Albanians live under brutal Serbian-imposed repression, threatens to become the next Bosnia. Already, Serbian leaders, such as accused war criminal Zeljko Arkan Raznjatovic, have expressed their desire to cleanse Albanians from Kosova.

The early warning signs of nearing aggression are clear: Serbs have closed Albanians schools and health care facilities, Albanians have been dismissed from their jobs, thousands of armed Serbians regular and paramilitary troops have been moved into Kosova and heavy artillery guns are aimed at major Kosova cities.

The United States must make certain that bloodshed in the Balkans does not spread into Kosova. We must make it clear to the Serbs

that the international community will not tolerate gross human rights abuses and threats of massacre in Kosova. Only through such vigilance can the next Bosnia be prevented.

The following article written for the New Republic by Anna Husarska from Kosova's capital, paints a vivid portrait of the tangible fear which currently exists in Kosova. I commend the article to my colleagues and invite them to address inquires on Kosova to the Albanian Issues Caucus co-chaired by myself and Representative MOLINARI.

[From the New Republic, Nov. 15, 1993]

THE NEXT BOSNIA

(By Anna Husarska)

Waiting at the bus terminal in Skopje, Macedonia, I took out my digital wristwatch, which holds telephone numbers, and entered the names of my contacts in Pristina, the capital of the southern Serb Province of Kosovo. I must have looked slightly ridiculous, because Marco, an Italian photographer accompanying me to Pristina, stared at me, bemused. So as not to seem paranoid, I handed him a stack of reports and press clippings on human rights abuses in Kosovo. Several cited cases of journalists having their notebooks confiscated.

No sooner had we crossed the border from Macedonia into Kosovo than the bus—filled entirely with Albanians—was stopped at a checkpoint. Serbian policemen came on board and, at random, dragged off two men and searched them thoroughly. Then the policemen ripped up the address books that the Albanians had in their wallets. The two men returned to the bus and sat without a word. When I asked them what happened, they shrugged. It obviously was not the first or the last time such a thing had happened to them; they; too, said they had made copies of their addresses.

My interest in their face won Marco and me some sympathy among the passengers. When we arrived in Pristina, a couple of them offered to show us the way to the municipal bus stop. But when we started the usual chit-chat, they kindly asked us not to speak to them in public, and to walk at some distance. Befriending foreigners can bring them trouble. (I had read about that in my stack of reports, too.)

We wanted a good half-hour for the bus the embargo imposed on the whole of Serbia has hit Kosovo as well, stymieing municipal transportation, electricity and most other utilities and public services. During those thirty minutes, two convoys of cars decorated with "Just Married" streamers passed by honking. Both were adorned with flags bearing a double-headed black angle on a red background. This is the Albanian flag, and—as the people at the bus stop explained to us—except for weddings, Albanians in Kosovo cannot display it.

One does not have to be an habitué of repressive regimes to feel the tension here. The Serbian militia is everywhere. (Our contacts in Pristina instructed us to meet them on a back street close to the Grand Hotel, but not in front of it. The hotel, they explained, is the hangout of the Serb army and secret police forces.) While the Serbs continue their war in Bosnia, here in tiny Kosovo (population 2 million) they apply a subder combination of oppression and repression. The oppression is patterned after apartheid: a minority denying all rights to a majority (in Kosovo, Albanians outnumber the Serbs nine to one, but the Serbs outgun the Albanians ten to zero). The repression is reminiscent of Polish martial law: Serb forces (black and blue camouflage, bullet-proof vests, walkie-talkies) patrol the towns and villages, arresting and beating Albanians with little regard to law. The Albanians' response is a nonviolent resistance a la Solidarity.

When we finally hooked up with our contacts, they led us to a small wooden hut that stood in a muddy wasteland next to the central police station. A few expensive Japanese cars were parked outside. Plaques on either side of the door read: "Albanian PEN Center" and "Kosovo Writers Association." It did not look like a base of the Albanian resistance (especially given its proximity to the police), but it is one. Although there is no plaque announcing it, this is the headquarters of the Democratic League of Kosovo (LDK), the leading party of the republic. Inside, amid humming faxes and photocopying machines, a staff of well-dressed young men who look like they're fresh from Wall Street prepares statements, translates bulletins and informs the world about the persecution all around them.

The normality is deceptive. The Serbs avoid hurting Albanian leaders because it would get them bad publicity; but they do not shy away from beating and arresting civilians, raiding houses and stealing jewelry, foreign cash and cameras from ordinary people. Adam Demaci, president of Kosovo's Council on Human Rights, says that in the town of Glogovac (population 6,000), 171 houses were raided, 403 people were beaten and 156 arrested in reprisal for the deaths of two Serb policemen.

This sort of thing has been going on for nearly four years, as Kosovo's status as a de facto autonomous republic within the Yugoslav federation, granted by Josip Broz Tito in 1974, was gradually taken away. Ever since he came to power, Serbia's President Slobodan Milosevic saw the Kosovo issue as a way to increase his own power by inflaming Serb nationalism. He dissolved the local parliament in July 1990, and Belgrade embarked on a wave of mass purges of "disloyal" Albanians. According to Muhamet Hamiti of the Kosovo Information Center, more than 130,000 ethnic Albanians, or Kosovars, have been dismissed from jobs in government, the police, media schools and hospitals since 1989. Hamiti, formerly a professor of English literature at the University of Pristina, was thrown out from his job and replaced by a Serb.

The Albanians' response to the Serbs' seizure and monopolization of Kosovo's public institutions was to boycott them and create their own. The parliament went underground (it now operates from Stuttgart), in October 1991 it declared the region's independence. In May 1992 secret parliamentary and presidential elections were held in Kosovo: LDK won 76 percent of the vote, and Dr. Ibrahim Rugova, a poet and literary critic, was elected president of the republic.

Under the independent government, Kosovars set up their own schools with Albanian curriculums and their own clinics and hospitals where Albanians (denied health care in Serb-run hospitals) are attended by Albanian doctors, most of whom were fired from their previous posts. These institutions, plus the welfare system for those who lost their jobs, are financed by the Kosovo Central Fund, whose money comes from Kosovan émigrés. (Last year, it received more than $1 million in donations.)

President Rugova is 48 years old; his hair, balding on top, is long and disheveled on the sides. When he received us in his office in the LDK hut, he was uncharacteristically without the trademark kerchief that he wears around his neck. Rugova says he is very proud of Kosovars—"we succeeded in leading a nonviolent fight and in surviving"—but is rather pessimistic about the future of the region. "The bloodbath would be worse here than in Bosnia, because of the higher population density. And besides, we have nowhere to go. The border with Albania is all mountains."

Rugova says he is counting on international support to avoid being swallowed by the Serbs. "We want preventive measures. We have asked for the establishment of an international trusteeship or a protectorate." His demands sounded faintly unrealistic, coming just a week after the Serbs expelled from Kosovo a group of observers from the Conference on Security and Cooperation in Europe. "The Serbs now want all of our territory," he says matter-of-factly. "In Bosnia, they grabbed the land because of ethnic rights; here in Kosovo they claim historical rights."

In deed, for the Serbs the region is the cradle of their civilization. In 1889, under czar Lazar, the Serbs battled the Ottoman forces. They lost, and the defeat ended the medieval Serb Empire. Six hundred years later, Milosevic pledged to more than 1 million Serbs gathered for the anniversary of the battle that never again would anyone beat the Serbs. Until now, he has been proved right. The Serbs are getting away with creating a Greater Serbia. With the war in Bosnia almost over, the may look for other outlets for their aggression. Kosovo is in their sights.

CONGRATULATIONS TO OAKLAND, CA: AN ALL-AMERICA CITY

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. DELLUMS. Mr. Speaker, today I rise to share with you and my colleagues that Oakland, CA, my hometown, the city which I represent, in the ninth California Congressional District, has been awarded the distinguished All-America City Award for 1993.

The National Civic League has designated Oakland a 1993 All-America City. This prestigious award is given to cities that demonstrate outstanding levels of citizen participation and innovation in government. The award also recognizes Oakland's diversity and community vision.

The All-America City Award is a constant reminder that people in a community can work together to identify and solve their common problems. The 44-year-old AAC Award Program, sponsored by the Allstate Foundation, is a major part of the National Civic League's efforts to encourage and recognize civic excellence. The major award criteria are as follows: Broad-based citizen involvement, reflecting the communities demographics; public, private, and nonprofit sectors participate in decision making; community resources are utilized and mobilized creatively; projects have significant impact in light of challenges, resources and circumstances; community is willing to confront critical issues; project results and impacts are clearly demonstrated and measurable.

Oakland's winning application included descriptions of three projects that were examples

of the above criteria: Safe streets now; the Native American health center; the firestorm recovery project.

Oakland was chosen out of 151 cities who were considered, and prevailed out of the 151 to be No. 1. Oakland has the prestigious position of being the only All-America City in California to have won this award twice, the time before being in 1956. Oakland won twice, Oakland applied twice. Oakland also is the first city to have won this award and also be chosen to host the America-City awards celebration for the next year's competition, which will be held June 12, 1994.

You see why I am so pleased and proud to share this news as it testifies that Oakland truly exemplifies a city where diversity is strength. These strengths can provide a guide for other cities, as we seek to improve the quality of life for our communities.

AN ACT TO PROVIDE FOR ENVIRONMENTAL RESPONSE

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. OXLEY. Mr. Speaker, today, I am introducing legislation that, if enacted into law, will dramatically improve the way in which contaminated sites are cleaned up in this country. It is intended to establish a process that provides for faster, protective response actions at more sites at a lower overall cost and thus achieve the fundamental goal of expeditiously abating significant risk to human health and the environment through cost-effective methods based on accurate risk analysis. The bill finds its origin in H.R. 6199, the Voluntary Environmental Response Act of 1992, introduced by Norman F. Lent in the 102d Congress, when he was my esteemed colleague and ranking minority member of the Committee on Energy and Commerce. He spearheaded the efforts of this body to jump-start voluntary cleanups at contaminated sites and I am pleased to follow him in this important endeavor.

This bill creates an alternative, streamlined mechanism to be administered by State governments for the purpose of addressing contaminated sites through voluntary response actions. This bill provides financial assistance for States to develop and administer State voluntary respone programs or qualified programs. Moreover, it provides flexibility to States by allowing existing State laws, regulations, or programs that meet the requirements of the act to obtain such funding.

This legislation would allow parties wishing to respond to releases of contaminates at eligible sites to "opt in" to a State's qualified program. By conducting an environmental response under a qualified program, a party would be able to efficiently and expeditiously remediate a site in an alternative, simplified regulatory scheme without becoming entangled in the burdensome bureaucratic process currently in place. At the same time, such voluntary response would be required to achieve standards that ensure the protection of human health and the environment, an important aspect of the bill is that it allow for streamlined review of response actions under State qualified programs. Moreover, of sites that are primarily of State interest, States have additional flexibility to develop their own review procedures.

Another significant and fundamental aspect of this bill is the provision for selecting response actions based on site-specified risk assessment that would rely on reasonable exposure assumptions and would consider the current and future use of the site. This is a significant departure and improvement upon current EPA practice under superfund and other environmental statutes with response to risk assessment. In addition, the bill provides for more balanced consideration of remedial options, including both containment and treatment, so as to allow implementation of containment remedies or remedies that combine treatment and containment methods provided they ensure the long-term protection of human health and the environment with no preordained preference either method.

This legislation is desperately needed at this time. It is a well known fact that the remediation of identified contaminated sites in this country has proceeded at a disgracefully slow pace and that Government agencies simply do not have the resources to address these sites. Moreover, the current regulatory and statutory process has led to excessive cost with correspondingly little accomplishment in terms of actual cleanup and has delayed the revitalization urban industrial areas.

The benefits of providing a mechanism to address contaminated sites at the State level while ensuring protection of human health and the environment would be tremendous. These qualified programs would relieve the pressure on overburdened State and Federal agencies by encouraging private parties to voluntarily undertake response actions. By streamlining the process, response actions would proceed at a more expeditious pace. Furthermore, the significant transaction costs associated with response actions initiated pursuant to current regulatory programs would be greatly reduced. Finally, the economic distress experienced by the communities in and around urban industrial areas would be relieved as these areas are revitalized thus providing economic and employment opportunities for the people of the United States, particularly the poor, unemployed, and disadvantaged.

Mr. Speaker, this legislation is intended as a response to the growing backlog of contaminated sites that are not being addressed in a timely manner under the existing statutory cleanup programs. The failure of these programs to result in any meaningful improvement in our Nation's hazardous waste problems is well known. Something must be done to solve this problem. I urge my colleagues to support this legislation.

LEGISLATION TO AMEND SECTION 1341, TITLE 28 U.S.C. INTRODUCED

HON. MIKE SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. SYNAR. Mr. Speaker, today I introduce legislation designed to restore fairness to the collection of State and local property taxes from large, interstate railroads. My bill simply requires that property tax disputes between railroads and State and local governments be litigated first in State court, rather than in Federal District Court, just as is required in any other State or local property tax dispute. The bill also treats railroads like any other taxpayer by allowing unlimited access to Federal District Courts, once all State court remedies are exhausted.

My bill is needed because the railroads' current ability to go directly into Federal court to litigate State and local property tax disputes deprives States, local governments, and school districts of millions of dollars in property tax revenue. This problem stems from the Railroad Revitalization and Regulatory Reform Act of 1978 (4-R Act), which, as originally conceived, gave railroads a direct entree into Federal court to protect them against potential State discrimination in taxing railroad property.

Unfortunately, what started out as a good idea has been expanded through an aggressive litigation strategy into a nifty property tax avoidance scheme by interstate railroads. Current Federal court decisions have expanded the original intent of the 4-R Act, which was to protect railroads from discriminatory taxes, into providing railroads with preferential tax rates vis-a-vis other State and local property taxpayers.

In addition to preferential tax rates, the 4-R Act also allows unending Federal injunctive relief for the disputed portion of railroad property taxes while their cases are pending, as well as automatic Federal court jurisdiction over other types of State taxation and fees, not just property taxes. Finally, court interpretations of the act have also changed the very role of the court system in arbitrating disputes. The Supreme Court has interpreted the 4-R Act in such a way that the original tax issue the act was intended to address has been superseded and, as a result, Federal courts have gone into the State property tax appraisal business. All of these allowances are contrary to the standard practice in which Federal courts cannot interfere with State tax collection—a fundamental tenet of our Federalist system.

This special tax treatment of railroads has set a dangerous precedent, and correcting this situation is becoming increasingly critical for States. Not only is the present situation depriving the States of needed revenue—in Oklahoma more than $3 million over a 4-year period was enjoined in railroad valuation cases—but other interstate industries are petitioning to be extended the same benefits. Oklahomans are concerned that expanding these tax privileges will place an even heavier burden on the local farmers, homeowners, and business people. Unless it is corrected, this provision will continue to shrink the property tax base that State and local governments use for schools, fire and police protection and road repair. These services and infrastructure are public goods and must be supported by all public and private interests that are located within a State's borders.

My bill would take an important step to correct the current tax unfairness. By requiring the railroad industry to exhaust the State administrative and court procedures for handling

their tax disputes before going into the Federal courts, the State courts, which are the experts in State valuation cases, would play a much larger role in setting tax rates for railroads. In addition, Federal courts, notorious for their crowded dockets, would be freed from having to play State tax assessor and be able to attend to more pressing criminal and civil cases. Finally, in cases where railroads felt they were discriminated against, they would still have the remedy of appealing to Federal district courts.

The overly preferential treatment for interstate railroads which disadvantages our States is a situation that can be addressed cleanly, simply and without undue burden to any party. I urge my colleagues to support this legislation and restore fairness to the property tax system for all taxpayers.

TAX EXEMPT STATUS OF GOVERNMENT SPONSORED ENTERPRISES

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. STARK. Mr. Speaker, today I am introducing a bill that would provide an opportunity for states and the District of Columbia to raise additional revenue. My bill would remove the exemption from State and local income taxes enjoyed by three Government sponsored enterprises—the Federal National Mortgage Association [Fannie Mae], the Student Loan Marketing Association [Sallie Mae], and the Federal Home Loan Mortgage Corporation [Freddie Mac]. Since Fannie Mae and Sallie Mae have their principal places of business in the District of Columbia, my proposal would allow District officials to consider taxing the substantial income of these entities.

My bill also specifies that within 90 days of the law's enactment, the mayor of the District of Columbia shall submit a report to the House Committee on the District of Columbia and the Committee on Governmental Affairs of the Senate detailing the potential effects of the bill on the revenues of the District of Columbia.

It is a well documented and often acknowledged fact that the citizens and businesses of the District of Columbia bear one of the highest tax burdens in the Nation. The burden acts as a major impediment to the retention and expansion of the District's tax base. While there are many reasons for these high taxes, one significant factor is the proliferation of congressionally mandated tax exemptions. Some of these exemptions make sense because the beneficiaries are foreign missions or nonprofit organizations. Fannie Mae, Sallie Mae, and Freddie Mac, however, are major corporations that are privately owned and managed.

It may be reasonable to assume that when Congress chartered Fannie Mae, Sallie Mae, and Freddie Mac they were fledgling corporations in need of these tax exemptions. This is no longer the case. The approximate 1992 revenues of these entities were as follows: Fannie Mae—$14.5 billion, Freddie Mac—$4.5 billion, and Sallie Mae—$2.8 billion. These corporations are not exempt from Federal tax liability, and their combined 1992 Federal taxable income was nearly $5 billion. While there is the potential for substantial revenues to accrue to the jurisdictions in which these corporations are located, it is important to note that the bill does not require that any State taxes actually be imposed.

I urge my colleagues to support this proposal.

TRIBUTE TO REV. RONALD I. SCHUPP

HON. BOBBY L. RUSH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. RUSH. Mr. Speaker, I rise today to honor the Rev. Ronald I. Schupp, a Baptist minister and civil rights leader, who has been active in Chicago in fighting to end apartheid in South Africa.

For the past 8 years, Reverend Schupp has conducted a fast and vigil at the South African consulate in Chicago, renewing attention to violence and injustice in South Africa. Fittingly, Reverend Schupp has chosen Dr. Martin Luther King Jr. Day to hold his fast and vigil.

Mr. Speaker, I applaud the tireless dedication of Reverend Schupp. It is through his efforts and all those who seek fairness and justice, that the majority people of South Africa shall enjoy democracy to the fuller extent possible.

I am proud to enter these words of congratulation into the RECORD.

NO RETRIBUTION AGAINST MEXICAN NAFTA CRITICS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. LAFALCE. Mr. Speaker, it has come to my attention that Mexican critics of NAFTA and those working for democratic and human rights reforms have been targeted in the Mexican press as traitors to Mexico. In several advertisements and columns in Mexico prior to the United States congressional vote of NAFTA November 17, Mexican politicians and academics who dared to speak out against NAFTA and Mexico's authoritarian practices by the PRI have been branded as working for the "interests of foreign powers" and forming a "Perot-PRD alliance against Mexico." These advertisements and articles named not only position political leaders, but leaders of Mexico's intellectual community who have had the courage to testify before committees of the United States Congress.

Several Mexican citizens representing various organizations and interests—human rights, political and electoral reform, labor rights, the PRD and PAN, the church, economic reform—have appeared before my Small Business Committee and other Congressional fora to make a case for democracy, fair and open elections, and freedom from intimidation and corruption. Many now fear that the passage of NAFTA enhance the power of the PRI and provides a signal and human rights abuses my continue with impunity. They fear that reprisals may be taken against them for their stand for freedom, their exercise of free speech, and their efforts to provide information to United States citizens and the Congress about Mexico that is not widely known.

Mr. Speaker, I believe the United States—and particularly the U.S. Congress and the administration—must be vigilant to ensure that no untoward actions, either professional blacklisting or physical harm, are taken against Mexican citizens who have spoken out against NAFTA. We in the Congress owe a debt of gratitude to those who came before our committees, and we must not forget them.

I have sent a letter to our United States Ambassador to Mexico, former Representative James R. Jones, requesting that his staff in the Embassy monitor for possible reprisals against Mexican citizens who spoke against NAFTA. I asked him to convey to the Mexican Government that the United States Congress will certainly condemn any actions that may be interpreted as reprisals against Mexicans who came to Capitol Hill to provide their views on NAFTA and Mexico's authoritarian form of democracy. Mr. Speaker, I ask that a copy of my letter to Ambassador Jones be inserted in the RECORD.

COMMITTEE ON SMALL BUSINESS,
Washington, DC, November 21, 1993.

Hon. JAMES R. JONES,
U.S. Ambassador to Mexico, Laredo, TX

DEAR JIM: Now that the NAFTA vote is behind us and implementation will proceed on January 1, 1994, I believe it incumbent on all of us to ensure that the citizens of Mexico who opposed NAFTA will not encounter negative repercussions for their activities.

It has come to my attention that several advertisements and press columns in Mexico last week specifically identified individuals as working for the "interests of foreign powers" and forming a "Perot-PRD alliance against Mexico." In addition to opposition politicians Cuauhtemoc Cardenas and Porfirio Munoz Ledo, academics Jorge Castaneda and Adolofo Aguilar Zinser were specifically identified and are being painted as traitors to Mexico.

Dr. Castaneda and Mr. Aguilar Zinser, along with many other Mexican citizens, appeared before my Small Business Committee and other Congressional committees and conferences. Mexican representatives from human rights and electoral organizations, the Church, PRD, and labor as well as individual economists came before Congress. Some were intimidated and threatened for speaking out before the NAFTA vote in the U.S. Congress, and some are now concerned about their professional and personal safety.

Jim, please have your Embassy staff monitor any possible backlash against these NAFTA opponents. I believe it would also be used to convey to the highest levels of the Mexican Government that the U.S. Congress will not look favorably on any actions against individuals who testified before Congress.

Sincerely,

JOHN J. LAFALCE,
Chairman.

NUCLEAR POWER'S CONTRIBUTION TO A CLEANER WORLD ENVIRONMENT

HON. J. DENNIS HASTERT

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. HASTERT. Mr. Speaker, I want to bring to the attention of my colleagues the important contribution nuclear energy is making to a cleaner world environment. As the second largest source of electricity in the United States, providing 22 percent of the Nation's electricity, nuclear energy is supplying the needs of 65 million households with virtually no air polluting emissions.

I commend the Clinton administration for acknowledging nuclear energy is important in the Climate Challenge Program, thereby recognizing nuclear energy's ability to help achieve the Nation's environmental objectives.

I can tell you first-hand about the environmental advantages of nuclear energy since my district gets about 80 percent of its electricity from nuclear energy.

But you need not take just the administration's and my word for the environmental benefits of nuclear energy. The World Energy Council just reported, "if global policymakers are serious about reducing greenhouse gases in the long term, nuclear power must make a comeback. There is no chance of stabilizing greenhouse gas emissions at 1990 levels until the nuclear energy question is resolved."

The Congressional Office of Technology Assessment stated in a 1991 report that nuclear energy is the only nonfossil energy option that can be rapidly expanded, thereby offering the greatest potential for "achieving deep cuts in carbon dioxide emission." The National Academy of Sciences agreed that nuclear energy is "the most technically feasible alternative" to replace fossil fuels as the primary source of electricity.

Mr. Speaker, I ask my colleagues to carefully consider the important role that nuclear energy plays for a cleaner environment and I encourage my colleagues to support policies that enhance America's nuclear energy option.

25TH ANNIVERSARY OF SESAME STREET

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. PORTER. Mr. Speaker, 25 years ago today, the Children's Television Workshop [CTW] production of "Sesame Street" first appeared on public television and changed children's TV forever. Today, "Sesame Street" is the most widely televised children's program in the world.

When the CTW first created "Sesame Street," its mission was the education of children. Over the years, this mission has remained constant as characters have expanded to meet new curriculum goals and to reach low-income and minority youngsters.

Today "Sesame Street" communicates with children through new media—print, software, and outreach programs—to enhance its impact. A new "Sesame Street" component, the "Preschool Education Program" [PEP], uses televised story book reading, artwork, and parent involvement to reach children in day care settings, including thousands in my State of Illinois.

Both the New York Times and the USA Today ran articles today commemorating the 25th anniversary of "Sesame Street," and I ask that they be reprinted here as a part of my statement.

I offer my sincere congratulations to the Children's Television Workshop and my hope that it will continue to provide exceptional children's programming into the next century.

[From the New York Times, Nov. 22, 1993]

IT'S 25 AND STILL THINKING LIKE A CHILD

(By John J. O'Connor)

Known as the longest street in the world, stretching in one form or another around the globe, "Sesame Street" celebrates its 25th birthday today with a characteristic eye on the future and a meandering stroll to a new playground that it calls "just around the corner." The Children's Television Workshop's pioneering blend of carefully researched education and quality entertainment has lost none of its imaginative freshness. Hillary Rodham Clinton, flanked by Big Bird and Rosita, drops by today in a gesture of richly deserved tribute.

The survival of "Sesame Street" has involved struggle and occasional controversy. In the 1970's, the BBC rejected the program, ostensibly because of its ultra-American, hard-sell teaching techniques; Britons were later allowed to watch the series, seemingly without ill effect. When the project was conceived in the 1960's by Joan Ganz Cooney and Lloyd Morrisset, children's television was a generally sorry affair, with cartoons at one end and dull instructional classics at the other. The Children's Television Workshop created something entirely new: an education program that was great fun to watch.

The program is aimed at all pre-schoolers, but is especially eager to reach disadvantaged children whose early exposure to school-related skills might be limited. The underlying theory is that more than half of a child's lifetime intellectual abilities are formed by the age of 5. Lessons are delivered, for the most part, by showing, not by lecturing. In the show's multicultural society, children of all sorts mix easily with one another and, of course, with furry creatures representing all colors of the rainbow. The memorable duet of Ray Charles and Kermit the Frog on "Bein' Green" was anything but an accident.

So today, as Big Bird leads a parade of youngsters and Muppets to the new playground, it's hardly surprising to discover that the new faces in the crowd look like an illustration for a United Nations brochure. Tarah (Tarah Lynne Schaeffer) is a 9-year-old whose physical disability keeps her in a wheelchair. All of the newcomers are helping introduced this week, and will be developed more fully in future episodes.

Meanwhile, the scene on Sesame Street is punctuated with brief taped segments that might offer a lesson on a letter or number, an illustration of concepts (Zero Mostel's take on "Big" and "Little" is a series classic), or a vignette with an understated point. Today, for instance, two girls are found waking up in a bedroom that is obviously middle-class comfortable. One girl is black, the other is white. The white girl is the visitor. This season, Asian-American cultures are being highlighted. Among the scheduled guests: the tennis star Michael Chang.

When Children's Television Work-shop researchers went to day-care centers and asked children what they would like to see on the show, the most frequent answer was a place to play. The new playground, which required moving the production to the larger quarters of the Kaufman Studios in Astoria, Queens, should satisfy the most demanding of young viewers. In the course of the hour, the First Lady urges those watching to eat fruits and vegetables, get plenty of exercise and rest. In a rap song, Cookie Monster admits that nobody should eat just cookies. And the show ends with an announcement that this edition of "Sesame Street" was brought to you by the letters of C and O, and by the number 8. Talk about enlightened sponsorship.

The Children's Television Work-shop has moved well beyond "Sesame Street" as, seeking feasible ways to support its many activities, it has branched into television specials, videos, books and even items like a Cookie Monster cookie jar. There have been critics of this commercialization inside and outside the organization. David V.B. Brit, its president, disagrees, though he says perhaps the name should be changed to the Children's Media Workshop.

Sadly, as one of the brightest jewels in public television's now lopsided crown, "Sesame Street" has failed in one crucial sense, one that is beyond its control. Despite its demonstrable success, television executives and politicians have largely failed to follow up with adequately financed projects of similar caliber for young audiences. The level of education in the nation today is abysmal. All those preschoolers so lovingly prepared are being betrayed by schools impoverished on just about every level. "Sesame Street" has shown how to proceed with intelligence and style. Perhaps some day. * * *

Meanwhile, let's get on with the next 25 years.

[From USA Today, Nov. 22, 1993]

MAKING KIDS AND LEARNING FEEL AT HOME

(By Donna Gable)

The safest street in the world stretches from the inner cities of the USA across the ocean to the Middle East and beyond.

It's not on any map, but you can get there from here. And no matter the name—Sesamstrasse in Germany; Plaza Sesamo in Latin America; Rachov Sumsum in Israel; or Iftah Ya Simsim in Kuwait—Sesame Street has always been a protected place for kids to play and learn. From the early days when it taught tots their ABCs and 1-2-3s, to today's life lesson in race relations, Sesame Street is a reflection of our times for the eyes of children.

Today, the Emmy-winning PBS children's series turns a corner, metaphorically and physically, as it begins its 25th season. But the Street is not just growing up, it's growing out. For the first time, we get to see what's "Around the Corner" from the familiar brownstone and Mr. Hooper's Store.

Executive producer Michael Loman says the set was designed as a cuddly S-shaped cul-de-sac "so there are no streets to cross." There's a dance studio, a thrift shop, a playground, a home care center, and The Furry Arms, a Muppet hotel "where everyone stays when they're in town."

And while there are newcomers—including Zoe, "a bright orange, 3-year-old monster girl that smiles from ear to ear"—they're all old friends on the Street.

Dr. Valeria Lovelace, assistant vice president/director of research, says the new set is

"a way through which we can show the contributions that families make to children's success in school and life."

Three fresh faces—Angela (Angel Jemmott) and Jamal (Jou Jou Papailler), a black couple, and their 6-month-old, Kayla—are related to series regulars Susan and Gordon.

"We want to show the family as a socializing agent, the most important part of a child's life," Lovelace says. The knowledge gained from the show's race relations curriculum "will guide our thinking on families, in terms of looking at their diversity."

Through Celina (Miss Saigon's Annette Calud), an Asian-American dance instructor, the show will explore issues like exclusion and name-calling.

Today's season opener is a backdrop for the myriad Muppets and others who parade down the lane. First lady Hillary Rodham Clinton stops by to christen the new season and inspire Cookie Monster to rap about the importance of eating more than cookies to stay healthy.

Upcoming celebrity guests who will stay at the Furry Arms include poet Maya Angelou, singer Garth Brooks and actress/comedian Lily Tomlin.

"These celebrities have helped draw the parent to the child's side . . . and they sit and watch Sesame Street together," say Peggy Charren, founder of Action for Children's television. "Research shows when children and parents watch together they learn more."

Ruth Buzzi—who joins the cast as Ruthie the offbeat owner of Finders Keepers, which offers such collectibles as Cinderella's glass slippers and Jack and Jill's legendary pail—credits the show's stable of "creative, ingenious and nutty writers" for the show's longevity.

"Writing comedy every day, day in, day out, is not all laughs," says Buzzi, who compares the cadre of scriptmeisters with those of her Rowan & Martin's Laugh-In days. "After a while your brain dies out. The only way to keep the momentum going and keep it fresh is to have a LOT of writers."

Charron says the program "could've been a wonderful model for the people in the commercial broadcast world. We'd hoped it would send a message to them: that you can do it right and still win. But what was their response? Let PBS do it."

The Street has always been safe but it hasn't been a blind alley or a dead end. Since 1969, it's evolved from an experimental educational program for preschoolers to a multimedia educational institution seen in 90 countries.

And even though the conventional wisdom is that Barney has taken the spotlight, the world on the Street—from the top down—is "there's room for everybody."

It doesn't matter whether kids tune in to a big yellow bird or a purple dino, says Loman, "as long as they're learning and having fun."

"We don't look at Barney as being in competition with us because we're both on PBS," he says, besides, "We'd rather have them watch Barney than a violent or nonsensical cartoon on another channel."

Sonia Manzano, who has played Maria on the show since its third season, agree "Kids have the right to have more than one show to choose from. Adults have lots of choices . . . and still complain there's nothing on."

Besides, the show has more important things than Barney's bite to focus on, such as continuing its 25-year legacy.

And everyone agrees, the days have been a little less sunny without Jim Henson, the mastermind behind the Muppet menagerie, who died suddenly in 1990.

And in strolling down the street, you cannot overlook his touch. Puppeteer Kevin Clash, who won an Emmy for breathing life into a fuzzy, red Muppet named Elmo, says Henson's death "was a difficult loss."

"Jim loved coming to Sesame Street and putting on Ernie and Kermit. I miss that immensely," says Clash, who grew up watching Sesame Street and "dreamt of working" with the brilliant Muppet-making man-boy.

"The love that's behind the scenes and comes across on camera—that's Jim. And some days when something goes really right. Jim's there. You can feel it."

Clash—who also portrays Baby Sinclair, the tiny dino on ABC's sitcom Dinosaurs—hopes his 11-month-old daughter, Shannon, will someday don a fuzzy alter-ego.

"I'm envious of Elmo. I'd love to keep that positive. But when you become an adult, sometimes things can get you down," he says. "It's great to be able to cover yourself with these characters and become young again.".

The most important lesson, he says, may be "how to find your way back" to the Sesame Street inside us all.

Mansano says she's looking forward to the next 25 years.

"If this show is the only thing I ever do in my career, that's not a bad credit," she says. "When I looked back at my life I could say, 'I lived a good life. I lived on a nice street.'"

LEGISLATION TO AMEND OCSLA

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. ORTIZ. Mr. Speaker, I rise today to introduce legislation which will amend the Outer Continental Shelf Lands Act [OCSLA]. The bill will authorize the Secretary of the Interior to negotiate agreements for the use of Outer Continental Shelf [OCS] sand, gravel, and shell resources for public works projects. The OCSLA was designed primarily to govern leasing, permitting, collecting of data, and operations for oil, gas, and sulphur on the OCS. Section 8(k) of the OCSLA provides explicit authority for the Secretary to grant leases for any OCS mineral other than oil, gas, and sulphur on the basis of competitive bonus bidding.

Because of diminishing onshore and nearshore supply sources, there is increasing interest from coastal States in using OCS sand, gravel, and shell resources for beach and barrier island restoration projects. Also, sand gravel, and shell resources from the OCS have been identified for possible use in connection with some U.S. Army Corps of Engineers congressionally authorized projects for coastal wetlands and storm damage protection. The requirement that marine minerals from the OCS must be leased on a competitive basis does not provide the flexibility needed by State and local governments or the access to OCS resources needed by the U.S. Army Corps of Engineers.

The option for negotiated agreements allows the Secretary of the Interior to, One, specify and better control the end use and quantity of the resource which can be extracted; two, work with the U.S. Army Corps of Engineers with necessary environmental and decisionmaking studies, thus avoiding duplication of efforts, three, negotiate fees with other government entities or assess no fee for the sand for certain projects substantially funded by the Federal Government—for example, certain corps funded projects; and four, avoid unexpected or speculative bidding which could have a negative effect on public works projects by diverting the resource to other uses or inflating total Government project costs. I urge you and the other Members of the House to support this initiative.

Last, I want to thank Mr. WELDON, the ranking member of the Subcommittee on Oceanography, Gulf of Mexico, and the Outer Continental Shelf, Mr. LEHMAN, the chairman of the Subcommittee on Energy and Mineral Resources, and Mr. TAUZIN, the chairman of the Subcommittee on Coast Guard and Navigation, for cosponsoring this important legislation.

THE NONNEGOTIABLE PRINCIPLES OF HEALTH REFORM

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. DINGELL. Mr. Speaker, I commend to my colleagues the following article, entitled "Health Care: Some Basic Reform Principles Shouldn't Be Negotiated" that appeared in the November 10 Detroit Free Press. The article speaks to the goals which must be preserved through upcoming lengthy and difficult negotiations on details of health care reform. The most important of these goals is universal coverage. It is the one goal upon which we cannot waiver.

The article follows:

[From the Detroit Free Press, Nov. 10, 1993]

HEALTH CARE—SOME BASIC REFORM PRINCIPLES SHOULDN'T BE NEGOTIATED

Enacting an adequate health care reform plan will require a lot of tugging and pulling in Congress, and willingness to change, as Hillary Rodham Clinton acknowledged this week. But certain reform principles are so fundamental that they must not be compromised, under special-interest, partisan or ideological pressure.

The most basic principle is universal coverage, the notion that no American will be denied the medical care he or she needs. Such coverage should be phased in promptly, not gradually, and it should include a comprehensive clearly defined package of affordable minimum benefits.

We believe a single-payer health care system similar to Canada's, in which most coverage is financed directly by government, would be best suited to meeting that objective. Such a system would collect premiums, pay bills, negotiate rates with doctors, and regulate annual hospital budgets. It has the virtue of relative simplicity.

But the Clinton administration deserves the opportunity to show that its hybrid "managed competition" model also can do the job. That plan would require employers to help pay for workers' health care, from quasi-governmental regional purchasing alliances for health insurance, and limit the growth of private insurance premiums.

Even as she searches for common ground with proponents of alternative plans that also aim, for universal coverage, Mrs. Clinton is correct to reject those "reform" schemes that do not. An overreliance on "market forces" to provide coverage has helped leave tens of millions of Americans without health insurance, and many more with inadequate, discriminatory or exorbitantly priced coverage.

Such people—a large number of them children—often are forced to seek costly, subsidize emergency treatment once their illnesses become critical, rather than earlier, less expensive care that could have prevented or mitigated them. That raises the nation's health care bill for everyone.

Other principles ought to be preserved as well. The reform process must maintain the quality of care and technological innovation that has made American medicine a global model. It must control costs and be equitably financed. It must promote administrative efficiency. It should encourage primary and preventive care. It should allow consumers to choose their doctors, within reasonable limits. It should not tie coverage too tightly to employment.

Inevitably, these values will come into conflict as Congress and the White House negotiate a health care reform compromise. Accommodations will have to be made. But the first lady has identified universal coverage and a defined benefit package as the administration's bottom line. It's a line that should not be erased.

LEGISLATION TO PROVIDE DEATH BENEFITS FOR POLICE & FIRE CHAPLAINS

HON. DONALD A. MANZULLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. MANZULLO. Mr. Speaker, I am introducing legislation that would amend the Omnibus Crime Control and Safe Streets Act of 1968 to ensure that families of police and fire chaplains killed in the line of duty will receive well-deserved death benefits. Should the rare occurrence take place, the families of these courageous men and women will not be left out in the cold. These unsung heroes will have the assurance of knowing that their loved ones will be taken care of.

Mr. Speaker, these police and fire chaplains are often called upon to enter dangerous circumstances. They are counted upon to fill-in when necessary, walk-in to situations where criminals are holding hostages, drive an ambulance if needed, and even pickup a fire-ax if called upon. These men and women go to work every day and perform their duties diligently and quietly, responding to the same crime and fire scenes that their counterparts do.

I would like to take this opportunity to ask my colleagues that they join me in cosponsoring this simple legislation which would reward the families of police or fire chaplains who, while in the line of duty, could pay the highest price possible for doing their job, with their lives.

NAFTA

HON. JENNIFER B. DUNN

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Ms. DUNN. Mr. Speaker, without doubt, the prolonged discussion over the North American Free-Trade Agreement [NAFTA] has been the most spirited—and, too often, heated—debate in which the American public and Congress have engaged in many years.

At the outset, I must emphasize one point: I was extremely disturbed by reports that the President and Vice President had secured votes of undecided House Members by making certain concessions to them. At no time was I offered—nor did I seek—any special consideration for my support of NAFTA. I emphatically reject that kind of politicking. It is my belief the Clinton Administration let the American people down by trading "pork" for votes.

During recent weeks thousands of people from Washington State have contacted me regarding the controversial issue of NAFTA, and were sharply divided in their views. I fully appreciated the frequently mentioned fear that the agreement could lead to United States manufacturing jobs flowing to Mexico, where the wage levels are low.

I listened, also, to many heartfelt concerns about the further degradation of the environment that might occur with added economic activity in Mexico. And I listened intently to the honest, thoughtful worries of some that the operating panels and other mechanisms of the agreement might somehow threaten America's sovereignty.

During my campaign, I supported NAFTA's principles of free and fair trade. These ideals weighed heavily on my mind and were reflected in the final decision I made in my vote. After lengthy study, fact-finding and balancing the pluses and minuses, I concluded NAFTA was in the best long-term interest of our Nation and its citizens, especially the people I represent. I want to share the process and factors which led me to support the agreement. The following are considerations I felt persuasive.

There was discussion about NAFTA's potential to erode the United States' sovereignty. However, the best legal authorities have concluded that nothing in the agreement preempts Federal or State laws. NAFTA's commissions cannot supersede our laws nor do they have the power to compel any action to change them. Rather than changing any domestic law, NAFTA makes clear that a government may choose to allow another country to suspend trade benefits—such as tariff concessions—against it following an adverse panel report. Thus a commission can make only recommendations, not new laws. By limiting the power of government bureaucrats to restrict trade, NAFTA restores sovereignty of individual Americans to sell to and buy from whomever they please.

Some raised the argument that NAFTA will degrade the environment of Mexico. NAFTA did not create the pollution that currently exists, but it is the most practical course toward remedying the problem. This agreement is the first which places environmental concerns on an equal footing with those of free trade. NAFTA is the best vehicle to clean up the environment. Without it, GATT rules on the environment apply and they are not nearly as strong. NAFTA eliminates the status quo and will positively affect the environment. Environmental groups such as the National Wildlife Federation, World Wildlife Fund, Audubon Society and others fully endorse NAFTA. They represent 7.5 million members and some 80 percent of those belonging to environmental groups.

I share the concerns expressed regarding job dislocation and the fear of businesses moving to Mexico. But, it seems to me that it is the current system that is causing such events. In order for American companies to sell their goods in Mexico, they must either manufacture their products there or export them under the burden of tariffs which are on average two-and-a-half times higher than those of the United States. These additional fees inhibit our competitive edge with products of other nations—thereby creating incentives for our manufacturing plants to move to Mexico in order to avoid these tariffs. I truly believe NAFTA will alleviate these inequities and in some cases, provide incentives for companies to move back home.

In fact, we are already seeing some dividends from NAFTA. The United Parcel Service [UPS] announced a new order for 10 additional Boeing 757–200 Package Freighters. This illustrates the company's belief that increased trade with Canada and Mexico benefits the entire U.S. economy. This is only one example I see of how NAFTA can create jobs in Washington State and in America.

NAFTA is not about the jobs we have already lost around the world. Those are gone. NAFTA represents a new vision of job creation at home. Knowing that we live in a country that produces more than it consumes, we must continue to open up protective markets. NAFTA does this.

While it is true Mexican wages are lower than ours, it is also true that the American worker is on average five times more productive than his or her counterpart in Mexico. Americans enjoy high paying jobs because they are the most productive workers in the world. Global competition creates greater productivity; protectionism historically has bred stagnation and inefficiency. Increasing our productivity, not protectionism, is the secret to keeping our wages high and our jobs in America.

Although I believe NAFTA ultimately will create more American jobs through increased trade for our district's job-creating businesses, I also believe it can establish a broad set of other benefits for America. NAFTA can serve as a model for future trade agreements. It will reinforce our commitment to free trade in a global economy. By advancing the ideals of free trade and not foreign aid, we will allow for other countries to provide for themselves. If we foster economic development in Mexico as well as here at home, NAFTA can lead to reduced illegal immigration, and help our neighbor to the South continue on the path of needed political, social and economic reform.

It is my duty and obligation as an elected official to advance the long-term health of the economy by promoting basic U.S. political, social, and economic interests. No, NATFA is

not perfect. However, it is the best answer to some of the problems in our globalized economy. We cannot allow the perfect to become the enemy of the good. I honestly believe this agreement will help America.

LONG-TERM CARE INSURANCE

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mrs. JOHNSON of Connecticut. Mr. Speaker, one of the greatest fears of our senior constituents is the fear of saving for retirement only to lose it all if nursing home care becomes necessary. This fear is not unfounded. Forty-three percent of all Americans turning 65 this year eventually will enter a nursing home. Twenty-five percent of that group will stay at least 1 year, at a cost of $30,000 to $60,000.

One solution to this problem is long-term care insurance. Although relatively new, long-term care insurance is a rapidly growing market that offers the best option for providing greater coverage for nursing home and home care. In 1986, 30 insurers were selling long-term care insurance policies and 200,000 people were covered by these policies. By 1991, over 2.4 million policies had been sold, with over 135 insurers offering coverage.

Unfortunately, it's expensive to purchase long-term care insurance and policies don't always deliver what they appear to promise. Some insurers have designed long-term care policies that limit their liability in ways purchasers don't suspect. Many policies are medically underwritten to exclude persons with certain illnesses or contain fine print benefit restrictions that limit access to what one would assume was covered care. Although the National Association of Insurance Commissioners has taken steps toward establishing standards for regulating long-term care insurance, most States have been slow to adopt them. Only 12 States prohibit the practice of post claims underwriting and only 17 States have standards for home care benefits. The Long-Term Care Insurance Standards Act, which I introduced today, rectifies the inconsistencies in the long-term care insurance market by addressing:

Inflation protection.—Without inflation protection, the value of the benefit will shrink dangerously by the time a policyholder needs care.

Nonforfeiture of benefits.—Without nonforfeiture of benefits, policyholders will lose their entire equity in the policy if they can't afford to keep paying the premiums.

Premium increases.—Any increase in long-term care premiums must first be open to public comment and approved through a State process.

Limitations on agent sales practices.—This includes high-pressure sales tactics, misleading advertising, or incomplete or fraudulent long-term care insurance comparisons.

Mr. Speaker, I urge my colleagues to examine this legislation in the context of health care reform and invite their cosponsorship.

THE UKRAINIAN GOVERNMENT'S HUMANITARIAN AID TO THE REPUBLIC OF GEORGIA

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. GILMAN. Mr. Speaker, I would like to bring to the attention of my colleagues a very interesting and encouraging article recently released by the Embassy of Ukraine.

We are all aware of the vicious fighting that took place recently in the Abkhazian region of the Republic of Georgia. Many of us may not have noted, however, the very constructive role that the Government of Ukraine sought to fill in providing humanitarian assistance to the thousands of refugees from that fighting. Specifically, Ukrainian Air Force helicopters, by order of the Ukrainian Government, delivered food, medicine, and other items to stranded refugees and also transported the most sick and exhausted refugees to places of safety.

Mr. Speaker, I would like to insert a copy of this article for the review of my colleagues. I also want to commend the Government of Ukraine, which, beset by serious economic problems in its own country, still undertook to help the people of a neighboring state in need.

Mr. Speaker, the article provided to me by the Embassy of Ukraine follows:

[From the Embassy of Ukraine, Oct. 27, 1993]

UKRAINE PROVIDES HUMANITARIAN AID TO REFUGEES FROM ABKHAZIA

Heavy battles between Georgia's government troops and Abkhaz armed paramilitary units in late September-early October caused unjustified losses of human lives, massive exodus of refugees, mostly senior citizens, women and children.

As is known, this motivated the Head of the Republic of Georgia Eduard Shevardnadze to appeal to the governments of friendly states and world public with a request to help save the civilian population.

In response to that appeal President of Ukraine Leonid Kravchuk ordered the Cabinet of Ministers of Ukraine to render necessary humanitarian aid to Georgia.

Ukraine's Air Force, the Ministry of Foreign Affairs, other ministries and agencies, public associations and trade unions were involved in the relief operation. Ukrainian helicopter crews began to evacuate refugees from Abkhazia as early as October 10, 1993. Seventeen Ukrainian helicopters including 15 NI-8MTs from the towns of Vapnyarka and Kherson, and two KA-27 helicopters from Ochakiv manned by 90 servicemen performed 2 to 3 daily flights to deliver bread, flour and other food products to the mountainous areas, and transported sick and exhausted people to safe places. Only during the four days between October 10 and 14, the Ukrainian relief teams made 291 flights having rescued 7,634 refugees and delivered 487 tons of food, medicines, clothing and fuel.

Ukrainian public, different associations and funds joined in the humanitarian campaign, including the Federation of Ukrainian trade Unions, Social Security Fund, State Export-Import Bank, Ukrainian Investment Bank and other institutions. The raised funds were used to purchase basic necessities for the refugees, linen, warm clothing and food products which were delivered to Thilisi by the Ukrainian Air Force.

At the request of the German government, three Ukrainian Air Force transport planes IL-76 carried more than 50 tons of urgent humanitarian aid from Cologne (Germany) to Tbilisi.

The campaign for providing humanitarian aid to the fraternal Georgian people continues to gain in scale and strength in Ukraine. In addition to trade unions, the "greens", religious parishes, different organizations and individual citizens are joining in.

The leadership of the Republic of Georgia, Head of State Eduard Shevardnadze expressed sincere gratitude for the assistance, and highly assessed the moral and material support rendered by Ukraine to the people of Georgia.

JUDGE GILBERT RABIN—LEGAL SCHOLAR, PUBLIC SERVANT, AND COMMUNITY LEADER

HON. NITA M. LOWEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mrs. LOWEY. Mr. Speaker, I rise today to congratulate Judge Gilbert Rabin on the occasion of his well-deserved retirement from the Yonkers City Court. Judge Rabin has been an inspiring community servant whose contribution to New York's civic life will be missed but not forgotten.

Through an extraordinary career, Judge Rabin has exemplified our highest standards of rectitude, commitment to the rule of law, and excellence in public service.

Admitted to practice before the U.S. Supreme Court, Judge Rabin has since served in a variety of distinguished roles on such important bodies as the Committee on Law Reform of the Bronx County Bar Association, the New York University Law Review, the Yonkers Lawyers Association, the Westchester County Bar Association, and the New York State Bar Association. Judge Rabin's tenure on the Yonkers City Court—a body to which he has been repeatedly elected by the citizens of Yonkers—culminated in his selection as Chief Judge in 1992.

A life-long resident of Westchester County, Judge Rabin has been a leader in a wide range of community and service organizations. These include Children's Hearing Education and Research, the Lincoln Park Taxpayers Association, the Big Brother/Big Sister Committee, the Yonkers Community Action Program, and the United Givers Fund.

Judge Rabin has also been a devoted and active member of his synagogue, the Lincoln Park Jewish Center, for a time serving as the president of its congregation.

Judge Rabin's remarkable example has been noted by leaders throughout the Nation. Indeed, my good friend and colleague, Representative CARRIE MEEK of Florida; has spoken to me of his exceptional reputation and impressive career.

Mr. Speaker, I am confident that, even as Judge Rabin takes time to enjoy his family and the special pleasures of retirement, he will continue to be an active and inspiring leader in our community. His work has made an important difference for Yonkers and for Westchester, and will serve as an example to public servants for many years into the future.

THE MUTUAL BANK CONVERSION ACT

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. GONZALEZ. Mr. Speaker, today I introduce with Congressman NEAL, chairman of the Financial Institutions Subcommittee, and Congressman LEACH, the ranking minority member of the Banking Committee, the Mutual Bank Conversion Act. This legislation is intended to address the increasingly common—and very troublesome—practice by insured depository institutions of converting from mutual to stock from outside the scrutiny of Federal rules and regulations.

The Home Owners' Loan Act currently provides that savings associations may convert from mutual to stock form in accordance with Federal regulations only. Those Federal regulations, found in 12 CFR 363b, are designed to protect the interests of the mutual savings association's owners—its account holders—and prevent windfall profits to insiders and insider abuse. Thus, the regulations address the determination of the market value of stock in the converted savings association, the subscription rights of the mutual's account holders, require appropriate disclosures made to account holders and potential purchases, and most importantly, place limits on the amount of stock that insiders may purchase.

The Federal regulations have worked well, allowing thrifts to recapitalize while protecting the mutual account holders. In fact, they may have worked so well that lobbyists, lawyers and States have developed a way to evade them. The latest game involves converting from a mutual thrift to a mutual State savings bank. Then, those mutual banks convert to stock form of ownership under liberal State laws that are being adopted at a rapid pace. Often, these conversions are done in connection with mergers where a bank purchases the institution after it converts to stock form but before it goes public. All types of incentives are thrown in—free stock for thrift managers, retention of management, contributions to executive stock option plans—the 1990's equivalent of a toaster. In one such recent transaction, the acquiring bank purchased a mutual with a pro forma book value of $19 million for $9 million. Insider management and the acquirer profited by the difference. States have been rushing to pass these laws, and approve applications filed under them. Over 195 institutions, with over $39 billion in assets, have converted from Federal to State charters—the first step of these mutual to stock transactions—from January 1992 to date.

While these conversions, and the State laws that allow them, have been defended as consistent with the "free market", the more apt description is "free lunch"—for the insiders and big bank acquirers. This legislation simply applies existing laws and regulations for thrifts to these bank transactions to insure that account holders are adequately informed, that institutions are properly valued, and that insiders and acquirers don't benefit at the expense of the institution and its account holders. The legislation, upon enactment, will retroactively apply to all State bank conversion transactions taking place on or after November 22, 1993. This will prevent a "rush to convert" prior to the passage of this legislation and the FDIC's promulgation of regulations.

THE GREENING OF TECHNOLOGY

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mrs. MORELLA. Mr. Speaker, On November 18, I introduced H.R. 3540, a bill to coordinate the life-cycle assessment activities and resources of the Federal Government, relating to environmental technologies. The bill encourages a shift in thinking for both policymakers and business leaders. Environmental policies previously have focused on cleanup, and now we are turning to waste prevention and minimization, which will lead to greater environmental protection and long-term economic growth.

In September, 1992, the Science, Space, and Technology Subcommittee on Environment held a hearing in Rockville, MD, on Green Technology. Dr. Indira Nair from Carnegie Mellon University, chair of the advisory panel for the Office of Technology Assessment Report, Green Products By Design: Choices for a Cleaner Environment, commented on the report and recommended ways the Federal Government can encourage efforts to promote the concept of Green Design.

This legislation would ensure that the Federal Government coordinates its own programs that support the development of data and methods of life-cycle assessment. The Federal Government would also make its resources available to non-Federal entities, State and local governments, and businesses. The Federal Government would also use information from non-Federal sources who have developed successful programs.

Life-cycle assessment is simple in concept, but difficult to put into practice. At a November 18 Technology, Environment, and Aviation Subcommittee hearing, we listened to Daniel Imhoff of Esprit International describe how an international apparel company designed its Ecollection:

> In 1990 Esprit initiated an internal environmental audit of garment manufacturing as a means of improving its own products and influencing the fashion industry. * * * Esprit established a separate research and development project with a two-fold mission: to identify the environmental and social impacts of conventional manufacturing; and to seek out and test innovative materials and technologies. * * * Over the next two years, every aspect of garment production was examined: fibers and fabrics, dyeing and finishing processes, even buttons and trims.

Esprit's Ecollection uses organically grown cotton, and recycled wool. It does not use dyes containing heavy metals, but does use biodegradable enzyme washes to soften fabrics. Handpainted buttons from a women's cooperative in rural North Carolina and handknit sweaters from the Appalachian Fiber Artisans Cooperative are a part of the Ecollection. Esprit is influencing other companies to think green. Mission Valley Mills in Texas has opened the first organic cotton textile mill because Esprit has continued to purchase U.S.-grown organic cotton fibers.

This legislation encourages this new way of green thinking. I urge my colleagues to cosponsor H.R. 3540 and bring creative approaches to protecting the environment and promoting long-term economic growth.

THE RURAL CALIFORNIA HOUSING CORP. AND THE BANK OF AMERICA COMMUNITY DEVELOPMENT BANK

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. FAZIO. Mr. Speaker, I rise this evening in recognition and appreciation of a truly unique partnership between the Rural California Housing Corp. [RCHC] and the Bank of America Community Development Bank. These two entities have joined forces with the city of Williams, CA, the State of California, Catholic Healthcare West Corp. [CHCWC] and the Farmers Home Administration to create homeownership opportunities for low-income families in my district.

Agricultural workers in the city of Williams, in the heart of Colusa County, were in critical need of safe, affordable housing for their families. Yet, as we all know, during these times of high costs and scarce funding, homeownership has become more and more elusive for even middle income American families, let alone for workers whose wages are at the bottom of the pay scale.

Given these obstacles, the Bank of America Community Development Bank knew that the more traditional approaches toward meeting the challenge of affordable housing in rural America were not going to work—that different tactics were required—so they came up with a more creative strategy. They devised a plan whereby the State's Predevelopment Loan Program and Farmworker Housing Grant Program provided part of the funding for the land acquisition. The next step was for RCHC to work with the seller to buy the land over 3 years at an agreed upon fixed cost. Then, the Bank of America Community Development Bank truly became a partner—not just a lender—in this enterprise. It changed its standard for low-income housing appraisals, enabling it to make higher construction loans. Then it advanced a loan for land acquisition and site development, waiving its customary loan fee. At this point, the CHCWC stepped in and made a linked deposit that reduced the interest expense on the site development loan, thereby increasing the loan amount. The Farmers Home Administration [FHA] did its share by providing combined home construction/takeout financing for individual borrowers. And, to help offset costs, the city of Williams modified its standard performance requirements. Unanticipated cost increases were covered by additional contributions form the RCHC.

The end result is a subdivision of 123 self-help homes, 90 of which are completed and the remainder of which will be finished early

next year. The community has been strengthened and low income Williams residents have become first-time homebuyers at monthly costs less then what they were previously paying for rented apartments or mobile homes.

Mr. Speaker, a little over 1 year ago, on the occasion of RCHC's 25th anniversary, I paid a similar tribute to this organization and its efforts on behalf of quality, affordable housing for low- and moderate-income families in northern California. Today, I am once again pleased to be able to congratulate RCHC, the Nation's second largest producer of self-help housing, as well as the rest of this team, for collaborating on this innovative team effort.

IN RECOGNITION OF THE NEED TO BUY AMERICAN

HON. JAN MEYERS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mrs. MEYERS of Kansas. Mr. Speaker, I would like to call to the attention of the House a group of people dedicated to increasing the public's awareness of American-made products. Buy American, Inc., is a not-for-profit organization based in the metropolitan Kansas City area comprised of civic, labor, and business leaders interested in a positive approach to promoting the concept of buying American through education and public relations efforts designed to strengthen the job base in the United States.

As part of this initiative, the thousands of Buy American, Inc. volunteers and supporters encourage the recognition of Friday, November 26, 1993, as "Buy American Day, 1993." On this busy shopping day, it is important for consumers to recognize the availability of high-quality, domestically produced goods. Additionally, and very importantly, many American jobs depend on strong domestic sales during the crucial holiday season.

Mr. Speaker, I support Buy American, Inc. goals to educate consumers and focus attention on the vitality of American job growth. Increased consumer awareness can positively impact sales on this day of intense commercial activity as well as contribute to the financial health of our country.

BUCKET DROWNING PREVENTION ACT

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. PALLONE. Mr. Speaker, I have just introduced a bill that I hope will address a problem that has not received much public attention, but which has brought tragedy to over 200 families. Although most parents are aware that their homes contain ordinary items that are capable of causing harm to their young children, most are not aware of the drowning hazard presented by 4- to 6-gallon buckets.

As a new father, I am quickly learning that even the most seemingly innocuous items in my home can bring serious harm to my 2-month-old daughter, Rose Marie. Before this issue was brought to my attention, I was not aware of the danger presented by 4- to 6-gallon buckets and I am certain that there are many other parents like me.

Most people find these buckets at a work site or construction area and bring them into their homes for use as a diaper pail, or to use when mopping floors or washing cars. I know that parents must watch their children every moment, but there are times when parents look away for a moment. The tragedy occurs in bucket drowning cases because parents do not realize that their child has fallen into the bucket. They have looked away, and are unable to locate their son or daughter. By the time the parent realizes that the child has fallen into the bucket, it is too late—the child has drowned.

I want to stop these unnecessary deaths from occurring. My bill will require a label on buckets that will warn parents of the danger that is presented when buckets that contain even a small amount of liquid are left unattended. I believe that if parents are informed of the risk, they will be better armed to keep their children away from this dangerous situation, and we will soon see a dramatic decrease in the number of bucket drownings.

I am not alone in recognizing this problem. California has passed a bucket labeling law and New York is considering similar legislation. In order to ensure uniformity, I believe a Federal standard is appropriate, and I hope that the House will work with the other body which passed a similar bill yesterday. Several consumer groups and members of the industry have endorsed this bill and it is my hope that the House will pass a workable standard that is not overly burdensome on industry, but that provides the public with a strong warning and which has the effect of preventing accidents and saving lives.

IN RECOGNITION OF THE RETIREMENT OF COL. STEVEN P. STROBRIDGE

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. SKELTON. Mr. Speaker, I rise to commend and pay tribute to one of our Nation's most dedicated and professional military officers, Col. Steven P. Strobridge. Colonel Strobridge is retiring from the Air Force after 24 years of dedicated and distinguished service to his country.

Because of his superb reputation as a leader in the Air Force personnel community, Colonel Strobridge has filled critical positions in both the Office of the Secretary of Defense and on the Air Staff. As deputy director and later director, officer and enlisted personnel management, he was responsible for establishing policies on military personnel promotions, utilization, retention, separation, and retirement. Colonel Strobridge was assigned to his present position as chief, military compensation division, Air Force directorate of personnel programs, education and training in 1989.

Colonel Strobridge has been instrumental in numerous significant improvements to military entitlements, compensation and benefits that contribute directly to the recruitment and retention of the top quality personnel required to maintain the high standards and challenging mission needs of our Armed Forces, in both peace and in time of war. Those who know him, and especially those fortunate enough to have served with him, recognize his unwavering commitment to the welfare of the soldiers, sailors, airmen, and marines on whose service we all depend so heavily. Colonel Strobridge is a dedicated, unselfish, and tireless leader who has truly left his mark not only on the Air Force, but on the entire Department of Defense. His leadership and personal sacrifice will be missed, but not forgotten. He is a professional we can all look to with pride and admiration.

Mr. Speaker, I ask to enter into the RECORD our commendation, sincere appreciation, and best wishes to Colonel Strobridge for his outstanding service to the U.S. Air Force and to our great Nation.

BEULAH BAPTIST CHURCH

HON. CYNTHIA A. McKINNEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Ms. McKINNEY. Mr. Speaker, Beulah Baptist Church is celebrating 97 years of service and inspiration to residents of Georgia's 11th Congressional District.

I submit the history of the great Beulah Baptist, Rev. Jerry Black, pastor, for the CONGRESSIONAL RECORD:

BEULAH BAPTIST CHURCH—A BRIEF HISTORY, 1896–1993

One June 4, 1896, Beulah had its humble beginnings at an old time prayer meeting in a one room shack located on Mayson Avenue in northeast Atlanta. This was the home of Deacon and Mrs. Harry Oliver. Reverend W.F. Paschall, Elbert Lofton, Harry Williams, Eliza Gaither, and Lizzie Goldsmith were among the band of Christian followers who held weekly "fire burning" prayer meetings that shaped Beulah's future to come.

As a result of these weekly prayer meetings, Beulah Baptist Church was organized by its first pastor, Reverend W.F. Paschall, on Thursday night, November 20, 1896, along with the ever faithful and devoted band of Christians. Reverend Paschall served faithfully for thirty-three years, 1896–1929, until he accepted the call to another church. Reverend Dorsey Gordon, Reverend Henry White, Reverend Sam Barnes, Reverend T.H. Seals, and Reverend Paul Scruggs were among the ministers present at this grand event. Later, the members moved to Hardee Street under the latticed bush arbor where Mrs. Lizzie Goldsmith was the first baptized member, as well as the first mother of the church. A Women's Home Mission society, headed by Mrs. Lula Paschall, and a Sunday School were among the first organizations to take form within our newly organized church.

The years which followed ushered in new goals, ideas, and challenges for a growing congregation. This prompted the purchase of land for the sum of $100.00 at the corner of Wesley and Hardee streets on which a wooden church was built. As the membership continued to increase, the church was enlarged

and bricked to accommodate the growing needs of the congregation.

Reverend E.M. Johnson, who displayed unusual qualities of leadership and possessed an eloquent speaking ability, pastored Beulah between 1929–1935. Thus, the membership increased greatly. Reverend Johnson passed on the gospel torch to Reverend R.J. Hawk who became pastor for one year, 1935–1936. He was succeeded by Reverend C.A. Moore who served from 1937–1942, while Reverend B.R. Watts served as pastor from 1942–1948. It was under Reverend Watts' administration when Beulah experienced its most memorable event which was the burning of the church's mortgage note. It was the development and implementation of the ward system that proved beneficial in Beulah's financial efforts in recovering the church's deeds.

The church then called Reverend E.D. Thomas who proudly served as our pastor for thirty-six years, 1948–1974. It was during this time that the Mary White Carlton Fellowship Hall was dedicated. This dedication consisted of a grand finale, which was the unveiling of Ms. Carlton's portrait by her grandchildren. Under his powerful leadershp, the church continued to grow and prosper even more, as progressive thinking became instilled in the minds of the congregation. We stepped out on faith and accepted the task to build a $76,000 education annex, purchase the only organ in the history of the church, install new pews and carpeting, and purchase other property. Due to Beulah's innovative search for financial freedom, a restructuring of financial procedures occurred. This resulted in the changing of the name "ward captain" to "birth month president" and the establishment of a building fund. Through it all, God was before us and beside us and we became debt free. We thank God for Reverend Thomas for thirty-six years of leadership as an humble and beloved pastor. He died January 1978, but his memory will forever be in our hearts.

On the first Sunday, June 1975, we accepted a new challenge and an even greater blessing from the Lord. We marched into a beautiful edifice known as the New Beulah Baptist Church located at 2046 Sage Land in Southeast Atlanta. It was a glorious occasion long to be remembered by many. Yet, we will always cherish our memories of the site at 1536 Hardee Street.

Notable contributions were made by Reverend Littleton Price who pastored from 1976–1977. Reverend Price later accepted the call to pastor another church leaving Reverend J.I. Jones, a member of Beulah, with the task of serving as interim pastor until 1978 when Reverend Jimmie Lee Smith accepted the pastorship of the church. His tenure ended in 1990, but not before he led the Beulah family to higher grounds.

Reverend Smith inspired our prayer services, organized Bible study classes, implemented tutoring classes for people with poor reading skills, assisted in the opening of a daycare nursery during Sunday morning services, established scouting troops for boys and girls, and encouraged other sporting activities and events throughout the church. The laying of the cornerstone at the present Beulah location is one memorable event which occurred while Reverend Smith servied as pastor of our church. The cornerstone was laid on the first Sunday, June 1978, with a very impressive ceremony.

From 1990–1991, Reverend Zeddie Scott served as interim pastor. Beulah thanks Reverend Scott for keeping the church together. He served faithfully until August 29, 1991, when the conference called Reverend Jerry D. Black as its new spiritual leader. Reverend Black, who is truly a man of God, came to us with his sleeves rolled up. Beulah has become energized because of "The Black Concept", which emphasizes humbleness of heart, increased personal and spiritual growth, and earnest commitment is service to our Lord and fellowman. Organizations formed, reorganized and some even became revitalized under his auspices. These organization include the Ministers Wives Guild, Ministry for the Incarcerated, Overcomers Outreach Ministry, Christian Education Department, Wednesday Noonday Prayer Service, Sunday School Teachers Meeting, Men's Ministry, Young Men for Christ, and a class regarding Effective Tools for Witnessing.

Beulah's rich history and heritage also include the ordination of several ministers who were called to go into the Lord's vineyard to preach the gospel. Among these are the following Reverends: D. A. Guy Banks, Joe Spear, O. Rutland, Richard Gammage, Hubert Hamilton, William E. Flippin, Lois Anderson, Lonnie White, Woodrow Williams, George Scott Freddie Anderson, Michael Caldwell, Zeddie Scott, Stephen King, and Duane Jackson.

History is like a river. As the river flows to its final destination, it changes its course at various points; but whatever its form or direction, it is the same river. Like the river, Beulah's history reveals that we have changed course at various points; but we are, nonetheless, God's church and we will continue our mission in faith, hope, and love. As we look back over these 97 years, we have been given a perspective of how far we have come and how far we have to go in our work for the Master.

VEHICLE EMISSIONS AND URBAN AIR QUALITY

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. KILDEE. Mr. Speaker, as co-chairman of the Congressional Automotive Caucus, I would like to bring to my colleagues attention an article that recently appeared in the July 2, 1993, Science magazine, entitled: "Achieving Acceptable Air Quality: Some Reflections on Controlling Vehicle Emissions." This article, co-authored by four experts in this field, contains some intriguing findings that will interest members who are concerned with urban air quality.

Mr. Speaker, the authors of this article make three major points concerning this issue. First, urban air quality, which is affected by both automobile emissions and emissions from so-called stationary sources—like factories and drycleaners—has greatly improved since Congress first passed clean air legislation 25 years ago. Second, we still have a more to do to meet the law's requirements. Third, the most cost effective way to make further reductions is through measures aimed at cars already on the road, not by imposing additional emission controls on new cars.

As many of my colleagues know, improvements in vehicle emission systems have reduced ozone concentrations by 8 percent from 1982 to 1991, and carbon monoxide levels are down 30 percent over the same period. The innovation of the catalytic converter alone is responsible for the reduction of the three major pollutants, hydrocarbons [HC's], nitrogen oxide [NO_x] and carbon monoxide [CO] by a factor of 5 to 10. These reductions have made our cities healther and cleaner places to live.

However, as the authors note, many metropolitan areas still suffer periodic levels that exceed current air quality standards. The situation will only get tougher for cities as the stricter requirements of the 1990 Clean Air Act are phased in. In fact, several recent studies document higher vehicle emissions than predicted by the computer models used to forecast air quality.

The authors site data which show that about 50 percent of auto emissions come from only 10 percent of the vehicles on the road. Many of these are the older models, the clunkers, as they are known, with limited, if any emission control systems. However, the data shows that this group is not limited to just the clunkers—it includes a significant portion of recent year models and brand new vehicles. In fact, some of the worst emitters are the newest models. The evidence indicates that tampering has occurred in several instances. Some automobiles have had their emission control systems tampered with, some have been misfueled with leaded, instead of unleaded gas, which has ruined the catalytic converter and emission control system, and a significant portion of the high emitters either do not have the required maintenance performed or do not have it performed properly.

The authors also cite other causes for higher than anticipated emissions. There are more cars on the road, problems with evaporative emissions, effects of weather conditions, and variations in testing conditions.

The Clean Air Act of 1990 sets out three basic ways emission reductions can be achieved and the authors evaluate each of them. These include improving the vehicle, enhancing the fuel or emission system, and bettering inspection and maintenance programs [I&M].

On vehicle improvement, there is extensive research being conducted world-wide. Improvements look promising in the areas of basic engine design, control systems and the exhaust system.

While this may take some time, more effective control systems for evaporative hydrocarbon emissions are on a faster track. The authors believe these new systems, combined with fuel volatility controls and better inspection procedures, will eliminate evaporative emissions in a few years as a major source of hydrocarbon emissions.

With respect to the fuel option for reducing emissions, the authors believe that reformulated gasoline gives the biggest bang for the buck. They rate it as far superior to alternative fuels like natural gas, or alcohol fuels like ethanol, for several key reasons. It is more cost effective to produce, it is easily marketed through existing facilities, and it results in significant reductions in both tail pipe and evaporative emissions for the entire vehicle population, not just new vehicles.

Improvements in inspection and maintenance programs offer the greatest potential for additional emission reductions, the authors conclude. As every car owner in a major metropolitan area knows, these are the required

inspections of the car's emission control system which ensures it is operating effectively. When a problem is discovered, the owner must correct it before the car registration is renewed. However, it has not been as effective as anticipated because First, high emitting vehicles have been exempted from the repair requirements, second, repair shops often perform the tests sloppily or incompletely, and third, auto owners and repair shops have cheated on the tests, either by modifying the vehicle before the test or by altering the results if the vehicle fails the inspection. The end result is that there are a lot of cars on the road which are emitting far more pollutants than they should.

Mr. Speaker, if we really want to reduce auto emissions in a cost effective manner, we need to focus on the real problems, such as old cars and high emitters. The authors suggest that in order to reduce the disproportionate amount of emissions from these vehicles, I&M programs should be tightened up, and penalties should be increased for cheaters.

According to the article, "Recent studies * * * have shown that if all auto emissions are removed from the emissions inventory in Los Angeles by 2010, ozone concentrations will be only about 10 percent lower than they are projected to be if current regulations are implemented." Los Angeles and much of California will clearly have to take extraordinary steps to clean up the air, like requiring new cars with zero emissions. However, Los Angeles and California are not the rest of the country and mandating such extreme measures for everyone else will squander our scarce financial resources. We will, in effect, subsidize the small number of vehicles which are responsible for the majority of emissions if we continue to focus only on developing more complex and expensive controls for new vehicles. Equally important, this misplaced focus will not give us the kind of air quality improvement our constituents deserve. Mr. Speaker, I urge my colleagues to read this important article.

SALUTE TO JOHN CONNELL

HON. GLENN POSHARD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. POSHARD. Mr. Speaker, I rise to pay tribute to John Connell, who is retiring after 21 years of dedicated service to the village of Energy, a community which I am proud to serve in the U.S. House of Representatives.

John Connell started working for the village in November 1972. He worked under four different mayors—the Honorable Dale Walker, Bob Jeralds, Stanley Bloodworth, and Rex Piper. But mostly, he worked for the people of Energy, which is the kind of community where you know most everyone by name and care about them as friends and neighbors.

John was responsible for a nearly 100-percent improvement in the Energy water, sewer, and road systems. The widening of important arteries such as Pershing and College Streets was also the result of his oversight and hard work. Even as supervisor of public works, John also found time to serve as fire chief, improving the village's fire rating and striving again to make Energy a better, more safe place to live.

Friends I have talked with about John always point out how responsible he is and how he always accomplished whatever task needed to be done. When the snows would fall or when the storms would bring down branches and limbs, John would be out early and late to clean things up and make Energy presentable and open for business. He went above and beyond the call of duty because he cared about what he was doing.

Maybe that stems from his 22 years of service in the U.S. Army, where he earned the Bronze Star. Or maybe he draws his strength from the love and support of his wife of 42 years, Esther, and the three children and four grandchildren with whom they share their lives. Either way, we are lucky to have had someone like John working on our behalf, and we all wish him the greatest success and enjoyment in his retirement.

EXPLANATION OF THE MEDICARE CHANGES INCLUDED IN THE COMMON CENTS DEFICIT REDUCTION ACT OF 1993 THE HONORABLE CASS BALLENGER

HON. CASS BALLENGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. BALLENGER. Mr. Speaker, I have received several inquiries from constituents questioning the Medicare spending provisions included in the Penny-Kasich Common Cents Deficit Reduction Act of 1993. The fact sheet below, provided by the House Budget Committee Republican staff, explains the Medicare reforms.

A FACT SHEET

The Penn/Kasich plan would reduce the increase in Medicare spending $34 billion over five years. Of these savings, $11.2 billion comes from asking those with higher incomes to pay more for Part B premiums rather than receive a 75% subsidy. This compares with the $124 billion in Medicare reductions in the Clinton health care proposal. Penny/Kasich includes provisions instituting coinsurance on the two remaining Medicare benefits that currently have no coinsurance, and begins means testing Part B premiums and Part A deductible at $70,000 of income for individuals and $90,000 of income for couples. All of these proposals are accepted by health care reformers as reasonable and needed for true cost containment.

No Medicare beneficiary at or below 150% of poverty would pay the coinsurance.

A prospective payment system is established for home health to standardize rates and protect beneficiaries from being overcharged.

The Clinton administration believes home health coinsurance is good policy because they include it in their health plan.

Coinsurance for Medicare services is not a new concept; in fact, the home health benefit is one of the two remaining Medicare services with no coinsurance requirement.

CLINICAL LABS

Clinicial labs had a coinsurance requirement in the past. It is one of only two Medicare benefits with no coinsurance requirement.

The Clinton administration believes clinical lab coinsurance is good policy because they include it in their health plan.

MEANS TEST PART B PREMIUM

Only individuals with incomes above $70,000 and couples with incomes above $90,000 would pay the higher premiums.

The current premium is based on the national average and is subsidized 75 percent. Penny/Kasich gradually eliminates the premium subsidy.

The Clinton administration believes means testing the Part B premium is good policy because they include a similar proposal in their health plan.

THE FACTS

There has been concern over the Medicare provisions in the Penny/Kasich plan. This fact sheet will detail the provision, discuss inaccuracies of critics, and give examples of potential payments by Medicare beneficiaries. Medicare is projected to spend $989 billion over five years. Penny/Kasich affects this amount by only 3 percent.

HOME HEALTH

1. The Home Health benefit is one of the two Medicare programs without coinsurance requirement for beneficiaries (the other being clinical labs). The Penny/Kasich Deficit Reduction Plan institutes a 20 percent coinsurance on these services, which include visits by skilled nurses, physical therapists, speech therapists, occupational therapists, medical social services, and home health aides. The benefit is used by 2.2 million of the 31.3 million Medicare recipients (7 percent).

As a free benefit, home health services spending has risen 45.9 percent, 30.1 percent, and 47.4 percent respectively over the past three years. In 1993, it is estimated the program will increase 42.4 percent for total spending of $10.184 billion. Over the next five years, the program is projected to spend $95.5 billion. In other word, .this one program will spend more than the Penny/Kasich plan reduces from the entire federal budget.

2. The proposal includes two important provisions to ease the burden of the coinsurance. These are as follows:

"a. Medicare beneficiaries at or below 150 percent of the poverty rate (individual $10,455; couple $14,145) will not pay the coinsurance. The coinsurance will be paid by the Qualified Medicare Beneficiary program, which currently pays Medicare premiums, deductibles, and coinsurance for those at the poverty rate.

"b. A prospective payment system is established at 93 percent of the mean rate. The 20 percent coinsurance would be based on a rate limited to no higher than 93 percent of the mean (the current limit is 112 percent of mean). A national association and most home health agencies support the new system."

The prospective payment system provision also includes regulatory relief from current cost reporting requirements. For some home health agencies, this reporting accounts for 40 percent of the cost of operation. This regulatory relief will lower costs, thus lowering the charge to Medicare for services. The provision will establish standard rates and thus remove the variance charges for the same service. This will protect the Medicare beneficiary from being overcharged for a coinsurance payment.

3. Clearly, Medicare beneficiaries or their medical insurance will have to pay a fraction

of the cost of a service they now receive without cost. However, the 20 percent coinsurance is reasonable, and brings home health services in line with the rest of Medicare coinsurance requirements. Health care economists agree that the days of providing benefits with no coinsurance are over. The propensity to overspend when using other peoples' money is proven by the data. Spending on benefits provided with no cost consciousness is unsustainable.

Attack: The AARP sent letters claiming high costs to Medicare beneficiaries. One letter asserts the coinsurance would "cost the average home health user another $850 in 1994."

Truth: 1. The average home health user (7 percent of all Medicare beneficiaries) is not paying anything now—how can it be "another $850"?

2. The methodology used to calculate the costs per beneficiary was flawed. They multiplied averages by averages and created a distorted number which overstated the cost by more than double. Some basic math skills would have prevented these inaccuracies. Using a weighted average for each type of services provided to beneficiaries, the total average coinsurance cost would be $391.08. This more accurately represents the use of services by a beneficiary and thus the average coinsurance. (Source data: Prospective Payment System Report to the Congress, June 1993; Federal Register July 8, 1993)

The home health provision does entail costs for the beneficiary. We would expect Medigap policies and private insurance coverage to adjust to this policy change.

Finally, it is charged that the coinsurance is a new "sick" tax. The question arises: when exactly should we pay for health care? The Clinton administration believes coinsurance is good policy coinsurance provisions are included in their health plan. This is an effort to implement spending restraint in a deficit-ridden budget.

CLINICAL LAB SERVICES 20 PERCENT INSURANCE

The coinsurance on clinical lab services would require Medicare beneficiaries to pay 20 percent of the cost of tests. Clinical lab services is part of Medicare Supplemental Medical Insurance (SMI), or Medicare Part B. It is a voluntary benefit, and covers physician services. Part B is currently subsidized 75 percent by general tax revenues.

In the past, the clinical lab program charged a 20 percent coinsurance. It was removed when the payment system was changed. The Penny/Kasich plan would reinstate the coinsurance, requiring nominal payments by the beneficiary. The service includes the typical tests given at a doctor's office, and either analyzed in an office lab or sent to a clinical lab. They include blood tests, urinalysis, electrocardiogram, pap smears, etc.

"For example: Mrs. Smith goes to the doctor for an annual complete physical. Typical tests and charges would be a urinalysis ($12.50), SMAC/CBC comprehensive blood test ($40), pap smear ($18), hemoccult ($7), and electrocardiogram ($15), for a total of $92.50. The total coinsurance paid by the beneficiary for all tests would be $18.50."

Many Medicare beneficiaries will have the coinsurance paid by employer-provided retirement coverage or other types of insurance. The coinsurance will not be onerous as the cost of clinical lab tests are modest. The Clinton administration includes the 20 percent coinsurance in their plan.

MEANS TEST MEDICARE PART B PREMIUM

The Penny/Kasich plan gradually reduces the Medicare Part B premium subsidy beginning at $70,000 for individuals and $90,000 for couples. The subsidy would be phased out in increments of 3 percent per $1,000 of income above the threshold. The full national average premium would be paid by individuals above $95,000 and couples above $115,000 income.

Attack: The Democratic Study Group claims the proposal would make elderly overpay for Medicare Part B coverage.

Truth: Again, the Penny/Kasich plan is attacked by specious logic and bad math skills. Using their logic, all (not just high income) Medicare beneficiaries in rural counties are overpaying their premium now. If they are paying 25 percent of the national average, they are not receiving as much subsidy as those in high cost areas. A national average is just that—a national average. Pointing to a county with low costs and claiming overpayment of a national average makes no sense.

Everyone knows Medicare underpays providers and shifts costs to the private sector. Does anyone really believe someone over 65 could purchase part B coverage for $164 per month? The national average for private sector health insurance is $400. Most people were paying $400 per month for health insurance before entering Medicare. It's still a good deal even without the subsidy.

Finally, a very similar proposal is included in the Clinton health plan. It is widely recognized the current subsidy needs to be eliminated.

CAVEAT CONSUMERS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. DINGELL. Mr. Speaker, I commend to my colleagues the following November 5, 1993 Detroit Free article which points to the dangers posed by special interest groups to rational debate on health care reform. As the article aptly points out, policymakers need to maintain a critical eye and sharp mind against the frontal attack that will be waged by those with special interests in the outcome in the health care debate. If we are going to produce sound, rational health care policy, we must insist on well articulated and factual arguments.

HEALTH CARE—WARNING: INDUSTRY ADS MAY BE HAZARDOUS TO REFORM

The hyperbole and special pleading that distort the national debate on health care can only be expected to grow, now that President Bill Clinton's complicated reform proposal offers such a fat target to naysayers and nitpickers.

So Hillary Rodham Clinton's broadside this week against the heath insurance industry's TV commercials opposing the White House plan provides a useful reminder—even if you disagree with the first lady—that consumers must remain skeptical of sincere-sounding rhetoric and slick, expensive advertising, from whatever source.

Ms. Clinton accused the industry of greed and dishonesty in asserting in its ads that the administration's reform initiative would cost too much, create too much regulatory bureaucracy, and impermissibly limit patients' choice of doctors and hospitals. To the contrary, she argued, health insurers' profit-motivated restrictions on medical coverage have diminished choice, denied affordable insurance to millions of Americans, and brought the U.S. health care system "to the brink of bankruptcy."

By contrast, the president's (and her) managed "competition" proposal, she said, would enhance choice and security by allowing Americans to select from an array of health care plans, including the traditional fee-for-service model. But what happens, critics ask, if one's preferred plan is oversubscribed or runs out of money?

The insurance industry defends the accuracy of its ads, and insists it seeks universal coverage and what it calls "comprehensive" reform rather than the status quo. In the next breath, though, it opposes as chaotic White House attempts to contain the growth of health insurance premiums and to provide medical benefits through regional purchasing alliances.

We think Ms. Clinton is more nearly right than the industry. To maintain public support, the administration will have to defend its proposal aggressively against interest-group criticism from many directions, even as it remains willing to negotiate details with Congress.

But the danger of a White House war on insurance companies, drug manufacturers, Republicans, doctors, employers, or any other medical lobby or trade group, is that it could deflect administration—and public—attention from the central questions that must guide the health care debate: cost efficiency, quality, access and innovation.

The squabble between the first lady and the insurance industry persuades us more than ever that the best way to curb the industry's dominance would be to remove it from the health-care system—except, perhaps, for claims processing—by embracing a progressively financed, government-administered, single-payer system.

INTRODUCTION OF THE HEALTH EQUITY AND ACCESS REFORM TODAY

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. THOMAS of California. Mr. Speaker, when we return for the second session of this Congress, one issue will dominate the agenda—health care reform.

Thus far, the debate on this issue has centered on the Clinton Administration plan which uses the heavy hand of federal regulation, massive bureaucracy and an enormous tax increase to deliver universal health coverage. The average American, worried about losing control of their personal health decisions to the federal government, remains unconvinced by the President's approach.

That is why I am introducing health reform legislation today that guarantees every American coverage but leaves the individual in charge of his own health choices. This legislation, The Chafee-Thomas Health Equity and Access Reform Today bill, or HEART, is being jointly introduced by myself and Senator JOHN CHAFEE. HEART is the most comprehensive Republican health care plan to date and represents the tireless efforts of many Republicans to meet the President head-on in the health reform debate.

And I would like to thank my staff, the staffs of both the House Ways and Means Committee and Senator CHAFEE's office, particularly

Ann LaBelle and Christine Ferguson, for their fine efforts and hard work in helping to develop the HEART proposal. I would also like to thank the House Legislative Counsel staff, particularly Edward Grossman, Noah Wofsy, Lawrence Johnson and Susan Fleishman, and Senate Legislative Council Mark Mathiesen, William Baird, Susan Fauver, and Julie Simon for their tremendous support in helping to draft this bill.

We all agree that our Nation's health care system is in need of reform. Many people cannot acquire or pay for adequate health insurance. Others face precarious situations when they get sick, change jobs or their employer changes coverage. Access, security and cost are the three most pressing issues on Americans' minds when it comes to health care.

HEART will give everyone access to a standard package of benefits including medical and surgical services, prescription drugs and preventative services. Every health insurance plan would have to offer this coverage or lose their tax deductibility. Furthermore, insurance plans could not reject or hike up premiums to any applicant because they are sick or have a pre-existing condition. Plans would be forced to compete on the basis of price and quality of services they can bring to their customers.

All employers, both large and small, must offer the standard benefit package. While employers are not required to pay for this coverage, small employers, who currently find coverage unaffordable, may take advantage of HEART's new purchasing cooperatives to buy insurance with the same price and administrative advantages as big companies.

These purchasing cooperatives, of which there may be several competing for business in one area, will also operate for the benefit of the self-employed and other individuals who wish to purchase insurance on their own. Even the low income individual, which is not Medicaid eligible, can get standard coverage form the cooperative where he/she lives. A government voucher, phased in over a ten year period, will help those with incomes up to 240 percent of the poverty line buy the standard benefits.

HEART also makes the tax treatment of health benefits more equitable. Self-employed workers and individuals who buy their own insurance will be able to deduct all their premiums just like companies do now. In addition, long term health insurance will receive favorable tax advantages to enhance American health security.

My proposal does require that by the year 2005 every American obtain health coverage. But purchasers still retain many choices. For example, individuals may choose a catastrophic plan with an integrated, tax deductible medical savings account to meet their coverage requirements. Employers may also offer these plans and make contributions without tax consequences to their employees.

But Mr. Speaker, the most important standard by which this plan or any other plan should be measured is in its affordability—the standard of reality. For without this, all the promises of access, security and quality are empty.

This plan does not make promises it cannot keep. It does not mandate huge tax increases on working Americans. It does not sacrifice the quality of medical care. And it does not rely on phoney price controls to support a huge new layer of bureaucracy.

Mr. Speaker, it is important to note that this is the same approach used in the other Republican health care reform plan, the "Affordable Health Care Now Act," of which I am also a cosponsor. This is the only effective approach to reform.

The HEART plan pays for the low income voucher assistance by reducing the growth of Medicare and Medicaid from the current 12 percent rate to 9 percent. And that's not just a promise. Our budget enforcement requires that the reductions be certified by the OMB before the expansion of the assistance programs proceed.

Mr. Speaker, U.S. medicine is one of the wonders of the modern world. It was built by American genius, innovation and the marketplace. The HEART plan uses the strengths of the current system and addresses the ills of the system with a dose of reality, a characteristic that has been all too uncommon in the health reform debate until now.

SUMMARY OF THE "HEALTH EQUITY AND ACCESS REFORM TODAY ACT OF 1993" [HEART]

The "Health Equity and Access Reform Today Act of 1993" guarantees every individual access to affordable and secure health coverage through substantial health insurance market reforms. Low income individuals will receive government vouchers to help purchase insurance. The vouchers are phased in through 2005 as savings in current government health programs are realized. The legislation will constrain the growth of health care costs through structural reforms and other savings.

HEART makes important changes in the tax treatment of health insurance that will make it easier to obtain coverage. The proposal also creates equity in the tax code. Individuals and the self-employed will be able to deduct all of their reasonable health insurance expenses. Tax code clarification will also help make long-term care insurance more affordable.

In addition, special assistance is provided for medically underserved, frontier, rural, and inner-city areas. "HEART" also contains important administrative, antitrust, medical fraud, malpractice, and quality assurance initiatives.

SECURE AND EQUITABLE HEALTH INSURANCE COVERAGE

Insurance and Consumer Protection Reforms

To be fully tax deductible, an insurance plan must be certified by the state as a "qualified health plan" following federal benefit and other standards. All qualified health insurance plans must meet the following requirements:

Guarantee eligibility to all applicants.

Prohibit discrimination based on illness or preexisting conditions.

Guarantee renewal.

Ensure delivery of services throughout the entire geographic area (or Health Care Coverage Area) in which they are offered.

Offer either a standard or catastrophic/medical savings account benefit package (or both).

Encourage formation of purchasing groups for individuals and small businesses (100 or fewer employees).

Comply with administrative reforms, meet quality assurance and solvency standards, participate in risk-adjustment programs among insurers, and implement requirements to reach the medically underserved.

Individual and Small business Purchasing Groups

To provide some of the same market advantages large businesses enjoy, and to disseminate better consumer information, purchasing groups may be established through which individuals and small businesses may choose from among several qualified health plans. States will establish geographic areas called Health Care Coverage Areas (HCCAs) in which one or more purchasing groups may compete for members. An HCCA may also be formed by interstate agreement to cover more than one state.

Vouchers to Assist Low Income Purchasers

Starting in 1997, those with incomes below 90 percent of the poverty level (and who are not eligible for Medicaid) will receive vouchers to buy insurance through purchasing groups. Voucher assistance will expand annually up to 240 percent of the poverty line in the year 2005.

Uniform Benefits Package

The standard benefit package includes medical and surgical services and equipment, prescription drugs, preventive services, rehabilitation home health services for acute care, hospice care, and some mental health services—all of which are based on a medically necessary or appropriate standard. Copayments and deductibles may apply to all but preventive services. An alternative catastrophic benefit plan can also serve as qualified coverage.

A Benefits Commission, appointed by the President and Congressional leadership, will report to Congress on any needed clarifications of the benefit plan. Annually, the Commission may recommend benefit changes for the approval of the Congress and President.

UNIVERSAL COVERAGE: INDIVIDUAL AND EMPLOYER RESPONSIBILITIES

Individual Responsibility for Health Care Coverage

All individuals must obtain health insurance coverage by 2005. The requirement is phased in based upon an individual's ability to purchase the standard plan and will be tied to the gradual expansion of federal assistance for low-income uninsured individuals. Individuals who enter the health care system uninsured will pay a penalty equal to the average yearly premium of the local area plus 20 percent.

Employer Responsibility for Health Care Coverage

Small employers (those with 100 employees or less) must offer (but need not pay for) a standard benefit package or alternative catastrophic insurance obtained from a qualified health plan. Employees of small businesses may choose not to join any of the plans offered by their employer. They may, instead, purchase insurance through a different group or qualified health plan.

Large employers (those with more than 100 employees) must offer both a standard and catastrophic benefit package to all employees. The employer may form a purchasing group, purchase from a qualified health plan, or self-insure for the purpose of providing insurance; however, its plan must comply with all consumer protection and insurance reforms.

TAX TREATMENT OF HEALTH CARE COVERAGE

Individual and Employer Tax Provisions

All purchasers of qualified health plans will receive favorable tax treatment up to the "applicable dollar limit." Employees

with employer paid insurance will not count the premium payments as income when the premiums do not exceed this amount; premiums in excess of the cap will be taxable to the employee as income. The health insurance deduction for self-employed persons is extended permanently and increased to cover 100 percent of the cost of qualified health plans, up to the "applicable dollar limit." The medical expense deduction for health insurance premiums of other taxpayers would be expanded to permit the deduction of 100 percent of the cost of qualified health plans (up to the amount discussed above), even for individuals who do not itemize deductions.

Medical Savings Accounts (MSAs)

Medical Savings Accounts can be part of any qualified catastrophic benefit plan. Contributions to an MSA will be fully deductible up to the applicable dollar limit. If the employer makes the contribution, the amount contributed is excluded from the employee's income. These accounts are available to pay the cost sharing requirement of the catastrophic health plan and may also be used to purchase long-term care.

FEATURES TO IMPROVE THE CURRENT HEALTH CARE SYSTEM

Quality Assurance and Medical Research

All health plans must have a quality assurance program consistent with federal guidelines. Federal research on effectiveness outcomes will be expanded, and a clearinghouse and other registries on clinical trials research will be developed. A Medical Research Trust Fund is established to guarantee funding for research.

Assistance To Underserved Areas and Provider Incentives

Health plans may be required to provide additional benefits to special needs populations in defined geographic regions. Plans will be compensated for such care through grants or enhanced reimbursement.

In order to increase the number of primary care providers, the National Health Service Corps and other health profession funding would be increased. States may apply for Medicare graduate medical education demonstration authority to experiment with methods of changing physician specialties.

JUDICIAL REFORMS

Malpractice Reforms

To lower health care costs, parties in malpractice suits must participate in alternative dispute resolution systems before entering regular litigation procedures. Noneconomic damages are capped at $250,000, and liability for such damages shall be based on proportion of fault. Providers following practice guidelines approved by the Agency for Health Care Policy and Research (AHCPR) shall have a presumptive defense against malpractice claims.

Anti-Fraud and Abuse Control Program

The bill establishes a national health care fraud prevention program. It increases and applies civil penalties for Medicare and Medicaid fraud to all health care programs. Providers convicted of fraud will be excluded from the Medicare program.

Antitrust Reforms

The Attorney General, along with HHS and FTC, shall establish competition guidelines for approved providers, health care plans, and purchasing groups. Justice, HHS and the FTC will establish expedited waiver procedures from antitrust laws. Cooperative ventures shall be subject to the "rule of reason analysis."

"HEART" FINANCING GUARANTEES NO INCREASE IN FEDERAL HEALTH COSTS

Reductions in Medicare/Medicaid Programs

Savings in Medicare and Medicaid finance fully the low income voucher program. Savings arise from means testing the Medicare Part B premiums, phasing out payments to hospitals for uncompensated care and for enrollee bad debt, and instituting a managed care program in Medicaid.

Budget Procedures to Protect Against Cost Overruns

The voucher program expansion proceeds only after certification by OMB that savings are occurring as scheduled. In the event that savings occur more rapidly, the phase-in will be accelerated. In the case of a savings shortfall, it will be decelerated. The Benefits Commission may make recommendations to Congress to reduce the deficit amount by restructuring benefits or restructuring health care entitlements. If Congress enacts such recommendations, the deceleration in voucher coverage will be appropriately adjusted.

CONGRESSMAN KILDEE HONORS DAVID NUSSBAUM

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. KILDEE. Mr. Speaker, I rise today to honor a dear friend of mine, Mr. David Nussbaum, who has recently announced he will be leaving my hometown of Flint, MI for a new position in Richmond, VA.

Mr. Speaker, for the past 10 years, David Nussbaum has been a dynamic, and effective community leader as the executive director of the Flint Jewish Federation. He organized and strengthened the Flint Jewish community, which has always been a strong advocate for human dignity and justice. In this capacity, David has worked to improve the quality of life for not only the Flint Jewish community, but the entire community.

David is a compassionate human being who cares deeply about people and their problems. He understood the need for social services in the Jewish community so he established the Flint Jewish Family and Children Services to address those unique problems. But David knew that a community is only healthy when all of its people are strong. David understands that people are a community's strongest assets, and Mr. Speaker, that is indeed true of both Flint, MI and David Nussbaum.

In serving our community, David was an officer in the Urban Coalition of Greater Flint, he was the president of the Greater Flint Sunrise Rotary, chair of the city of Flint Human Relations Commission, community co-chair of the 1986 Martin Luther King, Jr. Flint Holiday observance, and a board member of both the Mott Community College Foundation Board and the Endowment Board. In addition to these activities, David maintained a national presence through his deep involvement in the National Jewish Community Relations Advisory Council.

David was one of those special people that you knew you could always count on to lend a hand. I knew that I could call David at any time, at any place, and he would do what was humanly possible to help. And when David called me for assistance, it was to help a person in need. David was also active in the Democratic party. He would often call me in Washington, DC, to give me his views on the issue of the day. Most of the time, it was a view that we both shared. He was someone I could count on for honest and politically astute advice. But, as I told David, when I am in Washington, DC, he will now be only 90 miles away. So, I know I will see him often.

Mr. Speaker, if losing David were not bad enough, we feel another loss in that David's wife, Laurie MacArthur, will be leaving for Richmond as well. Laurie has lived most of her life in Flint, and has also been very active in the Flint community. She is currently the executive director of the Flint Visually Impaired Center, and a member of the Bishop International Airport Authority and the board of Health Plus of Michigan. Laurie is also a founder and executive board member of 100 Women, a group promoting women's issues and candidates throughout the State of Michigan. She also served as president of the Junior League of Flint and chairperson of the board of the Department of Social Service in Genesee County. A Michigan State University graduate, she served as associate executive of the United Way of Genesee and Lapeer County.

Mr. Speaker, our community will certainly miss David and Laurie for all they did to enhance our community. What makes life so special is being able to share time with people like David and Laurie, who touch people's lives in the most positive way. Most of all, I will miss their friendship, which I will cherish forever. I wish them the best in their future endeavors, and I want them to know they will always have a place to call home in Flint.

AIRCRAFT NOISE OVER NEW JERSEY IS INTOLERABLE

HON. BOB FRANKS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. FRANKS of New Jersey. Mr. Speaker, like all other congressional offices on Capitol Hill, my office regularly receives hundreds of phone calls, facsimiles, and letters each day from constituents. Today, my office was contacted by Ms. Ann Reynolds of Scotch Plains, NJ concerning the issue of aircraft noise. While it is not unusual for my office to receive complaints about the high level of aircraft noise over the communities of central New Jersey, Ms. Reynolds relayed a unique story concerning aircraft noise that deserves to be brought to my colleagues' attention.

The Reynolds family moved from Manhattan to Scotch Plains last July to seek peace and quiet in a residential setting. The Reynolds family specifically chose a home away from busy streets, churches, and schools to ensure that their new home would be free from noise. Unfortunately, the first night the Reynolds spent in their new home, they were rudely awakened by a type of noise they didn't expect: the sounds of jets roaring overhead, coming from and going to Newark International Airport. Nearly 4 months later, this intolerable cacophony of noise continues

unabated, disturbing the Reynolds, and all of their neighbors in the communities around Scotch Plains.

Mr. Speaker, the Reynolds, and all other families who have put up with aircraft noise day and night since the FAA's expanded east coast plan was implemented 7 years ago, deserve relief. They deserve to live in their homes without outrageous disturbances. They deserve to live in their homes in quiet enjoyment, a legal principal implied in all leases and deeds. While the issue of aircraft noise is often shrouded in mind-numbing statistics and bizarre FAA-speak, the Reynolds' plight shows that there is also a human side to this issue. I urge my colleagues not to forget families like the Reynolds, and to join me in my ongoing effort to reduce aircraft over our residential communities.

THE TENTH—A DISTRICT OF CARING COMMUNITIES

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. PAYNE. Mr. Speaker, I want my colleagues to know that I am proud to represent a district of caring communities. Wednesday, December 1, 1993, is World AIDS Day and a number of activities have been planned in my district to bring attention to this dreaded disease and its impact on our local, national, and international communities. From hosting health fairs, information and screening sessions, to ceremonies commemorating the first day issue of the AIDS awareness postage stamp, to community meetings, and candlelight vigils, the day will be filled with opportunities to draw attention to HIV/AIDS and its impact on the urban community, to educate our constituents on how to prevent the spread of HIV or AIDS, and how to increase/provide compassionate care for affected persons.

The people of New Jersey's 10th Congressional District are always ready and willing to work for the benefit of the community at-large. On September 10, 1993, I had the pleasure to work with the Union County HIV Consortium, a 30-plus member organization, during its day of caring. The day's events included an open house for the Union County HIV Consortium Resource Center, a legislative reception, and a town hall meeting. The day focused on issues centered around providing community awareness and education; disseminating information, and providing a forum for provider agencies; and developing coordinated plans to respond to the HIV epidemic, and identifying and assessing needs and services delivery.

Just as the events of World AIDS Day will be coordinated chiefly through a corps of volunteers, so was the September 10 Union County Day of Caring. I would like to take this opportunity to thank the Union County HIV Consortium Planning Committee members for their stalwart support and commitment of serving a population in great need. They are Catherine Miranda, board president; Mary Beth Kelly, former board president; Michelle Doran McBean, committee chair; Charles Jones, executive director; Freeholders Linda DiGiovanni, and Linda Lee Kelly, Lisa Berlin, Carmen Solis, Susan Moore, Patty Devereau, Louise Yohalem, Karen Dinsmore, Alvin Hester, Tony Jirau, Anne Dashensky, Carmen Lopez, Patricia Morris, and Mary Wegryn. Special thanks also goes to Joseph Manfredi, Urbano Venero, and Nathan Dodge McBean for their assistance. I would be remiss if I did not thank my town hall meeting panelists—Douglas Morgan, Arlene Enabulele, Ann Baran, Tinga Buckly, and Evelyn Sullivan—other speakers and participants.

AN INTERNATIONAL SOLUTION FOR ASYLUM REFORM

HON. BOB FRANKS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. FRANKS of New Jersey. Mr. Speaker, I rise today to introduce a concurrent resolution which would restore integrity to the political asylum process by creating a fair and effective international asylum strategy.

Immigration has historically been a great source of strength for our Nation upon which we have built a foundation for past and future success. One unique component of America's immigration policy is our willingness to provide safe haven for individuals who have been persecuted in another country. Because of widespread abuses, however, this historic tradition is in jeopardy. I believe a cohesive international approach to the asylum process must be taken in order to provide relief to America's overburdened asylum system, while also preserving refuge for those suffering from legitimate persecution.

Americans across the country have expressed frustration with our Nation's immigration policies—and for good reason. This year alone, almost 150,000 aliens will arrive at American ports of entry seeking political asylum. Before coming to the United States, many of these individuals travel through countries which provide safe haven from persecution. Rather than applying for asylum at one of these safe haven nations where refuge is immediately available, these asylum seekers continue their journey to the United States primarily in search of economic opportunity. This country shopping has contributed to a growing backlog of 330,000 asylum cases, creating a situation that not only strains America's limited resources but also, as we have seen in New York, poses a serious threat to national security.

Recently, the nations of the European Community negotiated a multilateral treaty to alleviate similar problems. In conjunction with independent asylum reform measures, their multilateral agreement helped countries like France, Italy, and the United Kingdom reduce asylum applications by 50 percent since 1991. It is time for America to do the same. If we do not, the overflow of asylum seekers will pass through Europe and be sent on the United States.

The legislation I am introducing today would help generate an international approach by urging the Secretary of State to negotiate multilateral first safe haven guidelines for real asylum reform. This legislation would prevent thousands of fraudulent claimants from ever reaching U.S. soil. It is a cost-effective approach which would eliminate the incentive to country shop in search of economic relief, yet ensure political asylum for valid claims where political asylum is most immediate available.

Mr. Speaker, it is time to set forth a vision for American immigration policy for the coming century. This legislation will begin that process by constructing a frame work which would significantly reduce the aggregate number of asylum seekers in the United States while preserving safe haven for all who need it. Finally, I would like to thank my colleagues, Representative DON JOHNSON and Representative RALPH REGULA for their assistance in introducing this much needed, bipartisan legislation.

CONGRESSMAN KILDEE HONORS ALICE SHOTWELL GUSTAFSON

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. KILDEE. Mr. Speaker, it is with great pride that I rise before you today to pay tribute to a remarkable woman who has, throughout her lifetime, demonstrated a total commitment to excellence in her profession. Alice Shotwell Gustafson has grown to become a truly influential leader in the Michigan business community. Her sphere of influence not being limited to the business world, Ms. Gustafson has proven herself a tireless advocate for the development of our Nation's most valuable natural resources, our youth. In recognition of her lifetime of service, the Clinton Valley Council of the Boy Scouts of America will honor Alice Shotwell Gustafson at the 18th Annual Distinguished Citizen Dinner on December 2, 1993 at the Pontiac Silverdome.

Barely out of high school and armed only with an unwavering desire to succeed, Alice Shotwell Gustafson was hired by Hubert Distributors Incorporated as a file clerk. Today, 46 years after that humble beginning, she has risen through the ranks to become the chief executive officer of the corporation which now grosses over $42 million a year. Under her leadership, Hubert Distributors built a $6 million distribution, warehousing and administrative complex in Pontiac. Hubert Distributors commands a 51 percent market share of the Anheuser-Busch products it distributes, making it the market leader in Oakland County and Michigan's third largest distributor.

Alice Shotwell Gustafson and her company have been the recipients of numerous awards for their record of excellence and competitiveness. In 1989, Alice Shotwell Gustafson and her company received Anheuser-Busch's highest honor, when Hubert Distributors Incorporated was named a Gold Dimensions of Excellence Distributor. Ms. Gustafson and Hubert Distributors have been featured in countless articles in leading industry publications such as Michigan Business, The Beverage Journal, Crain's Detroit Business, Oakland-Tech News and The Oakland Press.

A true pathfinder, Alice Shotwell Gustafson has helped to break down gender and age

barriers in many arenas, including business and sports. She was named the first woman chair of her industry association, The Michigan Beer and Wine Wholesalers Association. She was the first woman member of the Pontiac Rotary Club as well as its first woman president. Not only was Alice Shotwell Gustafson chair of the committee that sponsored the Olympic Torch Run through Pontiac, she was a participant in the run as well.

Alice Shotwell Gustafson has been the Michigan woman water skiing champion five times. She holds a commercial pilots license with instrument and multiengined ratings as well as a Sea Plane Rating. Ms. Gustafson is the oldest women in the United States to obtain a jet captain rating. In June 1991, Alice Shotwell Gustafson was appointed to the Michigan Aeronautics Commission for a term ending in September 1995.

Ms. Gustafson is the Honorary Chair of the Boys Club and a recipient of its highest honor, the Golden Boy Award. She serves on the board of trustees of the Young Womens Christian Association and the executive planning committee for the largest yearly fundraiser of the Clinton Valley Council of the Boy Scouts of America. Alice Shotwell Gustafson established a grant to build the Shotwell-Gustafson Pavilion at Oakland University in Rochester, MI. She purchased the Howard Shelly outdoor wildlife firm series and donated the films to Oakland University. Ms. Gustafson is a member of both the university's President's Club as well as the board of the university's foundation.

Mr. Speaker, it is indeed an honor for me to rise before you and my fellow Members of the 103d Congress, to pay tribute to the lifetime accomplishments of Alice Shotwell Gustafson. She has become a part of the living history of my home State of Michigan and our Nation. Alice Shotwell Gustafson has spent her life demonstrating that those who place no limits on their dreams shall achieve greatness. She will serve as an inspiration for Americans for decades to come.

THE CIVIL RIGHTS STANDARDS RESTORATION ACT: RESTORING THE LONGSTANDING LEGAL FRAMEWORK

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. OWENS. Mr. Speaker, today I am introducing with Congressman ALCEE I. HASTINGS, the Civil Rights Standards Restoration Act, to overturn the Supreme Court's Hicks decision. I would like to applaud Senator METZENBAUM's leadership on this issue.

Last summer, in St. Mary's Honor Center versus *Hicks*, a bare 5-4 majority of the Supreme Court abandoned the three-step legal framework federal courts have used for 20 years to resolve civil rights claims involving intentional discrimination. The Court repudiated its own long-standing precedents, rejecting the position taken by the Reagan Administration, the Bush Administration, the Clinton Administration, and a majority of the federal courts of appeals. In its place, the Court adopted a scheme that Justice Souter (in dissent) called "unfair to plaintiffs, unworkable in practice, and inexplicable in forgiving employers who present false evidence in court."

1. The 20-year-old Legal Framework. Twenty years ago, in McDonnell Douglas Corp. versus Green, 411 U.S. 792 (1973), the Supreme Court laid out a three-step framework for resolving Title VII cases involving intentional discrimination. This scheme has been employed in thousands of federal civil rights cases and was reaffirmed by the Court in *Texas Dep't of Community Affairs versus Burdine, 450 U.S. 248 (1983). The framework is as follows:*

First, the plaintiff must establish a prima facie case of discrimination by offering evidence strong enough to result in a judgment that the employer discriminated, if the employer offers no evidence of its own.

Second, if the plaintiff establishes a prima facie case, the employer must then come forward with a clear and specific nondiscriminatory reason for the challenged action.

Third, if the employer offers a nondiscriminatory reason for its conduct, the plaintiff then must establish that the reason the employer offered was a pretext for discrimination. Significantly, the Supreme Court made clear in Burdine that the plaintiff can prevail at this third stage "either directly by persuading the court that a discriminatory reason more likely motivated the employer or indirectly by showing that the employer's proffered explanation is unworthy of credence."

2. Hicks: Lower Courts. At trial, Melvin Hicks, an African-American corrections officer, established a prima facie case that his employer had suspended, demoted and terminated him based on his race. The employer responded by claiming that the plaintiff had violated work rules. The district court rejected that reason as a pretext, but still ruled in the employer's favor, based on a different reason—personal animosity of the plaintiff's supervisor—that was never put forward by the employer at trial to explain its conduct. The 8th Circuit Court of Appeals reversed, holding (based on McDonnell Douglas, Burdine, and a clear majority of federal courts of appeals) that the plaintiff should prevail as a matter of law where he proves a prima facie case of intentional discrimination and that the nondiscriminatory reasons offered by the employer were not credible.

3. Hicks: Supreme Court. In a 5-4 decision written by Justice Scalia, the Supreme Court reversed the 8th Circuit's decision and upheld the district court's judgment for the employer. In an opinion by Justice Scalia, the Court abandoned the 20-year-old McDonnell-Douglas framework, holding that the plaintiff was not entitled to judgment even though he had proved a prima facie case of discrimination and disproved the employer's only proffered reason for its conduct. Instead, the Court held that plaintiffs may be required not just to prove that the reasons offered by the employer were pretextual, but also to "disprove all other reasons suggested, no matter how vaguely, in the record." Justice Scalia acknowledged that the majority's decision will place an employer who lies in a better position than one who says nothing.

4. Souter Dissent. Justice Souter wrote a dissenting opinion, joined by Justices Blackman, White, and Stevens. Souter charged that the majority's decision "stems from a flat misreading of Burdine and ignores the central purpose of the McDonnell Douglas framework." The Court is throwing out the rule," Justice Souter asserted, "for the benefit of employers who have been found to have given false evidence in a court of law." Justice Souter expressed particular concern that the decision "provides [the plaintiff] with no opportunity to produce evidence showing that the district court's hypothesized explanation, first articulated six months after trial, is unworthy of credence."

5. Impact of Hicks. Justice Souter identified a number of likely consequences from the Court's decision. First, by making intentional discrimination substantially more difficult to prove. Hicks will discourage discrimination victims from enforcing their rights, thus frustrating Title VII's purposes.

Second, the decision saddles plaintiffs "with the tremendous disadvantage of having to confront, not the defined task of proving the employer's stated reasons to be false, but the amorphous requirement of disproving all possible nondiscriminatory reasons that a factfinder might find lurking in the record." Justice Souter rightly concluded that Hicks "will promote longer trials and more pro-trial discovery, threatening increased expense and delay in Title VII litigation for both plaintiffs and defendants, and increased burdens on the judiciary."

Third, the Hicks decision suggests that many discrimination victims will be unable to prove a Title VII violation without "smoking gun" evidence of intentional discrimination. As Justice Souter recognized, the need to allow plaintiffs to prove their cases based on circumstantial evidence is "crucial to the success of most Title VII claims, for the simple reason that employers who discriminate are not likely to announce their discriminatory motive."

6. The Civil Rights Standards Restoration Act. The bill creates a new, free-standing statutory provision (Section 1984) which applies in federal civil rights cases in which the McDonnell Douglas/Burdina framework is used to establish intentional discrimination (this includes Title VII, the ADEA, the ADA, etc.). The bill adopts the precise language of these two cases, providing that, where the plaintiff establishes a prima facie case of discrimination, and the defendant offers a nondiscriminatory explanation for its conduct, the plaintiff may still prevail by proving that either (1) "a discriminatory reason more likely motivated the [employer]," or (2) "the [employer's] proffered explanation is unworthy of credence."

HEALTH PLAN PURCHASING COOPERATIVES

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mrs. JOHNSON of Connecticut. Mr. Speaker, as we prepare to reform our Nation's health care system, a key challenge is making affordable insurance available to small employers and individuals. While this is not the only challenge, it is key to both increasing access and cutting the cost of health care. Though States have begun to address the group of issues involved, Federal action will enable them to move more rapidly and more consistently. Further, by building on successful programs that have been piloted in our States, we will increase the chances that reform will mean just that.

Consequently, I invite cosponsorship of a bill to address a piece of the health care reform puzzle that in and of itself is complicated

but very important to assuring affordable health care for all. This piece creating purchasing cooperatives can then be fit with other legislative proposals to assure the systemic reform we know is necessary.

Under my proposal, States would establish voluntary health plan purchasing cooperative [HPPC's] in which individuals without insurance and small employers could freely enroll and select from a wide array of competing health plans all providing a standard benefit plan governed by the rules of a reformed health insurance industry. In addition, the Health Plan Purchasing Cooperative Act would:

Make available to individuals and small employers at least three standard plan choices—managed care, fee-for-service, and a medisave option.

Require all health care plans to sell their products for the same price both inside and outside of the HPPC so that neither the HPPC plans nor the plans outside the HPPC receive an inequitable share of risk.

Assure that all plans would comply with proposed insurance reforms—guarantee availability, renewability and continuity of coverage, limits on the use of preexisting conditions, and adjusted community rating.

Enable members to benefit from the cooperative's contracting expertise, the administrative savings, and the consumer information they would provide.

Encourage competition, increase access, bring down costs, and improve quality.

I urge my colleagues to join me in establishing the voluntary health plan purchasing cooperative model. The Health Plan Purchasing Cooperative Act would increase access, bring down costs, and improve quality. Competition, based on consumer choice would determine who would succeed and who would not.

SUPPORT FOR REAL CAMPAIGN FINANCE REFORM

HON. BOB FRANKS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. FRANKS of New Jersey. Mr. Speaker, I rise today in opposition to H.R. 3 and in support of the Michel campaign finance substitute offered by the Republican leader from Illinois.

It is obvious to all of us here today that the American political process is in urgent need of campaign finance reform. I have sat and listened as Members on both sides of the aisle have accosted the unclean sources of funding which pervade the current system.

There are two ways to rid campaigns of special interests and potentially corrupting influences. One is to simply eliminate them from the list of eligible donors. The second is to subsidize politicians with taxpayer dollars. Unfortunately, Mr. Speaker, the bill we are here to consider today would implement the latter.

The simple facts are these: The Michel substitute would eliminate PAC's. H.R. 3 would not. The Michel substitute would require candidates to have the financial backing of their constituents by requiring a majority of funds to originate from within a candidate's district. H.R. 3 would not. The Michel substitute would place a complete ban on soft money and bundling. H.R. 3 would not. And most importantly, the Michel substitute would apply to the 1994 elections. H.R. 3 would not.

Mr. Speaker, I made a pledge to the people of the Seventh District of New Jersey to clean up campaign financing and make that reform apply to the next congressional elections. I cannot in good conscience support a measure which does neither and would continue to protect incumbent at the expense of the American taxpayer. I therefore urge my colleagues to reject H.R. 3 and vote in favor of the Michel substitute.

BEST WISHES DR. KENYON C. BURKE

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. PAYNE of New Jersey. Mr. Speaker, I would like to bring to the attention of my colleagues, the retirement to Dr. Kenyon C. Burke. Dr. Burke is retiring from the National Council of the Churches of Christ in the United States. He is unit director associate general secretary for Prophetic Justice. On Monday, December 13, 1993, a gala celebration will be held in his honor.

As unit director, Dr. Burke has been responsible for the council's social action arm. He administered diverse programs, focusing on issues of economic and environmental justice/hunger concerns, racial justice, justice for women and health justice, child and family justice, including substance abuse and the AIDS crisis. Dr. Burke believes that churches have a serious responsibility in assuring that the disadvantaged and unprotected in our society gain equal access to services and resources, and that they are not abused. An Episcopal layperson, he describes his mission with the Prophetic Justice unit as an effort to help people perceive the church in its prophetic role as a vehicle for social action, in order to harness the talent and interest already present in the religious community and in the greater society.

Before joining the council staff in 1980, Dr. Burke was associate director for program at the NAACP. He has also been affiliated with Planned Parenthood/World Population, Anti-Defamation League of B'nai B'rith, the Urban League of Essex County, Engelhard Minerals, Seton Hall University, and the New Jersey Rehabilitation Commission.

Dr. Burke serves on the executive boards of the Leadership Conference on Civil Rights, the NAACP/Special Contribution Fund, the Center for the Study of Harassment of African-Americans, the National Coalition on Black Voter Participation, and the AIDS National Interfaith Network.

Mr. Speaker, I am sure my colleagues will want to join me as I offer my best wishes to Dr. Kenyon Burke on the occasion of his retirement.

H.R. 617, THE LIMITED PARTNERSHIP ROLLUP REFORM ACT

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. DINGELL. Mr. Speaker, today the House will consider final passage of limited partnership rollup reform legislation as part (title III) of the substitute amendment to S. 422, the Government Securities Act Amendments of 1993. I urge my colleagues' support for this important investor protection legislation.

Rollup transactions can take many different forms—the typical rollup combines a number of previously untraded individual limited partnerships into a single new entity that publicly trades on a national securities exchange or on the national market system—and can be beneficial to investors by providing them with liquidity and enhanced value. This legislation however represents our response to widespread abuses and conflicts of interest associated with partnership rollup transactions that have led to substantial financial losses to investors, as documented in the House and Senate hearing records. This bill originated as legislation introduced in the 102d Congress (H.R. 1885) and culminates over 3 years of House and Senate hearings and legislative activity. I want to single out for particular commendation, Mr. MARKEY, the chairman of our Subcommittee on Telecommunications and Finance, for his strong and effective leadership on this issue. This legislation contains a series of directives that we consider necessary to protect investors in limited partnerships that undergo rollup transactions. The SEC and the NASD have acted in the interim since 1990 to respond to those directives, but more needs to be done. The potential abuses faced by investors in limited partnerships undergoing a rollup are serious in nature and devastating in their financial impact for investors.

On March 2, 1993, the House passed H.R. 617, the Limited Partnership Rollup Reform Act of 1993, and on August 6, 1993, the Senate passed S. 424, the Limited Partnership Rollup Reform Act of 1993. The legislation that we consider today is, with a few modifications, analogous to the bill that was passed by the Senate on August 6, 1993. These modifications are reflected in an amendment to S. 422 that was passed by the Senate earlier today. In lieu of a conference report, this statement presents a discussion of the amendment's major provisions and is intended to serve as the legislative history, along with Senate Report 103–121 (August 3, 1993) and CONGRESSIONAL RECORD (August 6, 1993) and House Report 103–21 (February 25, 1993) and CONGRESSIONAL RECORD (March 2, 1993).

MAJOR PROVISIONS

Special Provisions for Proxy Rules—The amendment makes it unlawful for any person to solicit any proxy, consent, or authorization concerning a limited partnership rollup transaction or to make any tender in furtherance of a limited partnership rollup transaction unless the transaction is conducted in accordance with specified SEC rules. The rules must provide for the following:

Communications among shareholders—The rules must permit holders of securities in a proposed limited partnership rollup transaction to engage in preliminary communications with other limited partners, for the purpose of determining whether to solicit proxies, consents, or authorizations in opposition to the proposed transaction, without being required to file soliciting material with the SEC. SEC rules relating to fraudulent, deceptive or manipulative acts or practices would continue to apply.

Shareholder lists—The rules must require the issuer to provide limited partners involved in a rollup transaction a list of names of other limited partners involved in the proposed transaction, subject to such reasonable terms and conditions as the SEC may specify.

Differential compensation—The rules must prohibit compensating any person soliciting proxies, consents, or authorizations from security holders concerning a limited partnership rollup transaction: (i) on the basis of whether the solicited proxies, consents, or authorizations either approve or disapprove the proposed transaction; or (ii) contingent on the transaction's approval, disapproval, or completion. This provision would address the conflict of interest that arises when a broker-dealer or proxy solicitor is soliciting proxies and is compensated for the delivery of a specific outcome (generally, approval) of the proposed partnership rollup transaction.

Full and fair disclosure—The rules must require clear, concise and comprehensible disclosure of:

(i) Any changes, in the business plan, voting rights, form of ownership interest or the general partner's compensation in the proposed partnership rollup transaction from each of the original limited partnerships;

(ii) The conflicts of interest, if any, of the general partner;

(iii) Whether it is expected that there will be a significant difference between the exchange value of the limited partnership and trading price of the securities to be issued in the partnership rollup transaction;

(iv) The valuation of the limited partnership and the method used to determine the value of limited partners' interests to be exchanged for the securities in the partnership rollup transaction;

(v) The differing risks and effects of the transactions for limited partners in different partnerships proposed to be included, and the risks and effects of completing the transaction with less than all partnerships;

(vi) The required fairness statement by the general partner; and

(vii) Such other matters deemed necessary or appropriate by the SEC.

Fairness statement—The rules must require a statement by the general partner as to whether the proposed rollup transaction is fair or unfair to investors in each limited partnership, the basis for that conclusion, and description of alternatives to the rollup transaction.

Fairness opinions—The rules must require that, where the general partner or sponsor obtains an opinion, appraisal, or report prepared by an outside party and that is materially related to the rollup transaction, the soliciting materials must contain clear, concise and comprehensible disclosure of:

(i) the analysis of the transaction, scope of review, preparation of the opinion, and basis for and methods of arriving at conclusions, and related representations and undertakings;

(ii) the identity and qualifications of the person who prepared the opinion, the method of selection of such person, and any material past, existing, or contemplated relationships between the person or any of its affiliates and the general partner, sponsor, successor, or any other affiliate;

(iii) any compensation of the preparer of such opinion, appraisal, or report that is contingent on the transaction's approval or completion; and

(iv) any limitations imposed by the issuer on the access afforded to such preparer to the issuer's personnel, premises, and relevant books and records.

Where the general partner or sponsor has not obtained an independent fairness opinion on the proposed transaction, the soliciting materials must contain or be accompanied by a statement of the reasons for concluding that such an opinion is not necessary in order to permit the limited partners to make an informal decision on the proposed transaction. Within 18 months of the date of enactment, GAO must conduct a study and report to Congress on fairness opinion preparation, cost, disclosure and use.

Summary—The rules must require that the soliciting material contain a clear, concise, and comprehensible summary of the limited partnership rollup transaction, including specific matters listed, with the risks of the transaction set forth prominently.

Minimum offering period—The rules must require that all shareholders have at least sixty calendar days to review a limited partnership rollup transaction disclosure document, unless a lesser period is required under state law.

Definition Of Limited Partnership Rollup Transaction—The amendment defines the term "limited partnership rollup transaction" to mean a transaction involving the combination or reorganization of one or more limited partnerships, directly or indirectly, in which

(i) some or all of the investors in any of such limited partnerships will receive new securities, or securities in another entity, that will be reported under a transaction reporting plan declared effective before the date of enactment by the SEC under Exchange Act section 11A;

(ii) any of the investors' limited partnership securities are not, as of the date of filing, reported under a transaction reporting plan declared effective before the date of enactment by the SEC under section 11A;

(iii) investors in any of the limited partnerships are subject to a significant adverse change with respect to voting rights, the term of existence of the entity, management compensation, or investment objectives; and

(iv) any of such investors are not provided an option to receive or retain a security under substantially the same terms and conditions as the original issue.

The amendment provides conditional exceptions from this definition for certain transactions. It is not intended that these exclusions be used to conduct through the excluded categories the abusive behavior that gave rise to this legislation, thus eviscerating the Act's protections. We expect the SEC to monitor this area, and to take action, as necessary, for the protection of investors and to advise Congress of any problems that require legislative remedies. Nothing in this amendment shall be construed to limit the SEC's authority under any other subsection of section 14 of the Exchange Act or any other provision of the federal securities laws or to preclude the SEC from imposing a remedy or procedure required to be imposed thereunder.

Given the concerns expressed about certain REIT (real estate investment trust) and UPREIT (umbrella-partnership real estate investment trust) transactions, it is our intention that the SEC pay special attention to transactions involving these entities and their disclosure documents. Relatedly, the amendment excludes from the definition transactions involving only issuers that are not required to register or report under Section 12 of the Exchange act both before and after the transaction. If a transaction involved the issuance of a security that, after the transaction, would be convertible into a security of an issuer that is required to register or report under Section 12, this exclusion would not be available since the transaction would not involve only Section 12 issuers.

Rules Of Fair Practice In Rollup Transactions.—The amendment requires that the rules of a registered securities association (such as the NASD) to promote just and equitable principles of trade include rules to prevent members of the association from participating in any limited partnership rollup transaction that does not provide procedures to protect the rights of limited partners. The amendment also prohibits an exchange from listing any securities resulting from a rollup transaction, unless such transaction provides certain rights for limited partners. Moreover, the amendment requires that the rules of a registered securities association prohibit the authorization for quotation on an automated interdealer quotation system sponsored by the association of any security designated by the SEC as a national market system security resulting from a rollup transaction, unless such transaction provides certain rights for limited partners.

These rights, identical in all three cases, must include:

(A) the right of dissenting limited partners to one of the following:

(i) an appraisal and compensation;

(ii) retention of a security under substantially the same terms and conditions as the original issue;

(iii) approval of the limited partnership rollup transaction by not less than 75 percent of the outstanding securities of each of the participating limited partnerships;

(iv) the use of a committee that is independent, as determined in accordance with rules prescribed by the association or exchange, of the general partner or sponsor, that has been approved by a majority of the outstanding securities of each of the participating partnerships, and that has such authority as is necessary to protect the interest of limited partners, including the authority to hire independent advisors, to negotiate with the general partner or sponsor on behalf of the limited partners, and to make a recommendation to the limited partners with respect to the proposed transaction; or

(v) other comparable rights that are prescribed by rule by the association or exchange and that are designed to protect dissenting limited partners;

(B) the right not to have their voting power unfairly reduced or abridged;

(C) the right not to bear an unfair portion of the costs of a proposed rollup transaction that is rejected; and

(D) restrictions on the conversion of contingent interests or fees into non-contingent interests or fees and restrictions on the receipt of a non-contingent equity interest in exchange for fees for services which have not yet been provided.

By defining "dissenting limited partner" to mean a person who is a holder of the limited partnership interests on the date on

which soliciting material is mailed, who then votes against the transaction and complies with procedures established by the association or exchange to assert dissenters' rights, the amendment intends to prevent persons from buying into dissenters' rights.

CONSUMER CHOICE SECURITY ACT OF 1993

HON. CLIFF STEARNS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. STEARNS. Mr. Speaker, today I am introducing the Consumer Choice Security Act of 1993. For the benefit of Members, please include the attached bill in its entirety in today's CONGRESSIONAL RECORD under Extension of Remarks:

H.R. 3698

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

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Consumer Choice Health Security Act of 1993".

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

Sec. 1. Short title and table of contents.
Sec. 2. Purposes.

TITLE I—TAX AND INSURANCE PROVISIONS

Subtitle A—Tax Treatment of Health Care Expenses

Sec. 101. Refundable health care expenses tax credit.
Sec. 102. Medical savings accounts.
Sec. 103. Other tax provisions.

Subtitle B—Insurance Provisions

PART I—FEDERALLY QUALIFIED HEALTH INSURANCE PLAN

Sec. 111. Federally qualified health insurance plan.
Sec. 112. Family security benefits package.
Sec. 113. Rating practices.
Sec. 114. Guaranteed issue.
Sec. 115. Guaranteed renewability.

PART II—CERTIFICATION OF FEDERALLY QUALIFIED HEALTH INSURANCE PLANS

Sec. 117. Establishment of regulatory program for certification of plans.
Sec. 118. Standards for regulatory programs.

Subtitle C—Employer Provisions

Sec. 121. General provisions relating to employers.
Sec. 122. Conversion of non-self-insured plans.
Sec. 123. Provisions relating to existing self-insured plans.
Sec. 124. Continuation of employer-provided health coverage required until effective date of new coverage under this Act.
Sec. 125. Requirements with respect to cashing out employer-sponsored plans.
Sec. 126. Enforcement.

Subtitle D—State Plan Requirements

Sec. 131. State plan requirements.

Subtitle E—Federal Preemption

Sec. 141. Federal preemption of certain State laws.

TITLE II—MEDICARE AND MEDICAID REFORMS

Subtitle A—Medicare

Sec. 201. Study of medicare private health insurance program.
Sec. 202. Elimination of medicare hospital disproportionate share adjustment payments.
Sec. 203. Reduction in adjustment for indirect medical education.
Sec. 204. Imposition of copayment for skilled nursing facility services.
Sec. 205. Shift payment updates to January for all payment rates under hospital insurance program.
Sec. 206. Acceleration of transition to prospective rates for facility costs in hospital outpatient departments.

Subtitle B—Medicaid

Sec. 211. Cap on Federal payments made for acute medical services under the medicaid program.
Sec. 212. Waivers for the furnishing of acute medical services under the medicaid program.
Sec. 213. Termination of disproportionate share payments.
Sec. 214. Grants for health insurance coverage, acute medical services, preventive care, and disease prevention.

TITLE III—HEALTH CARE LIABILITY REFORM

Sec. 301. Short title.
Sec. 302. Definitions.
Sec. 303. Health care malpractice.
Sec. 304. Health care product liability of manufacturer or seller.
Sec. 305. General provisions relating to health care liability.
Sec. 306. Punitive damages.
Sec. 307. Exceptions.
Sec. 308. Rules of construction.

TITLE IV—ADMINISTRATIVE COST SAVINGS

Subtitle A—Standardization of Claims Processing

Sec. 401. Adoption of data elements, uniform claims, and uniform electronic transmission standards.
Sec. 402. Application of standards.
Sec. 403. Periodic review and revision of standards.
Sec. 404. Health insurance plan defined.

Subtitle B—Electronic Medical Data Standards

Sec. 411. Medical data standards for hospitals and other providers.
Sec. 412. Application of electronic data standards to certain hospitals.
Sec. 413. Electronic transmission to Federal agencies.
Sec. 414. Limitation on data requirements where standards in effect.
Sec. 415. Advisory commission.

Subtitle C—Development and Distribution of Comparative Value Information

Sec. 421. State comparative value information programs for health care purchasing.
Sec. 422. Federal implementation.
Sec. 423. Comparative value information concerning Federal programs.

Subtitle D—Preemption of State Quill Pen Laws

Sec. 431. Preemption of State quill pen laws.

TITLE V—ANTI-FRAUD

Subtitle A—Criminal Prosecution of Health Care Fraud

Sec. 501. Penalties for health care fraud.
Sec. 502. Rewards for information leading to prosecution and conviction.

Subtitle B—Coordination of Health Care Anti-Fraud and Abuse Activities

Sec. 511. Application of Federal health anti-fraud and abuse sanctions to all fraud and abuse against any health insurance plan.

TITLE VI—ANTITRUST PROVISIONS

Sec. 601. Exemption from antitrust laws for certain competitive and collaborative activities.
Sec. 602. Safe harbors.
Sec. 603. Designation of additional safe harbors.
Sec. 604. Certificates of review.
Sec. 605. Notifications providing reduction in certain penalties under antitrust law for health care cooperative ventures.
Sec. 606. Review and reports on safe harbors and certificates of review.
Sec. 607. Rules, regulations, and guidelines.
Sec. 608. Definitions.

TITLE VII—LONG-TERM CARE

Sec. 701. Exclusion from gross income for amounts withdrawn from individual retirement plans or 401(k) plans for long-term care insurance.
Sec. 702. Certain exchanges of life insurance contracts for long-term care insurance contracts not taxable.
Sec. 703. Tax treatment of accelerated death benefits under life insurance contracts.
Sec. 704. Effective date.

TITLE VIII—WELFARE RESTRICTIONS FOR ALIENS

Sec. 801. Ineligibility of aliens for public welfare assistance.
Sec. 802. State AFDC agencies required to provide information on illegal aliens to the Immigration and Naturalization Service.

TITLE IX—INCREASE IN ASSISTANCE TO COMMUNITY AND MIGRANT HEALTH CENTERS FROM RESIDUAL SAVINGS

Sec. 901. Grant program to promote primary health care services for underserved populations.

SEC. 2. PURPOSES.

The purposes of this Act are to—

(1) provide Americans with secure, portable health insurance benefits and greater choice of health insurance plans,

(2) make the American health care system responsive to consumer needs and encourage the provision of quality medical care at reasonable prices through enhanced competition,

(3) provide more equitable tax treatment of health insurance and medical care expenses, and

(4) assist low-income and uninsured Americans in purchasing health insurance and receiving primary medical care.

TITLE I—TAX AND INSURANCE PROVISIONS

Subtitle A—Tax Treatment of Health Care Expenses

SEC. 101. REFUNDABLE HEALTH CARE EXPENSES TAX CREDIT.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable personal credits) is amended by inserting after section 34 the following new section:

"SEC. 34A. HEALTH CARE EXPENSES.

"(a) ALLOWANCE OF CREDIT.—In the case of a qualified individual, there shall be allowed

as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the applicable percentage of the sum of—

"(1) 25 percent of the sum of the qualified health insurance premiums and the unreimbursed expenses for medical care paid by such individual during the taxable year which does not exceed 10 percent of the adjusted gross income of such individual for such year, plus

"(2) 50 percent of the sum of such premiums and such unreimbursed expenses so paid which exceeds 10 percent but does not exceed 20 percent of such adjusted gross income, plus

"(3) 75 percent of the sum of such premiums and such unreimbursed expenses so paid which exceeds 20 percent of such adjusted gross income.

"(b) QUALIFIED INDIVIDUALS.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified individual' means the taxpayer, the spouse of the taxpayer, and each dependent of the taxpayer (as defined in section 152) who is enrolled in a federally qualified health insurance plan.

"(2) FEDERALLY COVERED INDIVIDUALS.—The term 'qualified individual' does not include any individual whose medical care is covered under—

"(A) title XVIII or XIX of the Social Security Act,

"(B) chapter 55 of title 10, United States Code,

"(C) chapter 17 of title 38, United States Code, or

"(D) the Indian Health Care Improvement Act.

"(3) SPECIAL RULE IN THE CASE OF CHILD OF DIVORCED PARENTS, ETC.—Any child to whom section 152(e) applies shall be treated as a dependent of both parents.

"(4) MARRIAGE RULES.—The determination of whether an individual is married at any time during the taxable year shall be made in accordance with the provisions of section 6013(d) (relating to determination of status as husband and wife).

"(c) APPLICABLE PERCENTAGE.—For purposes of subsection (a), the applicable percentage for any taxable year is determined by the number of whole months in such year in which the taxpayer is a qualified individual.

"(d) QUALIFIED HEALTH INSURANCE PREMIUMS.—For purposes of this section, the term 'qualified health insurance premiums' means premiums for—

"(1) a federally qualified health insurance plan, and

"(2) any other benefits or plans supplementary to such a federally qualified health insurance plan.

"(e) FEDERALLY QUALIFIED HEALTH INSURANCE PLAN.—For purposes of this section, the term 'federally qualified health insurance plan' means a health insurance plan which is described in section 111 of the Consumer Choice Health Security Act of 1993.

"(f) MEDICAL CARE.—For purposes of this section—

"(1) IN GENERAL.—The term 'medical care' means amounts paid—

"(A) for the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body, and

"(B) for transportation primarily for and essential to medical care referred to in subparagraph (A).

"(2) AMOUNTS PAID FOR CERTAIN LODGING AWAY FROM HOME TREATED AS PAID FOR MEDICAL CARE.—Amounts paid for lodging (not lavish or extravagant under the circumstances) while away from home primarily for and essential to medical care referred to in paragraph (1)(A) shall be treated as amounts paid for medical care if—

"(A) the medical care referred to in paragraph (1)(A) is provided by a physician in a licensed hospital (or in a medical care facility which is related to, or the equivalent of, a licensed hospital), and

"(B) there is no significant element of personal pleasure, recreation, or vacation in the travel away from home.

The amount taken into account under the preceding sentence shall not exceed $50 for each night for each individual.

"(3) COSMETIC SURGERY.—

"(A) IN GENERAL.—The term 'medical care' does not include cosmetic surgery or other similar procedures, unless the surgery or procedure is necessary to ameliorate a deformity arising from, or directly related to, a congenital abnormality, a personal injury resulting from an accident or trauma, or disfiguring disease.

"(B) COSMETIC SURGERY DEFINED.—For purposes of this paragraph, the term 'cosmetic surgery' means any procedure which is directed at improving the patient's appearance and does not meaningfully promote the proper function of the body or prevent or treat illness or disease.

"(4) PHYSICIAN.—The term 'physician' has the meaning given to such term by section 1861(r) of the Social Security Act (42 U.S.C. 1395x(r)).

"(g) SPECIAL RULES.—For purposes of this section—

"(1) LIMITATION WITH RESPECT TO MEDICINE AND DRUGS.—

"(A) IN GENERAL.—An amount paid during the taxable year for medicine or a drug shall be taken into account under subsection (a) only if such medicine or drug is a prescribed drug or is insulin.

"(B) PRESCRIBED DRUG.—The term 'prescribed drug' means a drug or biological which requires a prescription of a physician for its use by an individual.

"(2) SPECIAL RULE FOR DECEDENTS.—

"(A) TREATMENT OF EXPENSES PAID AFTER DEATH.—Expenses for the medical care of the taxpayer which are paid out of the taxpayer's estate during the 1-year period beginning with the day after the date of the taxpayer's death shall be treated as paid by the taxpayer at the time incurred.

"(B) LIMITATION.—Subparagraph (A) shall not apply if the amount paid is allowable under section 2053 as a deduction in computing the taxable estate of the decedent, but this subparagraph shall not apply if (within the time and in the manner and form prescribed by the Secretary) there is filed—

"(i) a statement that such amount has not been allowed as a deduction under section 2053, and

"(ii) a waiver of the right to have such amount allowed at any time as a deduction under section 2053.

"(3) FORM OF INSURANCE CONTRACT.—In the case of an insurance contract under which amounts are payable for other than medical care—

"(A) no amount shall be treated as paid for insurance to which subsection (a) applies unless the charge for such insurance is either separately stated in the contract, or furnished to the policyholder by the insurance company in a separate statement,

"(B) the amount taken into account as the amount paid for such insurance shall not exceed such charge, and

"(C) no amount shall be treated as paid for such insurance if the amount specified in the contract (or furnished to the policyholder by the insurance company in a separate statement) as the charge for such insurance is unreasonably large in relation to the total charges under the contract.

"(4) EXCLUSION OF AMOUNTS ALLOWED FOR CARE OF CERTAIN DEPENDENTS.—Any expense allowed as a credit under section 21 shall not be treated as an expense paid for medical care.

"(5) COORDINATION WITH ADVANCE PAYMENT AND MINIMUM TAX.—Rules similar to the rules of subsections (g) and (h) of section 32 shall apply to any credit to which this section applies.

"(6) SUBSIDIZED EXPENSES.—No expense shall be taken into account under subsection (a), if—

"(A) such expense is paid, reimbursed, or subsidized (whether by being disregarded for purposes of another program or otherwise) by the Federal Government, a State or local government, or any agency or instrumentality thereof, and

"(B) the payment, reimbursement, or subsidy of such expense is not includable in the gross income of the recipient.

"(7) COORDINATION WITH MEDICAL SAVINGS ACCOUNTS.—The amount otherwise taken into account under subsection (a) shall be reduced by the amount (if any) of the distributions from any medical savings account of the taxpayer during the taxable year which is not includible in gross income by reason of being used for qualified medical expenses (as defined in section 25A(c)(2)).

"(h) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.".

(b) ADVANCE PAYMENT OF CREDIT.—Chapter 25 of the Internal Revenue Code of 1986 (relating to general provisions relating to employment taxes) is amended by inserting after section 3507 the following new section:

"SEC. 3507A. ADVANCE PAYMENT OF HEALTH EXPENSES CREDIT.

"(a) GENERAL RULE.—Except as otherwise provided in this section, every employer making payment of wages with respect to whom a health care expenses eligibility certificate is in effect shall, at the time of paying such wages, make an additional payment equal to such employee's health care expenses advance amount.

"(b) HEALTH CARE EXPENSES ELIGIBILITY CERTIFICATE.—For purposes of this title, a health care expenses eligibility certificate is a statement furnished by an employee to the employer which—

"(1) certifies that the employee will be eligible to receive the credit provided by section 34A for the taxable year,

"(2) certifies that the employee does not have a health care expenses eligibility certificate in effect for the calendar year with respect to the payment of wages by another employer,

"(3) states whether or not the employee's spouse has a health care expenses eligibility certificate in effect, and

"(4) estimates the amount of premiums for a federally qualified health insurance plan and unreimbursed expenses for medical care (as defined in section 34A) for the calendar year.

For purposes of this section, a certificate shall be treated as being in effect with respect to a spouse if such a certificate will be in effect on the first status determination date following the date on which the employee furnishes the statement in question.

"(c) HEALTH CARE EXPENSES ADVANCE AMOUNT.—

"(1) IN GENERAL.—For purposes of this title, the term 'health expenses advance amount' means, with respect to any payroll period, the amount determined—

"(A) on the basis of the employee's wages from the employer for such period,

"(B) on the basis of the employee's estimated premiums for a federally qualified health insurance plan and unreimbursed expenses for medical care included in the health care expenses eligibility certificate, and

"(C) in accordance with tables provided by the Secretary.

"(2) ADVANCE AMOUNT TABLES.—The tables referred to in paragraph (1)(C) shall be similar in form to the tables prescribed under section 3402 and, to the maximum extent feasible, shall be coordinated with such tables and the tables prescribed under section 3507(c).

"(d) OTHER RULES.—For purposes of this section, rules similar to the rules of subsections (d) and (e) of section 3507 shall apply.

"(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.".

(c) CLERICAL AMENDMENTS.—

(1) The table of sections for subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 34 the following new item:

"Sec. 34A. Health care expenses.".

(2) The table of sections for chapter 25 of such Code is amended by adding after the item relating to section 3507 the following new item:

"Sec. 3507A. Advance payment of health care expenses credit.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1996.

SEC. 102. MEDICAL SAVINGS ACCOUNTS.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 25 the following new section:

"SEC. 25A. MEDICAL SAVINGS ACCOUNTS.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to 25 percent of the amount paid in cash during such year by or on behalf of such individual to a medical savings account.

"(b) LIMITATIONS.—For purposes of this section—

"(1) ONLY 1 ACCOUNT PER FAMILY.—No credit shall be allowed under subsection (a) for amounts paid to any medical savings account for the benefit of an individual, such individual's spouse, or any dependent (as defined in section 152) of such individual if such individual, spouse, or dependent is a beneficiary of any other medical savings account.

"(2) DOLLAR LIMITATION.—The aggregate amount of contributions which may be taken into account under subsection (a) with respect to any individual for any taxable year shall not exceed the sum of—

"(A) $3,000, plus

"(B) $500 for each individual who is a dependent (as so defined) of the individual for whose benefit the account is established.

"(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) MEDICAL SAVINGS ACCOUNT.—

"(A) IN GENERAL.—The term 'medical savings account' means a trust created or organized in the United States exclusively for the purpose of paying the qualified medical expenses of the individual for whose benefit the trust is established, but only if the written governing instrument creating the trust meets the following requirements:

"(i) No contribution will be accepted unless it is in cash and contributions will not be accepted for any taxable year in excess of the amount determined under subsection (b)(1).

"(ii) The trustee is a bank (as defined in section 408(n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which such person will administer the trust will be consistent with the requirements of this section.

"(iii) No part of the trust assets will be invested in life insurance contracts.

"(iv) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

"(v) The interest of an individual in the balance in such individual's account is nonforfeitable.

"(vi) Under regulations prescribed by the Secretary, rules similar to the rules of section 401(a)(9) shall apply to the distribution of the entire interest of beneficiaries of such trust.

"(B) TREATMENT OF COMPARABLE ACCOUNTS HELD BY INSURANCE COMPANIES.—An account held by an insurance company in the United States shall be treated as a medical savings account (and such company shall be treated as a bank) if—

"(i) such account is part of a federally qualified health insurance plan (as defined in section 34A(e)),

"(ii) such account is exclusively for the purpose of paying the medical expenses of the beneficiaries of such account who are covered under such health insurance plan, and

"(iii) the written instrument governing the account meets the requirements of clauses (i), (v), and (vi) of subparagraph (A).

"(2) QUALIFIED MEDICAL EXPENSES.—The term 'qualified medical expenses' means amounts paid by the individual for whose benefit the account was established for premiums for a federally qualified health insurance plan (as so defined) and the unreimbursed expenses for medical care (as determined under section 34A) of such individual, the spouse of such individual, and any dependent (as so defined) of such individual.

"(3) TIME WHEN CONTRIBUTIONS DEEMED MADE.—A contribution shall be deemed to be made on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).

"(d) TAX TREATMENT OF DISTRIBUTIONS.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, any amount paid or distributed out of a medical savings account shall be included in the gross income of the individual for whose benefit such account was established unless such amount is used exclusively to pay the qualified medical expenses of such individual.

"(2) EXCESS CONTRIBUTIONS RETURNED BEFORE DUE DATE OF RETURN.—Paragraph (1) shall not apply to the distribution of any contribution paid during a taxable year to a medical savings account to the extent that such contribution exceeds the amount allowable under subsection (b) if—

"(A) such distribution is received on or before the day prescribed by law (including extensions of time) for filing such individual's return for such taxable year,

"(B) no credit is allowed under subsection (a) with respect to such excess contribution, and

"(C) such distribution is accompanied by the amount of net income attributable to such excess contribution.

Any net income described in subparagraph (C) shall be included in the gross income of the individual for the taxable year in which it is received.

"(3) PENALTY FOR DISTRIBUTIONS NOT USED FOR MEDICAL EXPENSES.—The tax imposed by this chapter for any taxable year in which there is a payment or distribution from a medical savings account which is not used to pay the medical expenses of the individual for whose benefit the account was established, shall be increased by 10 percent of the amount of such payment or distribution which is includible in gross income under paragraph (1).

"(4) ROLLOVERS.—Paragraph (1) shall not apply to any amount paid or distributed out of a medical savings account to the individual for whose benefit the account is maintained, if the entire amount received (including money and any other property) is paid into another medical savings account for the benefit of such individual not later than the 60th day after the day on which the individual received the payment or distribution.

"(e) TAX TREATMENT OF ACCOUNTS.—

"(1) EXEMPTION FROM TAX.—Any medical savings account is exempt from taxation under this subtitle unless such account has ceased to be a medical savings account by reason of paragraph (2) or (3). Notwithstanding the preceding sentence, any such account shall be subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc. organizations).

"(2) LOSS OF EXEMPTION OF ACCOUNT WHERE INDIVIDUAL ENGAGES IN PROHIBITED TRANSACTION.—

"(A) IN GENERAL.—If, during any taxable year of the individual for whose benefit the medical savings account was established, such individual engages in any transaction prohibited by section 4975 with respect to the account, the account ceases to be a medical savings account as of the first day of that taxable year.

"(B) ACCOUNT TREATED AS DISTRIBUTING ALL ITS ASSETS.—In any case in which any account ceases to be a medical savings account by reason of subparagraph (A) on the first day of any taxable year, paragraph (1) of subsection (d) applies as if there were a distribution on such first day in an amount equal to the fair market value (on such first day) of all assets in the account (on such first day) and no portion of such distribution was used to pay qualified medical expenses.

"(3) EFFECT OF PLEDGING ACCOUNT AS SECURITY.—If, during any taxable year, the individual for whose benefit a medical savings account was established uses the account or any portion thereof as security for a loan, the portion so used is treated as distributed to that individual and not used to pay qualified medical expenses.

"(f) CUSTODIAL ACCOUNTS.—For purposes of this section, a custodial account shall be treated as a trust if—

"(1) the assets of such account are held by a bank (as defined in section 408(n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which he will administer the account will be

consistent with the requirements of this section, and

"(2) the custodial account would, except for the fact that it is not a trust, constitute a medical savings account described in subsection (c).

For purposes of this title, in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

"(g) INFLATION ADJUSTMENT.—

"(1) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 1997, each applicable dollar amount shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment for the calendar year in which the taxable year begins.

"(2) COST-OF-LIVING ADJUSTMENT.—For purposes of paragraph (1), the cost-of-living adjustment for any calendar year is the percentage (if any) by which—

"(A) the deemed average total wages (as defined in section 209(k) of the Social Security Act) for the preceding calendar year, exceeds

"(B) the deemed average total wages (as so defined) for calendar year 1996.

"(3) APPLICABLE DOLLAR AMOUNT.—For purposes of paragraph (1), the term 'applicable dollar amount' means the $3,000 and $500 amounts in subsection (b)(2).

"(4) ROUNDING.—If any amount as adjusted under paragraph (1) is not a multiple of $10, such amount shall be rounded to the nearest multiple of $10 (or, if such amount is a multiple of $5 and not of $10, such amount shall be rounded to the next highest multiple of $10).

"(h) REPORTS.—The trustee of a medical savings account shall make such reports regarding such account to the Secretary and to the individual for whose benefit the account is maintained with respect to contributions, distributions, and such other matters as the Secretary may require under regulations. The reports required by this subsection shall be filed at such time and in such manner and furnished to such individuals at such time and in such manner as may be required by those regulations.".

(b) TAX ON EXCESS CONTRIBUTIONS.—Section 4973 of the Internal Revenue Code of 1986 (relating to tax on excess contributions to individual retirement accounts, certain section 403(b) contracts, and certain individual retirement annuities) is amended—

(1) by inserting "**MEDICAL SAVINGS ACCOUNTS,**" after "**ACCOUNTS,**" in the heading of such section,

(2) by redesignating paragraph (2) of subsection (a) as paragraph (3) and by inserting after paragraph (1) the following:

"(2) a medical savings account (within the meaning of section 25A(c)(1)),",

(3) by striking "or" at the end of paragraph (1) of subsection (a), and

(4) by adding at the end thereof the following new subsection:

"(d) EXCESS CONTRIBUTIONS TO MEDICAL SAVINGS ACCOUNTS.—For purposes of this section, in the case of a medical savings account (within the meaning of section 25A(c)(1)), the term 'excess contributions' means the amount by which the amount contributed for the taxable year to the account exceeds the amount allowable under section 25A(b)(2) for such taxable year. For purposes of this subsection, any contribution which is distributed out of the medical savings account and a distribution to which section 25A(d)(2) applies shall be treated as an amount not contributed.".

(c) TAX ON PROHIBITED TRANSACTIONS.—Section 4975 of the Internal Revenue Code of 1986 (relating to prohibited transactions) is amended—

(1) by adding at the end of subsection (c) the following new paragraph:

"(4) SPECIAL RULE FOR MEDICAL SAVINGS ACCOUNTS.—An individual for whose benefit a medical savings account (within the meaning of section 25A(c)(1)) is established shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be a medical savings account by reason of the application of section 25A(e)(2)(A) to such account.", and

(2) by inserting "or a medical savings account described in section 25A(c)(1)" in subsection (e)(1) after "described in section 408(a)".

(d) FAILURE TO PROVIDE REPORTS ON MEDICAL SAVINGS ACCOUNTS.—Section 6693 of the Internal Revenue Code of 1986 (relating to failure to provide reports on individual retirement account or annuities) is amended—

(1) by inserting "**OR ON MEDICAL SAVINGS ACCOUNTS**" after "**ANNUITIES**" in the heading of such section, and

(2) by adding at the end of subsection (a) the following: "The person required by section 25A(h) to file a report regarding a medical savings account at the time and in the manner required by such section shall pay a penalty of $50 for each failure unless it is shown that such failure is due to reasonable cause.".

(e) CLERICAL AMENDMENTS.—

(1) The table of sections for subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 25 the following:

"Sec. 25A. Medical savings accounts.".

(2) The table of sections for chapter 43 of such Code is amended by striking the item relating to section 4973 and inserting the following:

"Sec. 4973. Tax on excess contributions to individual retirement accounts, medical savings accounts, certain 403(b) contracts, and certain individual retirement annuities.".

(3) The table of sections for subchapter B of chapter 68 of such Code is amended by inserting "or on medical savings accounts" after "annuities" in the item relating to section 6693.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1996.

SEC. 103. OTHER TAX PROVISIONS.

(a) EXEMPTION AMOUNT DISALLOWED FOR UNINSURED INDIVIDUALS.—

(1) IN GENERAL.—Subsection (d) of section 151 of the Internal Revenue Code of 1986 (relating to allowance of deductions for personal exemptions) is amended by adding at the end thereof the following new paragraph:

"(5) EXEMPTION AMOUNT DISALLOWED FOR UNINSURED INDIVIDUALS.—The exemption amount for any individual for such individual's taxable year shall be zero, unless the individual includes the policy number of the federally qualified health insurance plan or an enrollment code regarding a State program described in section 131(b) of the Consumer Choice Health Security Act of 1993 for such individual in the return claiming such exemption amount for such individual.".

(2) EMPLOYER ROLE.—Section 3402 of the Internal Revenue Code of 1986 (relating to income tax collected at source) is amended—

(A) by striking "section 151(d)(2)" in subsection (f)(1)(A) and inserting "paragraph (2) or (5) of section 151(d)", and

(B) by adding at the end the following new subsection:

"(t) DETERMINATION OF STANDARD DEDUCTION STATUS.—For purposes of applying the tables in subsections (a) and (c) to a payment of wages, the employer shall treat the employee as having an exemption amount of zero unless there is in effect with respect to such payment of wages a withholding exemption certificate furnished to the employer by the employee by April 1, indicating the policy number of the federally qualified health insurance plan or an enrollment code regarding a State program described in section 131(b) of the Consumer Choice Health Security Act of 1993 for such individual.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1996.

(b) TERMINATION OF MEDICAL EXPENSE DEDUCTION.—Section 213 of the Internal Revenue Code of 1986 (relating to medical, dental, etc., expenses) is amended by adding at the end thereof the following new subsection:

"(g) TERMINATION.—No amount paid after December 31, 1996, shall be treated as an expense paid for medical care.".

(c) TERMINATION OF DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.—

(1) IN GENERAL.—Section 162(l) of the Internal Revenue Code of 1986 (relating to special rules for health insurance costs of self-employed individuals) is amended by striking paragraph (6).

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to taxable years beginning after December 31, 1996.

(d) TERMINATION OF EXCLUSION FOR EMPLOYER-PROVIDED HEALTH INSURANCE.—Section 106 of the Internal Revenue Code of 1986 (relating to contributions by employer to accident and health plans) is amended by adding at the end the following new sentence: "The preceding sentence shall not apply to any amount paid after December 31, 1996.".

Subtitle B—Insurance Provisions

PART I—FEDERALLY QUALIFIED HEALTH INSURANCE PLAN

SEC. 111. FEDERALLY QUALIFIED HEALTH INSURANCE PLAN.

(a) IN GENERAL.—A federally qualified health insurance plan is a health insurance plan offered, issued, or renewed on or after January 1, 1997, which is certified by the applicable regulatory authority as meeting, at a minimum, the requirements of sections 112, 113, 114, and 115, and the regulatory program described in section 117.

(b) GENERAL DEFINITIONS.—As used in this Act—

(1) HEALTH INSURANCE PLAN.—The term "health insurance plan" means any hospital or medical service policy or certificate, hospital or medical service plan contract, or health maintenance organization group contract and, in States which have distinct licensure requirements, a multiple employer welfare arrangement, but does not include any of the following offered by an insurer:

(A) Accident only, dental only, disability only, or long-term care only insurance.

(B) Coverage issued as a supplement to liability insurance.

(C) Workers' compensation or similar insurance.

(D) Automobile medical-payment insurance.

(2) APPLICABLE REGULATORY AUTHORITY.—The term 'applicable regulatory authority' means—

(A) in the case of a State with a program described in section 117, the State commissioner or superintendent of insurance or other State authority responsible for regulation of health insurance; or

(B) if the State has not established such a program or such program has been decertified under section 117(b), the Secretary.

(3) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

(4) STATE.—The term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, America Samoa, and the Commonwealth of the Northern Mariana Islands.

SEC. 112. FAMILY SECURITY BENEFITS PACKAGE.

(a) IN GENERAL.—The requirements of this section are met, if the health insurance plan—

(1) provides coverage for all medically necessary acute medical care described in subsection (b),

(2) does not exclude coverage for selected illnesses or selected treatments if consistent with medically accepted practices, and

(3) meets the patient cost sharing requirements of subsection (c).

(b) ACUTE MEDICAL CARE.—Coverage for all medically necessary acute medical care is described in this subsection if such coverage includes—

(1) physician services,

(2) inpatient, outpatient, and emergency hospital services and appropriate alternatives to hospitalization, and

(3) inpatient and outpatient prescription drugs.

Nothing in this subsection may be construed to require the inclusion of abortion services.

(c) COST SHARING REQUIREMENTS.—The requirements of this subsection are as follows:

(1) LIMITATION ON DEDUCTIBLES.—A health insurance plan shall not provide a deductible amount for benefits provided in any plan year that exceeds—

(A) with respect to benefits payable for items and services furnished to a single individual enrolled under the plan, for a plan year beginning in—

(i) a calendar year prior to 1998, $1,000; or

(ii) for a subsequent calendar year, the limitation specified in this subparagraph for the previous calendar year increased by the percentage increase in the consumer price index for all urban consumers (United States city average, as published by the Bureau of Labor Statistics) for the 12-month period ending on September 30 of the preceding calendar year; and

(B) with respect to benefits payable for items and services furnished to a family enrolled under the plan, for a plan year beginning in—

(i) a calendar year prior to 1998, $2,000 per family; or

(ii) for a subsequent calendar year, the limitation specified in this subparagraph for the previous calendar year increased by such percentage increase.

If the limitation computed under subparagraph (A)(ii) or (B)(ii) is not a multiple of $10, it shall be rounded to the next highest multiple of $10.

(2) LIMITATION ON COPAYMENTS AND COINSURANCE.—

(A) IN GENERAL.—A health insurance plan may not require the payment of any copayment or coinsurance for an item or service for which coverage is required under this section after an individual or a family covered under the plan has incurred out-of-pocket expenses under the plan that are equal to the out-of-pocket limit for a plan year.

(B) LIMIT ON OUT-OF-POCKET EXPENSES.—As used in this paragraph—

(i) OUT-OF-POCKET EXPENSES DEFINED.—The term "out-of-pocket expenses" means, with respect to an individual or a family in a plan year, amounts payable under the plan as deductibles and coinsurance with respect to items and services provided under the plan and furnished in the plan year on behalf of the individual or the family covered under the plan.

(ii) OUT-OF-POCKET LIMIT DEFINED.—The term "out-of-pocket limit" means for a plan year beginning in—

(I) a calendar year prior to 1998, $5,000; or

(II) for a subsequent calendar year, the limit specified in this clause for the previous calendar year increased by the percentage increase in the consumer price index for all urban consumers (United States city average, as published by the Bureau of Labor Statistics) for the 12-month period ending on September 30 of the preceding calendar year.

If the limit computed under subclause (II) is not a multiple of $10, it shall be rounded to the next highest multiple of $10.

SEC. 113. RATING PRACTICES.

(a) IN GENERAL.—The requirements of this section are met, if, except as provided in subsection (b), the health insurance plan provides for—

(1) a variation in premium rates only on the basis of age, sex, and geography, and

(2) a charge of the same premium rates to new applicants and existing policyholders with the same age, sex, and geographic characteristics.

(b) INCENTIVE DISCOUNTS.—A plan may discount an individual's premium rate as an incentive for participating in a program, approved by the applicable regulatory authority to be offered in conjunction with the coverage, which has as its objective, 1 or more of the following:

(1) To promote healthy behavior.

(2) To prevent or delay the onset of illness.

(3) To provide for screening or early detection of illness.

SEC. 114. GUARANTEED ISSUE.

(a) IN GENERAL.—Except as provided in paragraph (2), in the case of applications made on and after January 1, 1998, the following rules apply:

(1) IN GENERAL.—The requirements of this section are met, if, except as provided in paragraph (2), the health insurance plan—

(A) provides guaranteed issue at standard rates to all applicants, and

(B) does not exclude from coverage, or limit coverage for, any preexisting medical condition of any applicant who, on the date the application is made, has been continuously insured for a period of at least 1 year prior to the date of the application under 1 or more of the following health insurance plans or programs:

(i) Another federally qualified health insurance plan.

(ii) An employer-sponsored group health insurance plan in effect before the date of the enactment of this Act.

(iii) An individual health insurance plan in effect before such date.

(iv) A program described in—

(I) title XVIII or XIX of the Social Security Act,

(II) chapter 55 of title 10, United States Code,

(III) chapter 17 of title 38, United States Code,

(IV) chapter 89 of title 5, United States Code, or

(V) the Indian Health Care Improvement Act.

(2) BREAK IN COVERAGE.—In the case of an applicant who has not been continuously insured for a period of 1 year prior to the date the application is made, the health insurance plan may exclude from coverage, or limit coverage for, any preexisting medical condition for a period no greater than the lesser of—

(A) the number of months immediately prior to the date of the application during which the individual was not insured since the illness or condition in question was first diagnosed, or

(B) 1 year.

(b) TRANSITION RULE.—In the case of applications made in 1997, the requirements of this section are met, if the health insurance plan—

(1) provides guaranteed issue at standard rates to all applicants, and

(2) does not exclude from coverage, or limit coverage for, any preexisting medical condition of any applicant.

SEC. 115. GUARANTEED RENEWABILITY.

The requirements of this section are met, if the health insurance plan provides the policyholder with a contractual right to renew the coverage which stipulates that the insurer cannot cancel or refuse to renew the coverage except for cases of—

(1) nonpayment of premiums by the policyholder, or

(2) fraud or misrepresentation by the policyholder.

PART II—CERTIFICATION OF FEDERALLY QUALIFIED HEALTH INSURANCE PLANS

SEC. 117. ESTABLISHMENT OF REGULATORY PROGRAM FOR CERTIFICATION OF PLANS.

(a) IN GENERAL.—Each State shall establish no later than January 1, 1997, a regulatory program which meets the standards referred to in section 118.

(b) PERIODIC SECRETARIAL REVIEW OF STATE REGULATORY PROGRAM.—The Secretary periodically shall review each State regulatory program to determine if such program continues to meet and enforce the standards referred to in section 118. If the Secretary initially determines that a State regulatory program no longer meets and enforces such standards, the Secretary shall provide the State an opportunity to adopt a plan of correction that would bring such program into compliance with such standards. If the Secretary makes a final determination that the State regulatory program fails to meet and enforce such standards after such an opportunity, the Secretary shall decertify such program and assume responsibility with respect to health insurance plans in the State.

SEC. 118. STANDARDS FOR REGULATORY PROGRAMS.

(a) IN GENERAL.—The Secretary, in consultation with the National Association of Insurance Commissioners (hereafter in this section referred to as "NAIC") shall develop by not later than 1 year after the date of the enactment of this Act, in the form of model Acts and model regulations, State regulatory program standards which include—

(1) procedures for certifying that the requirements of part I of this subtitle have been met by a health insurance plan applying for certification as a federally qualified health insurance plan,

(2) the requirements described in subsections (b), (c), and (d),

(3) requirements with respect to solvency standards and guaranty funds for carriers of

federally qualified health insurance plans, and

(4) reporting requirements under which carriers report to the Internal Revenue Service regarding the acquisition and termination by individuals of coverage under federally qualified health insurance plans.

(b) PASSBACK OF CLAIMS AND PREMIUMS.—The requirements of this subsection are met, if, in the case of an applicant who has been continuously insured, as described in section 114(b)(1)(B), and is at the time of the application receiving treatment for a preexisting medical condition—

(1) the federally qualified health insurance plan is allowed to pass back to the applicant's previous plan any claims relating to such condition, together with a portion of the premium, and

(2) such previous plan is required to pay such claims and premium incurred during the lesser of—

(A) the duration of the course of the treatment or spell of illness, or

(B) 2 years from the date at which coverage commenced under the federally qualified health insurance plan.

(c) MARKETING PRACTICES.—The requirements of this subsection are met, if the carrier offering the federally qualified health insurance plan retains the right to select agents with whom such plan contracts and to determine the amount and form of compensation to such agents, except that—

(1) if the carrier chooses to contract with an agent, the carrier may not terminate or refuse to renew the agency contract for any reason related to the age, sex, health status, claims experience, occupation, or geographic location of the insureds placed by the agent with such plan, and

(2) the carrier may not, directly or indirectly, enter into any contract, agreement, or arrangement with an agent that provides for, or results in, any consideration provided to such agent for the issuance or renewal of such a plan to vary on account of the age, sex, health status, claims experience, occupation, or geographic location of the insureds placed by the agent with such plan.

(d) RISK ADJUSTMENT OR REINSURANCE PROGRAMS.—The requirements of this subsection are met, if the carrier offering the federally qualified health insurance plan participates in a State-administered risk adjustment program (or, at the option of the State, a reinsurance program) designed to compensate for the potential occurrence of grossly disproportionate distributions of above-standard or below-standard insured risks among federally qualified health insurance plans.

(e) NONBINDING STANDARDS.—The Secretary, in consultation with NAIC, shall also develop within the 1-year period described in subsection (a), nonbinding standards for premium rating practices and guaranteed renewability of coverage which, if the insurer so elects, is more generous (additional benefits or lower cost sharing or both) than the requirements under part I of this subtitle for federally qualified health insurance plans.

Subtitle C—Employer Provisions

SEC. 121. GENERAL PROVISIONS RELATING TO EMPLOYERS.

(a) PREMIUMS WITHHELD.—Each employer shall—

(1) withhold from each employee's wages the amount of the employee's health insurance premium and remit, directly or indirectly, such premium to the insurance plan of the employee's choice according to an agreed upon schedule, and

(2) within the first 30 days of any calendar year or the date of the hire of an employee, notify each employee of the employee's right to claim an advance refundable tax credit for such premium under section 34A of the Internal Revenue Code of 1986.

(b) EFFECTIVE DATE.—The requirements under subsection (a) shall apply with respect to calendar year 1997 and thereafter.

SEC. 122. CONVERSION OF NON-SELF-INSURED PLANS.

In the case of an employer-sponsored health insurance plan in force on the date of the enactment of this Act, and which is not a self-insured plan, the insurer from whom the plan was purchased (or, in the event such insurer refuses, any new subsidiary, corporation, insurer, union, cooperative, or association willing to become the new sponsor of the plan) shall—

(1) notify, not later than October 1, 1996, all of the primary insured beneficiaries of the employer-sponsored plan of their rights to convert their insurance coverage to a federally qualified health insurance plan (as defined in section 111) offered by the insurer with benefits identical to, or actuarially equivalent to, those of the employer-sponsored plan and the rates of that coverage, and provide such beneficiaries 60 additional days to decline or accept the new coverage, and

(2) offer such coverage beginning January 1, 1997, at premium rates which vary only by age, sex, and geography, except that the combined total of the new rates charged separately to the various beneficiaries may not exceed the total group rate paid by the employer or employees or both under the employer-sponsored plan on the last day it is, or was, in force.

SEC. 123. PROVISIONS RELATING TO EXISTING SELF-INSURED PLANS.

(a) IN GENERAL.—In the case of an employer-sponsored health insurance plan in force on the date of the enactment of this Act, and which is a self-insured plan, the employer sponsoring the plan may, at anytime following such date sell, transfer, or assign the plan to any existing or new, subsidiary, corporation, insurer, union, cooperative or association, willing to become the new sponsor of the plan, except that—

(1) such sale, transfer, or assignment may not take effect unless first approved by a two-thirds majority vote of all the primary-insured beneficiaries of the plan, and

(2) the terms or conditions and benefits or coverage of the plan, and the eligibility criteria for participation in the plan, may not be altered before such date.

(b) PROVISIONS GOVERNING PLAN.—As of the date of the enactment of this Act, the sponsor of the plan described in subsection (a) becomes subject to all laws governing the operation of a corporation selling health insurance in the applicable State or States and to the provisions of section 122.

SEC. 124. CONTINUATION OF EMPLOYER-PROVIDED HEALTH COVERAGE REQUIRED UNTIL EFFECTIVE DATE OF NEW COVERAGE UNDER THIS ACT.

(a) IN GENERAL.—Clause (i) of section 4980B(f)(2)(B) of the Internal Revenue Code of 1986 (relating to period of coverage) is amended by inserting after subclause (V) the following new subclause:

"(VI) QUALIFYING EVENT INVOLVING END OF PLAN.—In the case of an event described in paragraph (3)(G), December 31, 1996.".

(b) QUALIFYING EVENT INVOLVING END OF PLAN.—Paragraph (3) of section 4980B(f) of the Internal Revenue Code of 1986 (defining qualifying event) is amended by inserting after subparagraph (F) the following new subparagraph:

"(G) The termination by the employer of the group health plan after the date of the enactment of the Consumer Choice Health Security Act of 1993.".

(c) CONFORMING AMENDMENT.—Clause (ii) of section 4980B(f)(2)(B) of the Internal Revenue Code of 1986 is amended by striking "The date" and inserting "Except in the case of a qualifying event described in paragraph (3)(G), the date".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to qualifying events occurring after the date of the enactment of this Act.

SEC. 125. REQUIREMENTS WITH RESPECT TO CASHING OUT EMPLOYER-SPONSORED PLANS.

(a) NON-FEDERAL EMPLOYERS.—

(1) IN GENERAL.—Each employer contributing in whole or in part to an employer-sponsored health insurance plan on December 1, 1996, shall, within 30 days after such date—

(A) notify each employee participating in the plan of the amount spent by the employer on the employee's health insurance, as determined under paragraph (2),

(B) add such amount to the cash wages of the employee commencing with pay periods beginning on and after January 1, 1997, and

(C) hold each employee harmless for the employer's share of any payroll taxes due under chapter 31 of the Internal Revenue Code of 1986 on such amount.

(2) AMOUNT OF INCLUSION.—The amount described in paragraph (1)(A) shall equal the actuarial value of the employer's contribution for group health issuance coverage apportioned to the plan's beneficiaries according to the new premiums for individual and family coverage determined by the insurer.

(3) PRIOR TERMINATION.—Any beneficiary of an employer-sponsored health insurance plan who voluntarily terminates coverage under such a plan before December 1, 1996, forfeits the right to receive the value of the beneficiary's coverage in cash.

(b) COMMISSION ON CASHING OUT FEHBP BENEFITS.—

(1) ESTABLISHMENT.—

(A) IN GENERAL.—There is established an independent board to be known as the "Benefits Cash Out Commission" (in this subtitle, referred to as the "Commission").

(B) DUTIES.—The Commission shall study and propose a procedure under which individuals may cash out health benefits under chapter 89 of title 5, United States Code, and pay scales and retirement benefits would be adjusted accordingly. The Commission shall report to Congress regarding such study and proposal not later than 1 year after the date of the enactment of this Act.

(C) MEMBERSHIP.—

(i) IN GENERAL.—The Commission shall be composed of 13 members appointed by the President by and with the advice and consent of the Senate.

(ii) CONSULTATION.—In selecting individuals for nominations for appointments for the Commission, the President should consult with—

(I) the Speaker of the House of Representatives concerning the appointment of 3 members;

(II) the Majority Leader of the Senate concerning the appointment of 3 members;

(III) the Minority Leader of the House of Representatives concerning the appointment of 3 members; and

(IV) the Minority Leader of the Senate concerning the appointment of 3 members.

(iii) CHAIR.—The President shall designate 1 individual described in clause (ii) who shall serve as Chair of the Commission.

(iv) COMPOSITION OF COMMISSION.—The membership of the Commission shall include individuals with national recognition for expertise in the valuation of health insurance benefits and of Federal civilian pay and retirement benefits.

(D) ADMINISTRATIVE PROVISIONS.—

(i) MEETINGS.—Each meeting of the Commission shall be open to the public.

(ii) PAY AND TRAVEL EXPENSES.—

(I) IN GENERAL.—Each member, other than the Chair, shall be paid at a rate equal to the daily equivalent of the minimum annual rate of basic pay payable 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 actual performance of duties vested in the Commission.

(II) CHAIR.—The Chair shall be paid for each day referred to in subclause (I) at a rate equal to the daily equivalent of the minimum annual rate of basic pay payable for level III of the Executive Schedule under section 5314 of title 5, United States Code.

(III) TRAVEL EXPENSES.—Members shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(iii) STAFF.—

(I) IN GENERAL.—Subject to subclauses (II) and (III), the Chair, with the approval of the Commission, may appoint and fix the pay of additional personnel.

(II) PAY.—The Chair may make such appointments without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and any personnel so appointed 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, except that an individual so appointed may not receive pay in excess of 120 percent of the annual rate of basic pay payable for GS–15 of the General Schedule.

(III) DETAILED PERSONNEL.—Upon request of the Chair, the head of any Federal department or agency may detail any of the personnel of that department or agency to the Commission to assist the Commission in carrying out its duties under this Act.

(iv) OTHER AUTHORITY.—

(I) CONTRACT SERVICES.—The Commission may procure by contract, to the extent funds are available, the temporary or intermittent services of experts or consultants pursuant to section 3109 of title 5, United States Code.

(II) LEASES, ETC.—The Commission may lease space and acquire personal property to the extent funds are available.

(2) CONSIDERATION.—

(A) IN GENERAL.—The proposal described in paragraph (1)(B) shall be considered by the Congress under the procedures for consideration of an "approval resolution" as described in subparagraph (D).

(B) EFFECTIVE DATE OF IMPLEMENTATION.—The provisions of the proposal shall become effective on January 1, 1997.

(C) PERIOD FOR RESUBMISSION OF PROPOSAL IN CASE OF NONAPPROVAL.—If the proposal of the Commission described in subparagraph (A) is not approved by Congress, the Commission shall by not later than January 1, 1996, submit a new proposal to Congress.

(D) RULES GOVERNING CONGRESSIONAL CONSIDERATION.—

(i) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—This subparagraph is enacted by the Congress—

(I) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of approval resolutions described in clause (ii), and supersedes other rules only to the extent that such rules are inconsistent therewith; and

(II) with full recognition of the constitutional right of either House to change the rules (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.

(ii) TERMS OF THE RESOLUTION.—For purposes of subparagraph (A), the term "approval resolution" means only a joint resolution of the 2 Houses of the Congress, providing in—

(I) the matter after the resolving clause of which is as follows: "That the Congress approves the recommendations of the Benefits Cash Out Commission as submitted by the Commission on _____", the blank space being filled in with the appropriate date; and

(II) the title of which is as follows: "Joint Resolution approving the recommendation of the Benefits Cash Out Commission".

(iii) INTRODUCTION AND REFERRAL.—On the day on which the recommendation of the Commission is transmitted to the House of Representatives and the Senate, an approval resolution with respect to such recommendation shall be introduced (by request) in the House of Representatives by the Majority Leader of the House, for himself or herself and the Minority Leader of the House, or by Members of the House designated by the Majority Leader and Minority Leader of the House; and shall be introduced (by request) in the Senate by the Majority Leader of the Senate, for himself or herself and the Minority Leader of the Senate, or by Members of the Senate designated by the Majority Leader and Minority Leader of the Senate. If either House is not in session on the day on which such recommendation is transmitted, the approval resolution with respect to such recommendation shall be introduced in the House, as provided in the preceding sentence, on the first day thereafter on which the House is in session. The approval resolution introduced in the House of Representatives and the Senate shall be referred to the appropriate committees of each House.

(iv) AMENDMENTS PROHIBITED.—No amendment to an approval resolution shall be in order in either the House of Representatives or the Senate; and no motion to suspend the application of this clause shall be in order in either House, nor shall it be in order in either House for the Presiding Officer to entertain a request to suspend the application of this clause by unanimous consent.

(v) PERIOD FOR COMMITTEE AND FLOOR CONSIDERATION.—

(I) IN GENERAL.—Except as provided in subclause (II), if the committee or committees of either House to which an approval resolution has been referred have not reported it at the close of the 30th day after its introduction, such committee or committees shall be automatically discharged from further consideration of the approval resolution and it shall be placed on the appropriation calendar. A vote on final passage of the approval resolution shall be taken in each House on or before the close of the 30th day after the approval resolution is reported by the committees or committee of that House to which it was referred, or after such committee or committees have been discharged from further consideration of the approval resolution. If prior to the passage by 1 House of an approval resolution of that House, that House receives the same approval resolution from the other House then the procedure in that House shall be the same as if no approval resolution had been received from the other House, but the vote on final passage shall be on the approval resolution of the other House.

(II) COMPUTATION OF DAYS.—For purposes of subclause (I), in computing a number of days in either House, there shall be excluded any day on which the House is not in session.

(vi) FLOOR CONSIDERATION IN THE HOUSE OF REPRESENTATIVES.—

(I) MOTION TO PROCEED.—A motion in the House of Representatives to proceed to the consideration of an approval resolution shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(II) DEBATE.—Debate in the House of Representatives on an approval resolution shall be limited to not more than 20 hours, which shall be divided equally between those favoring and those opposing the bill or resolution. A motion further to limit debate shall not be debatable. It shall not be in order to move to recommit an approval resolution or to move to reconsider the vote by which an approval resolution is agreed to or disagreed to.

(III) MOTION TO POSTPONE.—Motions to postpone, made in the House of Representatives with respect to the consideration of an approval resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

(IV) APPEALS.—All appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to an approval resolution shall be decided without debate.

(V) GENERAL RULES APPLY.—Except to the extent specifically provided in the preceding provisions of this clause, consideration of an approval resolution shall be governed by the Rules of the House of Representatives applicable to other bills and resolutions in similar circumstances.

(vii) FLOOR CONSIDERATION IN THE SENATE.—

(I) MOTION TO PROCEED.—A motion in the Senate to proceed to the consideration of an approval resolution shall be privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(II) GENERAL DEBATE.—Debate in the Senate on an approval resolution, and all debatable motions and appeals in connection therewith, shall be limited to not more than 20 hours. The time shall be equally divided between, and controlled by, the Majority Leader and the Minority Leader or their designees.

(III) DEBATE OF MOTIONS AND APPEALS.—Debate in the Senate on any debatable motion or appeal in connection with an approval resolution shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the approval resolution, except that in the event the manager of the approval resolution is in favor of any such motion or appeal, the time in opposition thereto, shall be controlled by the Minority Leader or his designee. Such leaders, or either of them, may, from time under their control on the passage of an approval resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal.

(IV) OTHER MOTIONS.—A motion in the Senate to further limit debate is not debatable.

A motion to recommit an approval resolution is not in order.

SEC. 126. ENFORCEMENT.

(a) IN GENERAL.—Chapter 47 of the Internal Revenue Code of 1986 (relating to excise taxes on qualified pension, etc. plans) is amended by inserting after section 5000 the following new sections:

"SEC. 5000A. FAILURE OF EMPLOYERS WITH RESPECT TO HEALTH INSURANCE.

"(a) GENERAL RULE.—There is hereby imposed a tax on the failure of any person to comply with the requirements of sections 121 and 125(a) of the Consumer Choice Health Security Act of 1993 with respect to any employee of the person.

"(b) AMOUNT OF TAX.—

"(1) IN GENERAL.—The amount of the tax imposed by subsection (a) on any failure with respect to an employee shall be $50 for each day in the noncompliance period with respect to such failure.

"(2) NONCOMPLIANCE PERIOD.—For purposes of this section, the term 'noncompliance period' means, with respect to any failure, the period—

"(A) beginning on the date such failure first occurs, and

"(B) ending on the date such failure is corrected.

"(3) CORRECTION.—A failure of a person to comply with the requirements of section 121 or 125(a) of the Consumer Choice Health Security Act of 1993 with respect to any employee of the person shall be treated as corrected if—

"(A) such failure is retroactively undone to the extent possible, and

"(B) the employee is placed in a financial position which is as good as such employee would have been in had such failure not occurred.

"(c) LIMITATIONS ON AMOUNT OF TAX.—

"(1) TAX NOT TO APPLY WHERE FAILURE NOT DISCOVERED EXERCISING REASONABLE DILIGENCE.—No tax shall be imposed by subsection (a) on any failure during any period for which it is established to the satisfaction of the Secretary that none of the persons referred to in subsection (d) knew, or exercising reasonable diligence would have known, that such failure existed.

"(2) TAX NOT TO APPLY TO FAILURES CORRECTED WITHIN 30 DAYS.—No tax shall be imposed by subsection (a) on any failure if—

"(A) such failure was due to reasonable cause and not to willful neglect, and

"(B) such failure is corrected during the 30-day period beginning on the first date any of the persons referred to in subsection (d) knew, or exercising reasonable diligence would have known, that such failure existed.

"(3) WAIVER BY SECRETARY.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive relative to the failure involved.

"(d) LIABILITY FOR TAX.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the following shall be liable for the tax imposed by subsection (a) on a failure:

"(A) In the case of a health insurance plan other than a multiemployer plan, the employer.

"(B) In the case of a multiemployer plan, the plan.

"(C) Each person who is responsible (other than in a capacity as an employee) for administering or providing benefits under the health insurance plan and whose act or failure to act caused (in whole or in part) the failure.

"(2) SPECIAL RULES FOR PERSONS DESCRIBED IN PARAGRAPH (1)(C).—A person described in subparagraph (C) (and not in subparagraphs (A) and (B)) of paragraph (1) shall be liable for the tax imposed by subsection (a) on any failure only if such person assumed (under a legally enforceable written agreement) responsibility for the performance of the act to which the failure relates.

"SEC. 5000B. FAILURE OF CARRIERS WITH RESPECT TO HEALTH INSURANCE.

"(a) GENERAL RULE.—There is hereby imposed a tax on the failure of any carrier offering any health insurance plan to comply with the requirements of sections 122 and 123 of the Consumer Choice Health Security Act of 1993.

"(b) AMOUNT OF TAX.—

"(1) IN GENERAL.—The amount of tax imposed by subsection (a) by reason of 1 or more failures during a taxable year shall be equal to 50 percent of the gross premiums received during such taxable year with respect to all health insurance plans issued by the carrier on whom such tax is imposed.

"(2) GROSS PREMIUMS.—For purposes of paragraph (1), gross premiums shall include any consideration received with respect to any health insurance contract.

"(3) CONTROLLED GROUPS.—For purposes of paragraph (1)—

"(A) CONTROLLED GROUP OF CORPORATIONS.—All corporations which are members of the same controlled group of corporations shall be treated as 1 carrier. For purposes of the preceding sentence, the term 'controlled group of corporations' has the meaning given to such term by section 1563(a), except that—

"(i) 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears in section 1563(a)(1), and

"(ii) the determination shall be made without regard to subsections (a)(4) and (e)(3)(C) of section 1563.

"(B) PARTNERSHIPS, PROPRIETORSHIPS, ETC., WHICH ARE UNDER COMMON CONTROL.—Under regulations prescribed by the Secretary, all trades or business (whether or not incorporated) which are under common control shall be treated as 1 carrier. The regulations prescribed under this subparagraph shall be based on principles similar to the principles which apply in the case of subparagraph (A).

"(c) LIMITATION ON TAX.—

"(1) TAX NOT TO APPLY WHERE FAILURE NOT DISCOVERED EXERCISING REASONABLE DILIGENCE.—No tax shall be imposed by subsection (a) with respect to any failure for which it is established to the satisfaction of the Secretary that the carrier on whom the tax is imposed did not know, and exercising reasonable diligence would not have known, that such failure existed.

"(2) TAX NOT TO APPLY WHERE FAILURES CORRECTED WITHIN 30 DAYS.—No tax shall be imposed by subsection (a) with respect to any failure if—

"(A) such failure was due to reasonable cause and not to willful neglect, and

"(B) such failure is corrected during the 30-day period beginning on the 1st date any of the carriers on whom the tax is imposed knew, or exercising reasonable diligence would have known, that such failure existed.

"(3) WAIVER BY SECRETARY.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive relative to the failure involved.".

(b) CLERICAL AMENDMENTS.—The table of sections for such chapter 47 is amended by adding at the end thereof the following new items:

"Sec. 5000A. Failure of employers with respect to health insurance.

"Sec. 5000B. Failure of carriers with respect to health insurance.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1997.

Subtitle D—State Plan Requirements

SEC. 131. STATE PLAN REQUIREMENTS.

(a) IN GENERAL.—As a condition of receiving Federal funds for health care programs after December 31, 1996, each State shall meet the requirements of the following subsections.

(b) HEALTH PLANS FOR UNINSURED.—The requirement of this subsection is met, if the State establishes a program to provide health insurance coverage at least equal to that of the federally qualified health insurance plans (as defined in section 111) to any resident (other than a federally covered individual (within the meaning on section 34A(b)(2) of the Internal Revenue Code of 1986) who refuses to voluntarily purchase such insurance coverage privately. Such coverage may be through—

(1) the State's program under title XIX of the Social Security Act,

(2) an existing or new State health care program, including a State program established under section 1933 of the Social Security Act,

(3) any private insurer the State contracts with for this purpose, or

(4) any health insurance plan available to the resident.

(c) ENROLLMENT IN PLAN.—The requirement of this subsection is met, if—

(1) in the case of any uninsured individual described in subsection (b) who is eligible for assistance under a State program established under section 1933 of the Social Security Act, such individual is identified by the State and provided with assistance through such a program, and

(2) in the case of any uninsured individual described in subsection (b) who is not eligible for such assistance, such individual is identified by the State and automatically enrolled in the program described in subsection (b), except that—

(A) the State may charge such individual a premium for coverage under the program which the State deems appropriate given the cost of coverage and the individual's ability to pay, and

(B) such individual may, upon submitting proof of having purchased a federally qualified health insurance plan (as so defined), terminate coverage under the State program without penalty.

(d) MONITORING.—The requirement of this subsection is met, if the State designates or creates an office of the State government to monitor the health insurance coverage status of workers and their dependents residing in the State for the purposes of determining eligibility for State health care assistance programs.

Subtitle E—Federal Preemption

SEC. 141. FEDERAL PREEMPTION OF CERTAIN STATE LAWS.

All State laws in existence on January 1, 1997, in the following areas are preempted:

(1) MANDATED INSURANCE BENEFIT LAWS.—Laws requiring health insurance policies to cover specific diseases, services, or providers.

(2) ANTI-MANAGED CARE LAWS.—Laws restricting the ability of managed care plans to selectively contract with providers of their choice.

(3) MANDATED COST-SHARING LAWS.—Laws restricting the extent to which insurers may

require enrollee cost sharing as part of their plans, or restricting the extent to which managed care plans may impose different levels of cost sharing on enrollee claims for treatment by providers not participating in the plan.

TITLE II—MEDICARE AND MEDICAID REFORMS

Subtitle A—Medicare

SEC. 201. STUDY OF MEDICARE PRIVATE HEALTH INSURANCE PROGRAM.

(a) STUDY.—The Secretary shall conduct a study of the feasibility of permitting future medicare beneficiaries to elect, upon attaining medicare eligibility, to retain private health insurance coverage and receive, in lieu of the medicare benefits such beneficiaries would otherwise be entitled to, certificates for use in purchasing private health insurance coverage. The study shall recommend—

(1) certificate amounts which—

(A) provide the maximum assistance possible to eligible individuals,

(B) are adjusted for different classes of beneficiaries on the basis of age, sex, and geography to reflect actuarial differences in the cost of insurance, and

(C) will not further jeopardize the future solvency of the medicare program, as projected by the trustees of the medicare trust funds as of the date of the report of the study,

(2) a mechanism for annually adjusting such amounts, and

(3) legislative, regulatory, and administrative reforms necessary or desirable for establishing such a program.

(b) REPORT.—The Secretary shall submit a report regarding the study described in subsection (a) to the Congress no later than January 1, 1996.

SEC. 202. ELIMINATION OF MEDICARE HOSPITAL DISPROPORTIONATE SHARE ADJUSTMENT PAYMENTS.

Section 1886(d)(5)(F)(i) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(F)(i)) is amended by inserting "and before September 30, 1994," after "1986,".

SEC. 203. REDUCTION IN ADJUSTMENT FOR INDIRECT MEDICAL EDUCATION.

Section 1886(d)(5)(B)(ii) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(B)(ii)) is amended to read as follows:

"(ii) For purposes of clause (i)(II), the indirect teaching adjustment factor is equal to c * (((1+r) to the nth power) - 1), where 'r' is the ratio of the hospital's full-time equivalent interns and residents to beds and 'n' equals .405. For discharges occurring on or after—

"(I) May 1, 1986, and before October 1, 1994, 'c' is equal to 1.89,

"(II) October 1, 1994, and before October 1, 1995, 'c' is equal to 1.395, and

"(III) October 1, 1995, 'c' is equal to 0.74.".

SEC. 204. IMPOSITION OF COPAYMENT FOR SKILLED NURSING FACILITY SERVICES.

(a) IN GENERAL.—Paragraph (3) of section 1813(b) of the Social Security Act (42 U.S.C. 1395e(b)) is amended to read as follows:

"(3) The amount payable for post-hospital extended care services furnished an individual during any spell of illness shall be reduced by a copayment amount equal to 20 percent of the average of all per day costs for such services furnished under this title (as determined by the Secretary on a prospective basis for services furnished during a calendar year).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to post-hospital extended care services furnished on or after October 1, 1994.

SEC. 205. SHIFT PAYMENT UPDATES TO JANUARY FOR ALL PAYMENT RATES UNDER HOSPITAL INSURANCE PROGRAM.

(a) PPS HOSPITALS.—

(1) IN GENERAL.—Section 1886(b)(3)(B)(i) of the Social Security Act (42 U.S.C. 1395ww(b)(3)(B)(i)) is amended—

(A) in the matter preceding subclause (I), by striking "fiscal year" and inserting "particular time period",

(B) in subclause (IX), by striking "fiscal year 1994",and inserting "the 15-month period beginning on October 1, 1993",

(C) in subclauses (X), (XI), and (XII), by striking "fiscal year", and

(D) in subclause (XIII), by striking "fiscal year 1998 and each subsequent fiscal year" and inserting "1998 and each subsequent calendar year".

(2) OTHER HOSPITALS.—

(A) IN GENERAL.—Section 1886(b)(3)(B)(ii) of such Act (42 U.S.C. 1395ww(b)(3)(B)(ii)) is amended—

(A) in subclause (V)—

(i) by striking "fiscal years 1994 through 1997" and inserting "the 15-month period beginning on October 1, 1993,", and

(ii) by striking "and" at the end, and

(B) by striking subclause (VI) and insert the following:

"(VI) 1995 through 1997, is the market basket percentage increase minus the applicable reduction (as defined in clause (vi)(II)), or in the case of a hospital for a calendar year for which the hospital's update adjustment percentage (as defined in clause (vi)(I)) is at least 10 percent, the market basket percentage increase, and

"(VII) subsequent calendar years is the market basket percentage increase.".

(B) CONFORMING AMENDMENT.—Section 1886(b)(3)(B) of such Act (42 U.S.C. 1395ww(b)(3)(B)) is amended by adding at the end the following new clause:

"(vi) For purposes of clause (ii)(VI)—

"(I) a hospital's 'update adjustment percentage' for a calendar year is the percentage by which the hospital's allowable operating cost of inpatient hospital services recognized under this title for the cost reporting period beginning in fiscal year 1990 exceeds the hospital's target amount (as determined under subparagraph (A)) for such cost reporting period, increased for each calendar year (beginning with 1995) by the sum of any of the hospital's applicable reductions under subclause (VI) for previous years; and

"(II) the 'applicable reduction' with respect to a hospital for a calendar year is the lesser of 1 percentage point or the percentage point difference between 10 percent and the hospital's update adjustment percentage for the calendar year.".

(3) SOLE COMMUNITY AND MEDICARE-DEPENDENT, SMALL RURAL HOSPITALS.—

(A) IN GENERAL.—Section 1886(b)(3)(B)(iv) of such Act (42 U.S.C. 1395ww(b)(3)(B)(iv)) is amended—

(i) in subclause (II), by striking "fiscal year 1994" and inserting "the 15-month period beginning on October 1, 1993",

(ii) in subclause (III), by striking "fiscal year", and

(iii) in subclause (IV), by striking "fiscal year 1996 and each subsequent fiscal year" and inserting "1996 and each subsequent calendar year".

(B) TARGET AMOUNT ADJUSTMENT.—Section 1886(b)(3)(C) of such Act (42 U.S.C. 1395ww(b)(3)(C)) is amended—

(i) in clause (iii), by inserting "or portion of a cost reporting period occurring before December 31, 1994," before "the target amount", and

(ii) in clause (iv), by striking "fiscal year 1995 and each subsequent fiscal year" and inserting "1995 and each subsequent year".

(C) EXTENSION OF REGIONAL FLOOR.—Section 1886(d)(1)(A)(iii)(II) of such Act (42 U.S.C. 1395ww(d)(1)(A)(iii)(II)) is amended—

(i) by striking "for discharges occurring during a fiscal year ending on or before September 30, 1996" and inserting "for discharges occurring during the 15-month period beginning on October 1, 1993, and during any calendar year ending on or before December 31, 1996", and

(ii) by striking "such fiscal year" and inserting "such 15-month period or such calendar year, as the case may be".

(4) CONFORMING AMENDMENTS.—

(A) Section 1886(b)(3)(B)(iii) of such Act (42 U.S.C. 1395ww(b)(3)(B)(iii)) is amended—

(i) by inserting "beginning in" after "cost reporting periods",

(ii) by striking "fiscal year" the first place it appears and inserting "particular time period",

(iii) by striking "or fiscal year" the first and second place it appears, and

(iv) by striking "cost reporting period or fiscal year" and inserting "period".

(B) Section 1886(d)(1)(A) of such Act (42 U.S.C. 1395ww(d)(1)(A)) is amended in the matter preceding clause (i) by inserting "or calendar" after "fiscal".

(C) Section 1886(d)(2)(D) of such Act (42 U.S.C. 1395ww(d)(2)(D)) is amended by inserting "or calendar" after "fiscal" each place it appears.

(D) Section 1886(d)(3) of such Act (42 U.S.C. 1395ww(d)(3)) is amended in the first sentence by inserting "or calendar" after "fiscal" the first place it appears and by inserting "for each fiscal year through 1994" after "in the United States, and".

(E) Section 1886(d)(3)(A)(ii) of such Act (42 U.S.C. 1395ww(d)(3)(A)(ii)) is amended—

(i) by striking "1994," and inserting "1993, and occurring in the 15-month period beginning on October 1, 1993,", and

(ii) by striking "fiscal year" the second and last place it appears and inserting "time period".

(F) Section 1886(d)(3)(A)(iii) of such Act (42 U.S.C. 1395ww(d)(3)(A)(iii)) is amended by striking "the fiscal year beginning on October 1, 1994" and inserting "1995".

(G) Section 1886(d)(3)(A)(iv) of such Act (42 U.S.C. 1395ww(d)(3)(A)(iv)) is amended—

(i) by striking "fiscal year beginning on or after October 1, 1995" and inserting "year beginning on or after January 1, 1996",

(ii) by striking "and within each region", and

(iii) by striking "fiscal" each place it appears.

(H) Section 1886(d)(3)(D) of such Act (42 U.S.C. 1395ww(d)(3)(D)) is amended—

(i) by inserting "or calendar" after "fiscal" each place it appears, and

(ii) by inserting "for each fiscal year through 1994" after "and shall establish".

(I) Section 1886(d)(3)(E) of such Act (42 U.S.C. 1395ww(d)(3)(E)) is amended—

(i) in the second sentence, by striking "at least every 12 months thereafter" and inserting "beginning January 1, 1995, at least every 12 months thereafter", and

(ii) in the last sentence, by inserting "or calendar" after "fiscal" the first and last place it appears.

(J)(i) Section 1886(d)(4)(C)(iii) of such Act (42 U.S.C. 1395ww(d)(4)(C)(iii)) is amended—

(I) by inserting "or calendar" after "fiscal" the first place it appears, and

(II) by deleting "fiscal" the last place it appears.

(ii) The requirements of paragraphs (3)(E) and (4)(C)(iii) of section 1886(d) of the Social Security Act (42 U.S.C. 1395ww(d)(4)(C)(iii)) shall be applied on a 15-month basis for the period beginning on October 1, 1993, and ending on December 31, 1994.

(K)(i) Section 1886(d)(5)(A) of such Act (42 U.S.C. 1395ww(d)(5)(A)) is amended—

(I) in clause (i), by striking "fiscal years ending on or before September 30, 1997" and inserting "calendar years ending on or before December 31, 1997",

(II) in clause (ii), by striking "fiscal years beginning on or after October 1, 1994" and inserting "calendar years beginning on or after January 1, 1995",

(III) in clause (iv), by inserting "or calendar" after "fiscal",

(IV) in clause (v), by striking "fiscal year" each place it appears, and

(V) in clause (vi), by striking "fiscal" and inserting "calendar".

(ii) The requirement of section 1886(d)(5)(A)(iv) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(A)(iv)) shall be applied on a 15-month basis for the period beginning on October 1, 1993, and ending on December 31, 1994.

(L) Section 1886(d)(5)(E)(ii) of such Act (42 U.S.C. 1395ww(d)(5)(E)(ii)) is amended by inserting "or calendar" after "fiscal".

(M) Section 1886(d)(6) of such Act (42 U.S.C. 1395ww(d)(6)) is amended by inserting "or December 1 of each calendar year (beginning with calendar year 1995)" after "1984)".

(N) Section 1886(d)(9)(A) of such Act (42 U.S.C. 1395ww(d)(9)(A)) is amended in the matter preceding clause (i) by striking "fiscal year" and inserting "particular time period".

(O) Section 1886(d)(9)(C)(i) of such Act (42 U.S.C. 1395ww(d)(9)(C)(i)) is amended—

(i) by striking "fiscal year" the first place it appears and inserting "time period",

(ii) by striking "for fiscal year 1989", and

(iii) by striking "fiscal years" and inserting "time periods".

(P) Section 1886(d)(10)(C) of such Act (42 U.S.C. 1395ww(d)(10)(C)) is amended—

(i) in clause (i), by striking "fiscal year" and inserting "particular time period", and

(ii) in clause (ii), by inserting "or calendar" after "fiscal" the first place it appears and striking "fiscal" the last place it appears.

(Q) Section 1886(e)(2) of such Act (42 U.S.C. 1395ww(e)(2)) is amended—

(i) in subparagraph (A), by striking "fiscal years" and inserting "particular time periods", and

(ii) in subparagraph (B), by striking "fiscal year" each place it appears and inserting "particular time period".

(R) Section 1886(e)(3) of such Act (42 U.S.C. 1395ww(e)(3)) is amended—

(i) in subparagraph (A)—

(I) by striking "before the beginning of each fiscal year (beginning with fiscal year 1986)", and

(II) by striking "that fiscal year" and inserting "the succeeding year", and

(ii) in subparagraph (B)—

(I) by striking "before the beginning of each fiscal year (beginning with fiscal year 1989)", and

(II) by striking "that fiscal year" and inserting "the succeeding year".

(S) Section 1886(e)(4)(A) of such Act (42 U.S.C. 1395ww(e)(4)(A)) is amended in the first sentence by striking "fiscal" the first and last place it appears and by striking "(beginning with fiscal year 1988)".

(T) Section 1886(e)(4)(B) of such Act (42 U.S.C. 1395ww(e)(4)(B)) is amended by striking "fiscal" the first place it appears and by striking "(beginning with fiscal year 1992)".

(U) Section 1886(e)(5) of such Act (42 U.S.C. 1395ww(e)(5)) is amended—

(i) in subparagraph (A), by striking "the May 1 before each fiscal year (beginning with fiscal year 1986) and inserting "May 1" and by striking "that fiscal year" and inserting "the succeeding year",

(ii) in subparagraph (B), by striking "fiscal",

(V) The second and third sentences of section 1886(e)(5) of such Act (42 U.S.C. 1395ww(e)(5)) are each amended by striking "fiscal" each place it appears.

(W) Section 1886(g)(1)(A) of such Act (42 U.S.C. 1395ww(g)(1)(A)) is amended—

(i) by striking "fiscal years 1992, through 1995" and inserting "fiscal years 1992 and 1993, the 15-month period beginning on October 1, 1993, and calendar year 1995", and

(ii) by striking "such fiscal year" and inserting "such period".

(5) CLERICAL AMENDMENTS CONCERNING TRANSITIONAL PAYMENTS FOR A RECLASSIFIED HOSPITAL.—

(A) Section 1886(d)(8)(A) of such Act (42 U.S.C. 1395ww(d)(8)(A)) is amended in the matter preceding clause (i), by striking "cost reporting periods" and inserting "years".

(B) Section 1886(d)(8)(A)(i) of such Act (42 U.S.C. 1395ww(d)(8)(A)(i)) is amended—

(i) in the matter preceding subclause (I), by striking "cost reporting period" and inserting "year" and by striking "reporting period" and inserting "year",

(ii) in subclause (I), by striking "reporting period" and inserting "year", and

(iii) in subclause (II), by striking "reporting period" and inserting "year".

(C) Section 1886(d)(8)(A)(ii) of such Act (42 U.S.C. 1395ww(d)(8)(A)(ii)) is amended—

(i) in the matter preceding subclause (I), by striking "cost reporting period" and inserting "year" and by striking "reporting period" and inserting "year",

(ii) in subclause (I), by striking "reporting period" and inserting "year", and

(iii) in subclause (II), by striking "reporting period" and inserting "year".

(b) HOME HEALTH AGENCIES.—Clause (iii) of section 1861(v)(1)(L) of such Act (42 U.S.C. 1395x(v)(1)(L)) is amended by striking "July 1, 1991, and annually thereafter (but not for cost reporting periods beginning on and after July 1, 1994, and before July 1, 1996)" and inserting "July 1 of 1991, 1992, and 1993 (but not for cost reporting periods beginning on and after July 1, 1994, and before January 1, 1997), and annually thereafter ".

(c) HOSPICE CARE.—

(1) IN GENERAL.—Clause (ii) of section 1814(i)(1)(C) of such Act (42 U.S.C. 1395f(i)(1)(C)) is amended—

(A) in subclause (II), by striking "fiscal year 1994" and inserting "the 15-month period beginning on October 1, 1993", and

(B) in subclauses (III), (IV), (V), and (VI), by striking "fiscal year" each place it appears and inserting "calendar year".

(2) CONFORMING AMENDMENT.—Section 1814(i)(2) of such Act (42 U.S.C. 1395f(i)(2)) is amended by adding at the end the following new subparagraph:

"(D) For purposes of subparagraph (A), the term 'accounting year' means—

"(i) fiscal years 1985 through 1993,

"(ii) the 15-month period beginning on October 1, 1993, and

"(iii) calendar years beginning on or after January 1, 1995.".

(d) SKILLED NURSING FACILITY SERVICES.—

(1) IN GENERAL.—The last sentence of section 1888(a) of such Act (42 U.S.C. 1395yy(b)) is amended by striking "October 1, 1995" and inserting "January 1, 1996".

(2) CONFORMING AMENDMENTS.—

(A) Section 1888(d)(4) of such Act (42 U.S.C. 1395yy(d)(4)) is amended by striking "fiscal" each place it appears.

(B) Subsections (a)(1) and (b) of section 13503 of the Omnibus Budget Reconciliation Act of 1993 are amended by striking "fiscal years 1994 and 1995" each place it appears and inserting "the 15-month period beginning on October 1, 1993, and calendar year 1995".

SEC. 206. ACCELERATION OF TRANSITION TO PROSPECTIVE RATES FOR FACILITY COSTS IN HOSPITAL OUTPATIENT DEPARTMENTS.

(a) OUTPATIENT SURGERY.—Section 1833(i)(3)(B)(ii) of the Social Security Act (42 U.S.C. 1395l(i)(3)(B)(ii)) is amended—

(1) in subclause (I)—

(A) by striking "and 42 percent" and inserting "42 percent", and

(B) by striking "1991" and inserting "1991, and beginning on or before September 30, 1994, 25 percent for portions of cost reporting periods beginning in fiscal year 1995, and 0 percent for portions of cost reporting periods beginning on or after October 1, 1995", and

(2) in subclause (II)—

(A) by striking "and 58 percent" and inserting "58 percent", and

(B) by striking "1991" and inserting "1991, and beginning on or before September 30, 1994, 75 percent for portions of cost reporting periods beginning in fiscal year 1995, and 100 percent for portions of cost reporting periods beginning on or after October 1, 1995".

(b) OUTPATIENT RADIOLOGY AND DIAGNOSTIC SERVICES.—Section 1833(n)(1)(B)(ii)(I) of the Social Security Act (42 U.S.C. 1395l(n)(1)(B)(ii)(I)) is amended by striking "January 1, 1991." and inserting "January 1, 1991, and beginning on or before September 30, 1994. The term means 25 percent for portions of cost reporting periods beginning in fiscal year 1995 and 0 percent for portions of cost reporting periods beginning on or after October 1, 1995.".

Subtitle B—Medicaid

SEC. 211. CAP ON FEDERAL PAYMENTS MADE FOR ACUTE MEDICAL SERVICES UNDER THE MEDICAID PROGRAM.

(a) IN GENERAL.—Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) is amended by redesignating section 1931 as section 1932 and by inserting after section 1930 the following new section:

"CAP ON FEDERAL PAYMENT MADE FOR ACUTE MEDICAL SERVICES FURNISHED UNDER THE MEDICAID PROGRAM

"SEC. 1931. (a) ANNUAL FEDERAL CAP.—For purposes of furnishing acute medical services to eligible individuals, the Secretary shall pay to a State for a fiscal year under section 1903 an amount that does not exceed the State's total funding amount for such fiscal year determined under subsection (b).

"(b) STATE TOTAL FUNDING AMOUNT.—

"(1) IN GENERAL.—A State's total funding amount for a fiscal year is an amount equal to the lesser of—

"(A) the sum of—

"(i) the product of—

"(I) the per-adult funding amount for the State for such fiscal year, and

"(II) the total number of eligible individuals who are at least 21 years of age who will receive acute medical services in the State during the fiscal year; and

"(ii) the product of—

"(I) the per-child funding amount for the State for such fiscal year, and

"(II) the total number of eligible individuals who are under 21 years of age who will

receive acute medical services in the State during the fiscal year; or

"(B) the maximum Federal amount for such State (as determined under paragraph (3)).

"(2) PER-ADULT AND PER-CHILD FUNDING AMOUNTS.—The Secretary shall calculate for each State a per-adult funding amount and a per-child funding amount for each fiscal year as follows:

"(A) IN GENERAL.—

"(i) FISCAL YEAR 1995.—For fiscal year 1995—

"(I) the per-adult funding amount for a State shall be an amount equal to the base per-adult funding amount determined under subparagraph (B) increased by 20 percent of such amount; and

"(II) the per-child funding amount for the State shall be an amount equal to the base per-child funding amount for the State determined under subparagraph (C) increased by 20 percent of such amount.

"(ii) SUBSEQUENT FISCAL YEARS.—For fiscal year 1996 and subsequent fiscal years, the per-adult funding amount for a State and the per-child funding amount for a State, respectively, shall be an amount equal to the amount determined under this subparagraph for the previous fiscal year updated, through the midpoint of the period, by the estimated percentage change in the Consumer Price Index during the 12-month period ending at that midpoint, with appropriate adjustments to reflect previous underestimations or overestimations under this clause in the projected percentage change in the Consumer Price Index, plus 1 percentage point.

"(B) BASE PER-ADULT FUNDING AMOUNT.—The base per-adult funding amount for a State is an amount equal to—

"(i) the total amount of Federal funds paid to such State under section 1903(a) for fiscal year 1993 for providing acute medical services to eligible individuals who were at least 21 years of age; divided by

"(ii) the total number of eligible individuals who were at least 21 years of age who received acute medical services in such State during fiscal year 1993.

"(C) BASE PER-CHILD FUNDING AMOUNT.—The base per-child funding amount for a State is an amount equal to—

"(i) the total amount of Federal funds paid to such State under section 1903(a) for fiscal year 1993 for providing acute medical services to eligible individuals who were under 21 years of age; divided by

"(ii) the total number of eligible individuals who were under 21 years of age who received acute medical services in such State during fiscal year 1993.

"(3) MAXIMUM FEDERAL AMOUNT.—The Secretary shall calculate for each State a maximum Federal amount for each fiscal year as follows:

"(A) IN GENERAL.—

"(i) FISCAL YEAR 1995.—For fiscal year 1995, the maximum Federal amount for a State shall be an amount equal to the base maximum Federal amount determined under subparagraph (C) increased by 20 percent of such amount.

"(ii) SUBSEQUENT FISCAL YEARS.—For fiscal year 1996 and subsequent fiscal years, the maximum Federal amount for a State shall be an amount equal to the amount determined under this subparagraph for the previous fiscal year updated, through the midpoint of the period, by the estimated percentage change in the Consumer Price Index during the 12-month period ending at that midpoint, with appropriate adjustments to reflect previous underestimations or overestimations under this clause in the projected percentage change in the Consumer Price Index, plus 2.5 percentage points.

"(B) BASE MAXIMUM FEDERAL AMOUNT.—

"(i) IN GENERAL.—The base maximum Federal amount for a State is an amount equal to the State's applicable percentage (as determined under clause (ii)) of the State's total maximum amount (as determined under clause (iii)).

"(ii) STATE'S APPLICABLE PERCENTAGE.—A State's applicable percentage determined under this clause is a percentage equal to the quotient of—

"(I) the amount of Federal funds paid to the State for the furnishing of acute medical services to eligible individuals and the provision of administrative services to such individuals in fiscal year 1993, divided by

"(II) the amount of Federal funds paid to all States for the furnishing of acute medical services to eligible individuals and the provision of administrative services to such individuals in fiscal year 1993.

"(iii) STATE'S TOTAL MAXIMUM AMOUNT.—A State's total maximum amount determined under this clause is an amount equal to the applicable percentage of the total amount of Federal funds paid to all States for the furnishing of acute medical services to eligible individuals and the provision of administrative services to such individuals in fiscal year 1993.

"(c) MINIMUM EXPENDITURE BY STATES.—

"(1) IN GENERAL.—For the purpose of furnishing acute medical services to eligible individuals and providing administrative services to such individuals in a fiscal year, a State shall incur expenditures which are at least equal to the product of—

"(A) the State's updated per capita amount, and

"(B) the total number of eligible individual's receiving acute medical services in the State during such fiscal year.

"(2) UPDATED PER CAPITA AMOUNT.—For purposes of paragraph (1)(A)—

"(A) IN GENERAL.—The updated per capita amount for a State shall be—

"(i) for fiscal year 1995, an amount equal to the State's base per capita amount, and

"(ii) for fiscal year 1996 and each succeeding fiscal year, an amount equal to the amount determined under this subparagraph for the first preceding fiscal year updated by the percentage change in the consumer price index between such first preceding fiscal year and the second preceding fiscal year (as determined by the Secretary of Commerce).

"(B) BASE PER CAPITA AMOUNT.—The base per capita amount for a State shall be an amount equal to the quotient of—

"(i) the total amount of State expenditures in fiscal year 1993 for the furnishing of acute medical services to eligible individuals and the provision of administrative services to such individuals, divided by

"(ii) the total number of eligible individuals receiving acute medical services during fiscal year 1993.

"(d) DEFINITIONS.—For purposes of this section—

"(1) ACUTE MEDICAL SERVICES.—The term 'acute medical services' means all of the care and services furnished to individuals eligible under a State plan under this title except the following:

"(A) Nursing facility services (as defined in section 1905(f)).

"(B) Intermediate care facility for the mentally retarded services (as defined in section 1905(d)).

"(C) Personal care services (as described in section 1905(a)(24)).

"(D) Private duty nursing services (as referred to in section 1905(a)(8)).

"(E) Home or community-based services furnished under a waiver granted under subsection (c), (d), or (e) of section 1915.

"(F) Home and community care furnished to functionally disabled elderly individuals under section 1929.

"(G) Community supported living arrangements services under section 1930.

"(H) Case-management services (as described in section 1915(g)(2)).

"(I) Home health care services (as referred to in section 1905(a)(7)).

"(J) Hospice care (as defined in section 1905(o)).

"(2) ELIGIBLE INDIVIDUAL.—The term 'eligible individual' means an individual who is eligible to receive medical assistance under the State plan under this title.

"(3) FEDERAL FUNDS.—The term 'Federal funds' means funds paid to a State under section 1903, excluding funds paid under such section with respect to expenditures by such State in the form of payment adjustments made by such State in order to comply with the requirement under section 1902(a)(13)(A) (as in effect on the date of the enactment of this section) that payments to hospitals to take into account the situation of hospitals which serve a disproportionate number of low income patients with special needs.

"(4) STATE EXPENDITURES.—The term 'State expenditures' means expenditures by a State under its plan under this title, excluding expenditures in the form of payment adjustments made by such State in order to comply with the requirement under section 1902(a)(13)(A) (as in effect on the date of the enactment of this section) that payments made by the State to hospitals take into account the situation of hospitals which serve a disproportionate number of low income patients with special needs.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall be effective with respect to fiscal years beginning after September 30, 1994.

SEC. 212. WAIVERS FOR THE FURNISHING OF ACUTE MEDICAL SERVICES UNDER THE MEDICAID PROGRAM.

(a) IN GENERAL.—Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) is amended by redesignating section 1932 as section 1933 and by inserting after section 1931 the following new section:

"WAIVERS FOR THE FURNISHING OF ACUTE MEDICAL SERVICES UNDER THE MEDICAID PROGRAM

"SEC. 1932. (a) IN GENERAL.—The Secretary shall establish a process under which a State with a State plan approved under this title may apply for waivers of any of the requirements under this title in order to establish innovative and cost effective programs for furnishing acute medical services (as defined in section 1931(d)(1)) to eligible individuals (as defined in section 1931(d)(2)).

"(b) APPLICATION FOR WAIVERS.—

"(1) IN GENERAL.—In order to receive a waiver under subsection (a), a State shall submit an application to the Secretary at such time and containing such information as the Secretary determines appropriate.

"(2) APPROVAL OF APPLICATION.—

"(A) INITIAL REVIEW.—Within 60 days after an application is submitted by the State under this subsection, the Secretary shall review and approve such application or provide the State with a list of the modifications that are necessary for such application to be approved.

"(B) ADDITIONAL REVIEW.—Within 60 days after a State resubmits any application

under this subsection, the Secretary shall review and approve such application or provide the State with a summary of which items included on the list provided to the State under subparagraph (A) remain unsatisfied. A State may resubmit an application under this subparagraph as many times as necessary to gain approval.

"(c) DURATION OF WAIVERS.—Except as provided in subsection (d), any waiver under this section shall be granted for a period of 5 years, and renewed for subsequent 5-year periods, unless the Secretary determines that the State has failed to furnish acute medical services in accordance with the terms of the waiver and any provisions of this title with respect to which the Secretary has not granted a waiver.

"(d) TERMINATION OF WAIVERS.—The Secretary may terminate a waiver granted under this section at any time if the Secretary determines that the State has failed to furnish acute medical services in accordance with the terms of the waiver and any provisions of this title with respect to which the Secretary has not granted a waiver.

"(e) REPORTS.—

"(1) IN GENERAL.—The State shall, through an independent entity, evaluate the programs operated under a waiver granted under this section and submit interim and final reports to the Secretary at such times and containing such information as the Secretary shall require.

"(2) REPORT TO CONGRESS.—Not later than 60 days after the receipt of a final report by the State regarding a waiver granted under this section, the Secretary shall submit a report to Congress.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall be effective with respect to fiscal years beginning after September 30, 1994.

SEC. 213. TERMINATION OF DISPROPORTIONATE SHARE PAYMENTS.

(a) IN GENERAL.—

(1) ELIMINATION OF STATE PLAN REQUIREMENT.—Section 1902(a)(13) of the Social Security Act (42 U.S.C. 1396a(a)(13)) is amended by striking "which, in the case of hospitals, take into account the situation of hospitals which serve a disproportionate number of low income patients with special needs and".

(2) CONFORMING AMENDMENTS.—(A) Section 1923 of such Act (42 U.S.C. 1396r-4) is repealed.

(B) Section 1902(a)(55) of such Act (42 U.S.C. 1396a(a)(55)) is amended by striking "facilities defined as disproportionate share hospitals under section 1923(a)(1)(A) and".

(C) Section 1902(s) of such Act (42 U.S.C. 1396a(s)) is amended by striking ", and to children who have not attained the age of 6 years and who receive such services in a disproportionate share hospital described in section 1923(b)(1),".

(D) Section 1903(a)(1) of such Act (42 U.S.C. 1396b(a)(1)) is amended by striking "and subsection 1923(f)".

(E) Section 1903(d)(6) of such Act (42 U.S.C. 1396b(d)(6)) is amended—

(i) by striking "(6)(A)" and inserting "(6)",

(ii) by striking "(i)" and "(ii)" and inserting "(A)" and "(B)", respectively, and

(ii) by striking subparagraph (B).

(b) EFFECTIVE DATE.—The amendments made by this section shall be effective on and after October 1, 1996.

SEC. 214. GRANTS FOR HEALTH INSURANCE COVERAGE, ACUTE MEDICAL SERVICES, PREVENTIVE CARE, AND DISEASE PREVENTION.

(a) IN GENERAL.—Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) is amended by redesignating section 1933 as section 1934 and by inserting after section 1932 the following new section:

"GRANTS FOR HEALTH INSURANCE COVERAGE, ACUTE MEDICAL SERVICES, PREVENTIVE CARE, AND DISEASE PREVENTION

"SEC. 1933. (a) IN GENERAL.—The Secretary shall provide grants to States for the purpose of conducting State programs under which individuals with incomes below 150 percent of the income official poverty line are provided health insurance coverage, acute medical services, preventive care, and disease prevention services. A State receiving a grant under this section shall conduct a program described in this section in consultation with the Secretary and in any manner determined appropriate by the State which is in accordance with subsection (b).

"(b) REQUIREMENTS ON PROGRAMS.—

"(1) PRIORITY OF BENEFITS.—A State program conducted under this section shall give priority to individuals who—

"(A) are ineligible for benefits under a State plan under title XIX of the Social Security Act,

"(B) are eligible for the tax credit established under section 34A of the Internal Revenue Code of 1986, and

"(C) has unreimbursed expenses for health insurance coverage and medical care—

"(i) exceeding 5 percent of the individual's adjusted gross income, and

"(ii) not otherwise taken into account in determining the credit under section 34A of the Internal Revenue Code of 1986 for such individual.

"(2) SERVICES.—

"(A) MANDATORY.—A State program conducted under this section shall provide financial assistance as determined by the State for purchasing health insurance coverage and paying medical bills to individuals described in paragraph (1).

"(B) OPTIONAL.—A State program conducted under this section may provide—

"(i) medical services directly to eligible individuals,

"(ii) primary and preventive care services to underserved populations,

"(iii) funding for community and migrant health centers,

"(iv) delivery of outpatient primary and preventive health services,

"(v) improvements to the availability and quality of emergency medical services and trauma care,

"(vi) transportation of victims of medical emergencies, including air transportation for victims of medical emergencies in rural areas, and

"(vii) telecommunications systems between rural medical facilities and other medical facilities which have expertise in certain areas or equipment that can be utilized by rural facilities through such systems.

"(c) FEDERAL FUNDS AVAILABLE FOR GRANTS.—

"(1) IN GENERAL.—The total amount of Federal funds available under this title for grants to States under this section shall be—

"(A) $14,200,000,000 for fiscal year 1997,

"(B) $15,800,000,000 for fiscal year 1998,

"(C) $17,400,000,000 for fiscal year 1999,

"(D) $20,000,000,000 for fiscal year 2000, and

"(E) for each fiscal year thereafter, the amount for the preceding fiscal year increased by 7.5 percent of such amount.

"(2) FORMULA FOR DISTRIBUTION OF GRANTS.—

"(A) IN GENERAL.—The Secretary shall pay to each State conducting a program under this section for a fiscal year an amount equal to the State's percentage (as determined under subparagraph (B)) of the total amount available for grants under this section as provided in paragraph (1).

"(B) STATE PERCENTAGE.—

"(i) IN GENERAL.—A State's percentage determined under this subparagraph for a fiscal year is a percentage equal to the quotient of—

"(I) the number of individuals in the State's needy population (as defined in clause (ii)) for such fiscal year, divided by

"(II) the total number of individuals in the needy populations of all States for the fiscal year.

"(ii) STATE NEEDY POPULATION.—The term 'State's needy population' means, with respect to a fiscal year, the number of individuals equal to the product of—

"(I) the average number of individuals in the State with incomes below the income official poverty line during the 3 preceding fiscal years (as determined by the Secretary), and

"(II) the State's Federal percentage (as determined under clause (iii)).

"(iii) STATE FEDERAL PERCENTAGE.—

"(I) IN GENERAL.—A State's Federal percentage for a fiscal year is the greater of—

"(aa) 1 minus the percentage determined under subclause (II), or

"(bb) 40 percent.

"(II) PERCENTAGE DETERMINED.—The percentage determined under this subclause is the product of—

"(aa) .40, and

"(bb) the product of the amount determined under subclause (III) multiplied by itself.

"(III) AMOUNT DETERMINED.—The amount determined under this subclause is the quotient of—

"(aa) the State's share of total taxable resources, divided by

"(bb) the State's share of need.

"(d) STATE EXPENDITURES.—

"(1) IN GENERAL.—For a fiscal year, a State shall expend for purposes of conducting the State program described in subsection (a) an amount at least equal to—

"(A) for fiscal year 1997, the base year DSH payment for the State (as defined in paragraph (2)) updated by the percentage change in the consumer price index between fiscal year 1996 and fiscal year 1995 (as determined by the Secretary of Commerce), and

"(B) for fiscal year 1998 and each succeeding fiscal year, an amount equal to the amount determined under this clause for the first preceding fiscal year updated by the percentage change in the consumer price index between such first preceding fiscal year and the second preceding fiscal year (as determined by the Secretary of Commerce).

"(2) BASE YEAR DSH PAYMENT.—For purposes of paragraph (1), the term 'base year DSH payment' means the amount of expenditures made by the State in fiscal year 1996 in the form of payment adjustments in order to comply with the requirement under section 1902(a)(13)(A) (as in effect on the date of the enactment of this section) that payments made by the State to hospitals take into account the situation of hospitals which serve a disproportionate number of low income patients with special needs.

"(e) OTHER DEFINITIONS.—

"(1) INCOME OFFICIAL POVERTY LINE.—For purposes of this section, the term 'income official poverty line' means the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981).

"(2) STATE'S SHARE OF TOTAL TAXABLE RESOURCES.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'State share of total taxable resources' for a fiscal year means an amount equal to the quotient of—

"(i) the average of total taxable resources for the State (as determined by the Secretary of the Treasury based on data available for the 3 most recent calendar years), divided by

"(ii) the average of the total taxable resources for all States (as determined by the Secretary of the Treasury based on data available for the 3 most recent calendar years).

"(B) SPECIAL RULE FOR THE DISTRICT OF COLUMBIA.—Notwithstanding subparagraph (A), with respect to the District of Columbia, the term 'State share of total taxable resources' for a fiscal year means an amount equal to the quotient of—

"(i) the average of the total personal income in such District for the 3 preceding calendar years (as determined by the Secretary of Commerce), divided by

"(ii) the average of the total personal income for all States for the 3 preceding calendar years (as determined by the Secretary of Commerce).

"(3) STATE'S SHARE OF NEED.—The term 'State's share of need' for a fiscal year means the quotient of—

"(A) the average number of individuals in the State with incomes below the income official poverty line for the 3 preceding fiscal years (as determined by the Secretary), divided by

"(B) the average number of individuals in all States with incomes below the income official poverty line for the 3 preceding fiscal years (as determined by the Secretary).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall be effective with respect to fiscal years beginning after September 30, 1996.

TITLE III—HEALTH CARE LIABILITY REFORM

SEC. 301. SHORT TITLE.

This title may be cited as the "Health Care Liability Reform Act of 1993".

SEC. 302. DEFINITIONS.

For purposes of this title the term—

(1) "approved by the Food and Drug Administration" means, with respect to a health care product, that the health care product—

(A) was subject to premarket approval by the Food and Drug Administration with respect to the safety of the formulation or performance of the aspect of such drug or device which caused the claimant's harm or the adequacy of the packaging or labeling of such drug or device, and such drug or device was approved by the Food and Drug Administration; or

(B) is generally recognized as safe and effective under conditions established by the Food and Drug Administration and applicable regulations, including packaging and labeling regulations;

(2) "arbitration" means a dispute resolution process in which the parties submit the dispute outside of a Federal or State civil justice system for resolution by a person or panel of persons;

(3) "economic losses" means losses for hospital and medical expenses, lost wages, lost employment, and other pecuniary losses;

(4) "health care malpractice action" means a civil action alleging a health care malpractice claim against a health care provider or health care professional;

(5) "health care malpractice claim" means any claim relating to the provision of (or the failure to provide) health care services based on negligence or gross negligence, breach of express or implied warranty or contract, or failure to discharge a duty to warn or instruct to obtain consent;

(6) "health care product" means a drug, as defined under section 201(g)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(g)(1)) or a medical device, as defined under section 201(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(h)), or any combination thereof;

(7) "health care product liability action" means a civil action alleging a health care product liability claim against a manufacturer or seller of a health care product or against a health care provider or health care professional;

(8) "health care product liability claim" means any claim relating to harm alleged to have been caused by a health care product;

(9) "health care professional" means any individual who provides health care services in a State and who is required by State law or regulation to be licensed or certified by the State to provide such services in the State, including a physician, nurse, chiropractor, nurse midwife, physical therapist, social worker, or physician assistant;

(10) "health care provider" means any organization or institution that is engaged in the delivery of health care services in a State and that is required by State law or regulation to be licensed or certified by the State to engage in the delivery of such services in the State;

(11) "injury" means any injury, illness, disease, or other harm that is the subject of a health care malpractice claim; and

(12) "noneconomic losses" means losses for physical and emotional pain, suffering, inconvenience, physical impairment, mental anguish, disfigurement, loss of enjoyment of life, and other nonpecuniary losses.

SEC. 303. HEALTH CARE MALPRACTICE.

(a) APPLICATION.—The provisions of this section shall apply to any health care malpractice action filed in any Federal or State court and any health care malpractice claim resolved through arbitration.

(b) PAYMENTS.—No person may be required to pay more than $100,000 in a single payment in damages for expenses to be incurred in the future, but such person shall be permitted to make such payments on a periodic basis. The periods for such payments shall be determined by the court, based on projections of when expenses are likely to be incurred.

(c) DAMAGES.—(1) The total amount of damages received by an individual shall be reduced, in accordance with paragraph (2), by any other payment which has been made or which will be made to such individual to compensate such individual for an injury, including payments under—

(A) Federal or State disability or sickness programs;

(B) Federal, State, or private health insurance programs;

(C) private disability insurance programs;

(D) employer wage continuation programs; and

(E) any other source of payment intended to compensate such individual for such injury.

(2) The amount by which an award of damages to an individual for an injury shall be reduced under paragraph (1) shall be—

(A) the total amount of any payments (other than such award) which have been made or which will be made to such individual to compensate such individual for such injury; minus

(B) the amount paid by such individual (or by the spouse, parent, or legal guardian of such individual) to secure the payments described under subparagraph (A).

(d) STATUTE OF LIMITATIONS.—(1) Except as provided under paragraph (2), no health care malpractice claim may be initiated after the expiration of the 2-year period that begins on the date the alleged injury should reasonably have been discovered, or the expiration of the 4-year period that begins on the date the alleged injury occurred, whichever is later.

(2) In the case of an alleged injury suffered by a minor who has not attained 6 years of age, no health care malpractice claim may be initiated after the expiration of the 2-year period that begins on the date the alleged injury should reasonably have been discovered, or the date on which the minor attains 10 years of age, whichever is later.

(e) ATTORNEYS' FEES.—With respect to any health care malpractice action or any health care malpractice claim, attorneys' fees may not exceed—

(1) 40 percent of the first $50,000 of any award or settlement under such action or claim;

(2) 33⅓ percent of the next $50,000 of any award or settlement under such action or claim;

(3) 25 percent of the next $500,000 of any award or settlement under such action or claim; and

(4) 15 percent of any additional amounts.

SEC. 304. HEALTH CARE PRODUCT LIABILITY OF MANUFACTURER OR SELLER.

(a) NONAPPLICATION OF STRICT LIABILITY.—A manufacturer or seller of a health care product approved by the Food and Drug Administration shall not be strictly liable for any injury alleged to have resulted from—

(1) a defect in the design of the health care product; or

(2) a failure to warn or instruct regarding a risk posed by the health care product that was neither known nor reasonably knowable at the time the health care product left the control of the manufacturer or seller.

(b) DUTY TO WARN.—(1) A manufacturer or seller of a health care product that is to be prescribed by, or used at the direction of, a health care professional shall not be liable for harm allegedly caused by a failure to warn or instruct the ultimate user or recipient of the product about a risk if the manufacturer or seller provided adequate warning or instruction to the user's or recipient's health care professional.

(2) This subsection shall not apply to any health care product to which the Food and Drug Administration specifically provides that a warning or instruction regarding such product shall be given by the manufacturer or seller directly to the ultimate user or recipient.

SEC. 305. GENERAL PROVISIONS RELATING TO HEALTH CARE LIABILITY.

(a) LIMITATION ON NONECONOMIC DAMAGES.—(1) Except as provided under paragraph (2), the total amount of damages which may be awarded to an individual and the family members of such individual for noneconomic losses resulting from an injury which is the subject of a health care malpractice claim or a health care product liability claim may not exceed $250,000, regardless of the number of defendants against whom the claim is brought, the number of claims brought with respect to the injury, or the number of actions brought with respect to the injury.

(2)(A) In any jury trial, the jury shall not be informed of the limitation established under paragraph (1). If the jury awards an amount for noneconomic damages that exceeds $250,000, the court shall reduce the

award to $250,000 unless the court finds that special circumstances (such as egregious injury) would make such reduction unjust.

(B) In any case in which the court finds a reduction under subparagraph (A) would be unjust, the court may—

(i) decline to reduce such award; or

(ii) reduce such award by a lesser amount than provided for under subparagraph (A).

(b) SEVERAL LIABILITY FOR NONECONOMIC LOSS.—(1) In any health care malpractice action or health care product liability action the liability of each defendant for noneconomic loss and for punitive damages shall be several only and shall not be joint. Each defendant shall be liable only for the amount of noneconomic loss and punitive damages allocated to such defendant in direct proportion to such defendant's percentage of responsibility as determined under paragraph (2). A separate judgment shall be rendered against such defendant for that amount.

(2) For purposes of this subsection, the trier of fact shall determine the proportion of responsibility of each party for the claimant's harm.

SEC. 306. PUNITIVE DAMAGES.

(a) IN GENERAL.—Punitive damages may, if otherwise permitted by applicable law, be awarded against a defendant in a health care malpractice action or a health care product liability action only if the claimant establishes by clear and convincing evidence that the harm suffered by the claimant was the result of conduct manifesting conscious, flagrant indifference to the health of the claimant or to the health of those persons who might be harmed by the health care product.

(b) DETERMINATION OF AMOUNT.—The amount of any punitive damages award shall be determined (subject to appellate review as permitted by applicable law) by the trial judge.

(c) LIMITATION CONCERNING CERTAIN HEALTH CARE PRODUCTS.—Punitive damages shall not be awarded against a manufacturer or seller of a health care product approved by the Food and Drug Administration where that health care product caused the claimant's harm.

SEC. 307. EXCEPTIONS.

The provisions of sections 304(a) and 306(c) shall not apply in any case in which—

(1) the defendant, before or after premarket approval of a drug or device, withheld from or misrepresented to the Food and Drug Administration or any other agency or official of the Federal Government required information that is material and relevant to the performance of such drug or device and is causally related to the harm which the claimant allegedly suffered; or

(2) the defendant made an illegal payment to an official of the Food and Drug Administration for the purpose of either securing or maintaining approval of such drug or device.

SEC. 308. RULES OF CONSTRUCTION.

Nothing in this title shall be construed to—

(1) waive or affect any defense of sovereign immunity asserted by any State under any provision of law;

(2) waive or affect any defense of sovereign immunity asserted by the United States;

(3) affect the applicability of any provision of the Foreign Sovereign Immunities Act of 1976;

(4) preempt State choice-of-law rules with respect to claims brought by a foreign nation or a citizen of a foreign nation;

(5) affect the right of any court to transfer venue or to apply the law of a foreign nation or to dismiss a claim of a foreign nation or of a citizen of a foreign nation on the grounds of inconvenient forum;

(6) restrict or limit the preemptive effect of any other Federal law; or

(7) create any cause of action under Federal law.

TITLE IV—ADMINISTRATIVE COST SAVINGS

Subtitle A—Standardization of Claims Processing

SEC. 401. ADOPTION OF DATA ELEMENTS, UNIFORM CLAIMS, AND UNIFORM ELECTRONIC TRANSMISSION STANDARDS.

(a) IN GENERAL.—The Secretary shall adopt standards relating to each of the following:

(1) Data elements for use in paper and electronic claims processing under health insurance plans, as well as for use in utilization review and management of care (including data fields, formats, and medical nomenclature, and including plan benefit and insurance information).

(2) Uniform claims forms (including uniform procedure and billing codes for uses with such forms and including information on other health insurance plans that may be liable for benefits).

(3) Uniform electronic transmission of the data elements (for purposes of billing and utilization review).

Standards under paragraph (3) relating to electronic transmission of data elements for claims for services shall supersede (to the extent specified in such standards) the standards adopted under paragraph (2) relating to the submission of paper claims for such services. Standards under paragraph (3) shall include protections to assure the confidentiality of patient-specific information and to protect against the unauthorized use and disclosure of information.

(b) USE OF TASK FORCES.—In adopting standards under this section—

(1) the Secretary shall take into account the recommendations of current task forces, including at least the Workgroup on Electronic Data Interchange, National Uniform Billing Committee, the Uniform Claim Task Force, and the Computer-based Patient Record Institute;

(2) the Secretary shall consult with the National Association of Insurance Commissioners (and, with respect to standards under subsection (a)(3), the American National Standards Institute); and

(3) the Secretary shall, to the maximum extent practicable, seek to make the standards consistent with any uniform clinical data sets which have been adopted and are widely recognized.

(c) DEADLINES FOR PROMULGATION.—The Secretary shall promulgate the standards under—

(1) subsection (a)(1) relating to claims processing data, by not later than 12 months after the date of the enactment of this Act;

(2) subsection (a)(2) (relating to uniform claims forms) by not later than 12 months after the date of the enactment of this Act; and

(3)(A) subsection (a)(3) relating to transmission of information concerning hospital and physicians' services, by not later than 24 months after the date of the enactment of this Act, and

(B) subsection (a)(3) relating to transmission of information on other services, by such later date as the Secretary may determine it to be feasible.

(d) REPORT TO CONGRESS.—Not later than 3 years after the date of the enactment of this Act, the Secretary shall report to Congress recommendations regarding restructuring the medicare peer review quality assurance program given the availability of hospital data in electronic form.

SEC. 402. APPLICATION OF STANDARDS.

(a) IN GENERAL.—If the Secretary determines, at the end of the 2-year period beginning on the date that standards are adopted under section 401 with respect to classes of services, that a significant number of claims for benefits for such services under health insurance plans are not being submitted in accordance with such standards, the Secretary may require, after notice in the Federal Register of not less than 6 months, that all providers of such services must submit claims to health insurance plans in accordance with such standards. The Secretary may waive the application of such a requirement in such cases as the Secretary finds that the imposition of the requirement would not be economically practicable.

(b) SIGNIFICANT NUMBER.—The Secretary shall make an affirmative determination described in subsection (a) for a class of services only if the Secretary finds that there would be a significant, measurable additional gain in efficiencies in the health care system that would be obtained by imposing the requirement described in such paragraph with respect to such services.

(c) APPLICATION OF REQUIREMENT.—

(1) IN GENERAL.—If the Secretary imposes the requirement under subsection (a)—

(A) in the case of a requirement that imposes the standards relating to electronic transmission of claims for a class of services, each health care provider that furnishes such services for which benefits are payable under a health insurance plan shall transmit electronically and directly to the plan on behalf of the beneficiary involved a claim for such services in accordance with such standards;

(B) any health insurance plan may reject any claim subject to the standards adopted under section 401 but which is not submitted in accordance with such standards;

(C) it is unlawful for a health insurance plan (i) to reject any such claim on the basis of the form in which it is submitted if it is submitted in accordance with such standards or (ii) to require, for the purpose of utilization review or as a condition of providing benefits under the plan, a provider to transmit medical data elements that are inconsistent with the standards established under section 401(a)(1); and

(D) the Secretary may impose a civil money penalty on any provider that knowingly and repeatedly submits claims in violation of such standards or on any health insurance plan (other than a health insurance plan described in paragraph (2)) that knowingly and repeatedly rejects claims in violation of subparagraph (B), in an amount not to exceed $100 for each such claim.

The provisions of section 1128A of the Social Security Act (other than the first sentence of subsection (a) and other than subsection (b)) shall apply to a civil money penalty under subparagraph (D) in the same manner as such provisions apply to a penalty or proceeding under section 1128A(a) of such Act.

(2) PLANS SUBJECT TO EFFECTIVE STATE REGULATION.—A plan described in this paragraph is a health insurance plan—

(A) that is subject to regulation by a State, and

(B) with respect to which the Secretary finds that—

(i) the State provides for application of the standards established under section 401, and

(ii) the State regulatory program provides for the appropriate and effective enforcement of such standards.

(d) TREATMENT OF REJECTIONS.—If a plan rejects a claim pursuant to subsection (c)(1), the plan shall permit the person submitting

the claim a reasonable opportunity to resubmit the claim on a form or in an electronic manner that meets the requirements for acceptance of the claim under such subsection.

SEC. 403. PERIODIC REVIEW AND REVISION OF STANDARDS.

(a) IN GENERAL.—The Secretary shall—

(1) provide for the ongoing receipt and review of comments and suggestions for changes in the standards adopted and promulgated under section 401;

(2) establish a schedule for the periodic review of such standards; and

(3) based upon such comments, suggestions, and review, revise such standards and promulgate such revisions.

(b) APPLICATION OF REVISED STANDARDS.—If the Secretary under subsection (a) revises the standards described in 401, then, in the case of any claim for benefits submitted under a health insurance plan more than the minimum period (of not less than 6 months specified by the Secretary) after the date the revision is promulgated under subsection (a)(3), such standards shall apply under section 402 instead of the standards previously promulgated.

SEC. 404. HEALTH INSURANCE PLAN DEFINED.

In this title, the term "health insurance plan" has the meaning given such term in section 111(b) and includes—

(1) the medicare program (under title XVIII of the Social Security Act) and medicare supplemental health insurance, and

(2) a State medicaid plan (approved under title XIX of such Act).

Subtitle B—Electronic Medical Data Standards

SEC. 411. MEDICAL DATA STANDARDS FOR HOSPITALS AND OTHER PROVIDERS.

(a) PROMULGATION OF HOSPITAL DATA STANDARDS.—

(1) IN GENERAL.—Between July 1, 1995, and January 1, 1996, the Secretary shall promulgate standards described in subsection (b) for hospitals concerning electronic medical data.

(2) REVISION.—The Secretary may from time to time revise the standards promulgated under this subsection.

(b) CONTENTS OF DATA STANDARDS.—The standards promulgated under subsection (a) shall include at least the following:

(1) A definition of a standard set of data elements for use by utilization and quality control peer review organizations.

(2) A definition of the set of comprehensive data elements, which set shall include for hospitals the standard set of data elements defined under paragraph (1).

(3) Standards for an electronic patient care information system with data obtained at the point of care, including standards to protect against the unauthorized use and disclosure of information.

(4) A specification of, and manner of presentation of, the individual data elements of the sets and system under this subsection.

(5) Standards concerning the transmission of electronic medical data.

(6) Standards relating to confidentiality of patient-specific information.

The standards under this section shall be consistent with standards for data elements established under section 401.

(c) OPTIONAL DATA STANDARDS FOR OTHER PROVIDERS.—

(1) IN GENERAL.—The Secretary may promulgate standards described in paragraph (2) concerning electronic medical data for providers that are not hospitals. The Secretary may from time to time revise the standards promulgated under this subsection.

(2) CONTENTS OF DATA STANDARDS.—The standards promulgated under paragraph (1) for non-hospital providers may include standards comparable to the standards described in paragraphs (2), (4), and (5) of subsection (b) for hospitals.

(d) CONSULTATION.—In promulgating and revising standards under this section, the Secretary shall—

(1) consult with the American National Standards Institute, hospitals, with the advisory commission established under section 415, and with other affected providers, health insurance plans, and other interested parties, and

(2) take into consideration, in developing standards under subsection (b)(1), the data set used by the utilization and quality control peer review program under part B of title XI of the Social Security Act.

SEC. 412. APPLICATION OF ELECTRONIC DATA STANDARDS TO CERTAIN HOSPITALS.

(a) MEDICARE REQUIREMENT FOR SHARING OF HOSPITAL INFORMATION.—As of January 1, 1996, subject to paragraph (2), each hospital, as a requirement of each participation agreement under section 1866 of the Social Security Act, shall—

(1) maintain clinical data included in the set of comprehensive data elements under section 411(b)(2) in electronic form on all inpatients,

(2) upon request of the Secretary or of a utilization and quality control peer review organization (with which the Secretary has entered into a contract under part B of title XI of such Act), transmit electronically the data set, and

(3) upon request of the Secretary, or of a fiscal intermediary or carrier, transmit electronically any data (with respect to a claim) from such data set,

in accordance with the standards promulgated under section 411(a).

(b) WAIVER AUTHORITY.—Until January 1, 2000:

(1) The Secretary may waive the application of the requirements of subsection (a) for a hospital that is a small rural hospital, for such period as the hospital demonstrates compliance with such requirements would constitute an undue financial hardship.

(2) The Secretary may waive the application of the requirements of subsection (a) for a hospital that is in the process of developing a system to provide the required data set and executes agreements with its fiscal intermediary and its utilization and quality control peer review organization that the hospital will meet the requirements of subsection (a) by a specified date (not later than January 1, 2000).

(3) The Secretary may waive the application of the requirement of subsection (a)(1) for a hospital that agrees to obtain from its records the data elements that are needed to meet the requirements of paragraphs (2) and (3) of subsection (a) and agrees to subject its data transfer process to a quality assurance program specified by the Secretary.

(c) APPLICATION TO HOSPITALS OF THE DEPARTMENT OF VETERANS AFFAIRS.—

(1) IN GENERAL.—The Secretary of Veterans Affairs shall provide that each hospital of the Department of Veterans Affairs shall comply with the requirements of subsection (a) in the same manner as such requirements would apply to the hospital if it were participating in the Medicare program.

(2) WAIVER.—The Secretary of Veterans Affairs may waive the application of such requirements to a hospital in the same manner as the Secretary of Health and Human Services may waive under subsection (b) the application of the requirements of subsection (a).

SEC. 413. ELECTRONIC TRANSMISSION TO FEDERAL AGENCIES.

(a) IN GENERAL.—Effective January 1, 2000, if a provider is required under a Federal program to transmit a data element that is subject to a presentation or transmission standard (as defined in subsection (b)), the head of the Federal agency responsible for such program (if not otherwise authorized) is authorized to require the provider to present and transmit the data element electronically in accordance with such a standard.

(b) PRESENTATION OR TRANSMISSION STANDARD DEFINED.—In subsection (a), the term "presentation or transmission standard" means a standard, promulgated under subsection (b) or (c) of section 411, described in paragraph (4) or (5) of section 411(b).

SEC. 414. LIMITATION ON DATA REQUIREMENTS WHERE STANDARDS IN EFFECT.

(a) IN GENERAL.—If standards with respect to data elements are promulgated under section 411 with respect to a class of provider, a health insurance plan may not require, for the purpose of utilization review or as a condition of providing benefits under the plan, that a provider in the class—

(1) provide any data element not in the set of comprehensive data elements specified under such standards, or

(2) transmit or present any such data element in a manner inconsistent with the applicable standards for such transmission or presentation.

(b) COMPLIANCE.—

(1) IN GENERAL.—The Secretary may impose a civil money penalty on any health insurance plan (other than a health insurance plan described in paragraph (2)) that fails to comply with subsection (a) in an amount not to exceed $100 for each such failure. The provisions of section 1128A of the Social Security Act (other than the first sentence of subsection (a) and other than subsection (b)) shall apply to a civil money penalty under this paragraph in the same manner as such provisions apply to a penalty or proceeding under section 1128A(a) of such Act.

(2) PLANS SUBJECT TO EFFECTIVE STATE REGULATION.—A plan described in this paragraph is a health insurance plan that is subject to regulation by a State, if the Secretary finds that—

(A) the State provides for application of the requirement of subsection (a), and

(B) the State regulatory program provides for the appropriate and effective enforcement of such requirement with respect to such plans.

SEC. 415. ADVISORY COMMISSION.

(a) IN GENERAL.—The Secretary shall establish an advisory commission including hospital executives, hospital data base managers, physicians, health services researchers, and technical experts in collection and use of data and operation of data systems. Such commission shall include, as ex officio members, a representative of the Director of the National Institutes of Health, the Administrator for Health Care Policy and Research, the Secretary of Veterans Affairs, and the Director of the Centers for Disease Control.

(b) FUNCTIONS.—The advisory commission shall monitor and advise the Secretary concerning—

(1) the standards established under this subtitle, and

(2) operational concerns about the implementation of such standards under this subtitle.

(c) STAFF.—From the amounts appropriated under subsection (d), the Secretary shall provide sufficient staff to assist the advisory commission in its activities under this section.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $2,000,000 for each of fiscal years 1995 through 2000 to carry out this section.

Subtitle C—Development and Distribution of Comparative Value Information

SEC. 421. STATE COMPARATIVE VALUE INFORMATION PROGRAMS FOR HEALTH CARE PURCHASING.

(a) PURPOSE.—In order to assure the availability of comparative value information to purchasers of health care in each State, the Secretary shall determine whether each State is developing and implementing a health care value information program that meets the criteria and schedule set forth in subsection (b).

(b) CRITERIA AND SCHEDULE FOR STATE PROGRAMS.—The criteria and schedule for a State health care value information program in this subsection shall be specified by the Secretary as follows:

(1) The State begins promptly after enactment of this Act to develop (directly or through contractual or other arrangements with 1 or more States, coalitions of health insurance purchasers, other entities, or any combination of such arrangements) information systems regarding comparative health values.

(2) The information contained in such systems covers at least the average prices of common health care services (as defined in subsection (d)) and health insurance plans, and, where available, measures of the variability of these prices within a State or other market areas.

(3) The information described in paragraph (2) is made available within the State beginning not later than 1 year after the date of the enactment of this Act, and is revised as frequently as reasonably necessary, but at intervals of no greater than 1 year.

(4) Not later than 6 years after the date of the enactment of this Act the State has developed information systems that provide comparative costs, quality, and outcomes data with respect to health insurance plans and hospitals and made the information broadly available within the relevant market areas.

Nothing in this section shall preclude a State from providing additional information, such as information on prices and benefits of different health insurance plans, available.

(c) GRANTS TO STATES FOR THE DEVELOPMENT OF STATE PROGRAMS.—

(1) GRANT AUTHORITY.—The Secretary may make grants to each State to enable such State to plan the development of its health care value information program and, if necessary, to initiate the implementation of such program. Each State seeking such a grant shall submit an application therefor, containing such information as the Secretary finds necessary to assure that the State is likely to develop and implement a program in accordance with the criteria and schedule in subsection (b).

(2) OFFSET AUTHORITY.—If, at any time within the 3-year period following the receipt by a State of a grant under this subsection, the Secretary is required by section 422 to implement a health care information program in the State, the Secretary may recover the amount of the grant under this subsection by offset against any other amount payable to the State under the Social Security Act. The amount of the offset shall be made available (from the appropriation account with respect to which the offset was taken) to the Secretary to carry out such section.

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to make grants under this subsection, to remain available until expended.

(d) COMMON HEALTH CARE SERVICES DEFINED.—In this section, the term "common health care services" includes such procedures as the Secretary may specify and any additional health care services which a State may wish to include in its comparative value information program.

(e) STATE DEFINED.—In this title, the term "State" includes the District of Columbia, Puerto Rico, the Virgin Islands, Guam, and American Samoa.

SEC. 422. FEDERAL IMPLEMENTATION.

(a) IN GENERAL.—If the Secretary finds, at any time, that a State has failed to develop or to continue to implement a health care value information program in accordance with the criteria and schedule in section 421(b), the Secretary shall take the actions necessary, directly or through grants or contract, to implement a comparable program in the State.

(b) FEES.—Fees may be charged by the Secretary for the information materials provided pursuant to a program under this section. Any amounts so collected shall be deposited in the appropriation account from which the Secretary's costs of providing such materials were met, and shall remain available for such purposes until expended.

SEC. 423. COMPARATIVE VALUE INFORMATION CONCERNING FEDERAL PROGRAMS.

(a) DEVELOPMENT.—The head of each Federal agency with responsibility for the provision of health insurance or of health care services to individuals shall promptly develop health care value information relating to each program that such head administers and covering the same types of data that a State program meeting the criteria of section 421(b) would provide.

(b) DISSEMINATION OF INFORMATION.—Such information shall be made generally available to States and to providers and consumers of health care services.

Subtitle D—Preemption of State Quill Pen Laws

SEC. 431. PREEMPTION OF STATE QUILL PEN LAWS.

(a) IN GENERAL.—Effective January 1, 1996, no effect shall be given to any provision of State law that requires medical or health insurance records (including billing information) to be maintained in written, rather than electronic form.

(b) SECRETARIAL AUTHORITY.—The Secretary may issue regulations to carry out subsection (a). Such regulations may provide for such exceptions to subsection (a) as the Secretary determines to be necessary to prevent fraud and abuse, with respect to controlled substances, and in such other cases as the Secretary deems appropriate.

TITLE V—ANTI-FRAUD

Subtitle A—Criminal Prosecution of Health Care Fraud

SEC. 501. PENALTIES FOR HEALTH CARE FRAUD.

(a) IN GENERAL.—Chapter 63 of title 18, United States Code, is amended by adding at the end the following:

"§ 1347. Health care fraud

"(a) OFFENSE.—Whoever, being a health care provider, knowingly engages in any scheme or artifice to defraud any person in connection with the provision of health care shall be fined under this title or imprisoned not more than 5 years, or both.

"(b) DEFINITION.—In this section, the term 'health care provider' means—

"(1) a physician, nurse, dentist, therapist, pharmacist, or other professional provider of health care; and

"(2) a hospital, health maintenance organization, pharmacy, laboratory, clinic, or other health care facility or a provider of medical services, medical devices, medical equipment, or other medical supplies.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 63 of title 18, United States Code, is amended by adding at the end the following new item:

"1347. Health care fraud.".

SEC. 502. REWARDS FOR INFORMATION LEADING TO PROSECUTION AND CONVICTION.

Section 3059 of title 18, United States Code, is amended by adding at the end the following new subsection:

"(c)(1) In special circumstances and in the Attorney General's sole discretion, the Attorney General may make a payment of up to $10,000 to a person who furnishes information unknown to the Government relating to a possible prosecution under section 1101.

"(2) A person is not eligible for a payment under paragraph (1) if—

"(A) the person is a current or former officer or employee of a Federal or State government agency or instrumentality who furnishes information discovered or gathered in the course of government employment;

"(B) the person knowingly participated in the offense;

"(C) the information furnished by the person consists of allegations or transactions that have been disclosed to the public—

"(i) in a criminal, civil, or administrative proceeding;

"(ii) in a congressional, administrative or General Accounting Office report, hearing, audit, or investigation; or

"(iii) by the news media, unless the person is the original source of the information; or

"(D) when, in the judgment of the Attorney General, it appears that a person whose illegal activities are being prosecuted or investigated could benefit from the award.

"(3) For the purposes of paragraph (2)(C)(iii), the term 'original source' means a person who has direct and independent knowledge of the information that is furnished and has voluntarily provided the information to the Government prior to disclosure by the news media.

"(4) Neither the failure of the Attorney General to authorize a payment under paragraph (1) nor the amount authorized shall be subject to judicial review.".

Subtitle B—Coordination of Health Care Anti-Fraud and Abuse Activities

SEC. 511. APPLICATION OF FEDERAL HEALTH ANTI-FRAUD AND ABUSE SANCTIONS TO ALL FRAUD AND ABUSE AGAINST ANY HEALTH INSURANCE PLAN.

(a) CIVIL MONETARY PENALTIES.—Section 1128A of the Social Security Act (42 U.S.C. 1320a–7a) is amended as follows:

(1) In subsection (a)(1), in the matter before subparagraph (A), by inserting "or of any health insurance plan," after "subsection (i)(1)),".

(2) In subsection (b)(1)(A), by inserting "or under a health insurance plan" after "title XIX".

(3) In subsection (f)—

(A) by redesignating paragraph (3) as paragraph (4); and

(B) by inserting after paragraph (2) the following new paragraph:

"(3) With respect to amounts recovered arising out of a claim under a health insurance plan, the portion of such amounts as is determined to have been paid by the plan shall be repaid to the plan.".

(4) In subsection (i)—

(A) in paragraph (2), by inserting "or under a health insurance plan" before the period at the end, and

(B) in paragraph (5), by inserting "or under a health insurance plan" after "or XX".

(b) CRIMES.—

(1) SOCIAL SECURITY ACT.—Section 1128B of such Act (42 U.S.C. 1320a–7b) is amended as follows:

(A) In the heading, by adding at the end the following: "OR HEALTH INSURANCE PLANS".

(B) In subsection (a)(1)—

(i) by striking "title XVIII or" and inserting "title XVIII,", and

(ii) by adding at the end the following: "or a health insurance plan (as defined in section 1128(i)),".

(C) In subsection (a)(5), by striking "title XVIII or a State health care program" and inserting "title XVIII, a State health care program, or a health insurance plan".

(D) In the second sentence of subsection (a)—

(i) by inserting after "title XIX" the following: "or a health insurance plan", and

(ii) by inserting after "the State" the following: "or the plan".

(E) In subsection (b)(1), by striking "title XVIII or a State health care program" each place it appears and inserting "title XVIII, a State health care program, or a health insurance plan".

(F) In subsection (b)(2), by striking "title XVIII or a State health care program" each place it appears and inserting "title XVIII, a State health care program, or a health insurance plan".

(G) In subsection (b)(3), by striking "title XVIII or a State health care program" each place it appears in subparagraphs (A) and (C) and inserting "title XVIII, a State health care program, or a health insurance plan".

(H) In subsection (d)(2)—

(i) by striking "title XIX," and inserting "title XIX or under a health insurance plan,", and

(ii) by striking "State plan," and inserting "State plan or the health insurance plan,".

(2) TREBLE DAMAGES FOR CRIMINAL SANCTIONS.—Section 1128B of such Act (42 U.S.C. 1320a–7b) is amended by adding at the end the following new subsection:

"(f) In addition to the fines that may be imposed under subsection (a), (b), or (c), any individual found to have violated the provisions of any of such subsections may be subject to treble damages.".

(3) IDENTIFICATION OF COMMUNITY SERVICE OPPORTUNITIES.—Section 1128B of such Act (42 U.S.C. 1320a–7b) is further amended by adding at the end the following new subsection:

"(g) The Secretary shall—

"(1) in consultation with State and local health care officials, identify opportunities for the satisfaction of community service obligations that a court may impose upon the conviction of an offense under this section, and

"(2) make information concerning such opportunities available to Federal and State law enforcement officers and State and local health care officials.".

(c) HEALTH INSURANCE PLAN DEFINED.—Section 1128 of such Act (42 U.S.C. 1320a–7) is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) HEALTH INSURANCE PLAN DEFINED.—For purposes of sections 1128A and 1128B, the term 'health insurance plan' means a health insurance program other than the medicare program, the medicaid program, or a State health care program.".

(d) CONFORMING AMENDMENT.—Section 1128(b)(8)(B)(ii) of such Act (42 U.S.C. 1320a–7(b)(8)(B)(ii)) is amended by striking "1128A" and inserting "1128A (other than a penalty arising from a health insurance plan, as defined in subsection (i))".

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect January 1, 1995.

TITLE VI—ANTITRUST PROVISIONS

SEC. 601. EXEMPTION FROM ANTITRUST LAWS FOR CERTAIN COMPETITIVE AND COLLABORATIVE ACTIVITIES.

(a) EXEMPTION DESCRIBED.—An activity relating to the provision of health care services shall be exempt from the antitrust laws if—

(1) the activity is within one of the categories of safe harbors described in section 602;

(2) the activity is within an additional safe harbor designated by the Attorney General under section 603; or

(3) the activity is specified in and in compliance with the terms of a certificate of review issued by the Attorney General under section 604 and the activity occurs—

(A) while the certificate is in effect, or

(B) in the case of a certificate issued during the 2-year period beginning on the date of the enactment of this Act, at any time on or after the first day of the 2-year period that ends on the date the certificate takes effect.

(b) AWARD OF ATTORNEY'S FEES AND COSTS OF SUIT.—

(1) IN GENERAL.—If any person brings an action alleging a claim under the antitrust laws and the activity on which the claim is based is found by the court to be exempt from such laws under subsection (a), the court shall, at the conclusion of the action—

(A) award to a substantially prevailing claimant the cost of suit attributable to such claim, including a reasonable attorney's fee, or

(B) award to a substantially prevailing party defending against such claim the cost of such suit attributable to such claim, including reasonable attorney's fee, if the claim, or the claimant's conduct during litigation of the claim, was frivolous, unreasonable, without foundation, or in bad faith.

(2) OFFSET IN CASES OF BAD FAITH.—The court may reduce an award made pursuant to paragraph (1) in whole or in part by an award in favor of another party for any part of the cost of suit (including a reasonable attorney's fee) attributable to conduct during the litigation by any prevailing party that the court finds to be frivolous, unreasonable, without foundation, or in bad faith.

SEC. 602. SAFE HARBORS.

The following activities are safe harbors for purposes of section 601(a)(1):

(1) COMBINATIONS WITH MARKET SHARE BELOW THRESHOLD.—Activities relating to health care services of any combination of health care providers if the number of each type or specialty of provider in question does not exceed 20 percent of the total number of such type or specialty of provider in the relevant market area.

(2) ACTIVITIES OF MEDICAL SELF-REGULATORY ENTITIES.—

(A) IN GENERAL.—Subject to subparagraph (B), any activity of a medical self-regulatory entity relating to standard setting or standard enforcement activities that are designed to promote the quality of health care provided to patients.

(B) EXCEPTION.—No activity of a medical self-regulatory entity may be deemed to fall under the safe harbor established under this paragraph if the activity is conducted for purposes of financial gain.

(3) PARTICIPATION IN SURVEYS.—The participation of a provider of health care services in a written survey of the prices of services, reimbursement levels, or the compensation and benefits of employees and personnel, but only if—

(A) the survey is conducted by a third party, such as a purchaser of health care services, governmental entity, institution of higher education, or trade association;

(B) the information provided by participants in the survey is based on prices charged, reimbursements received, or compensation and benefits paid prior to the third month preceding the month in which the information is provided; and

(C) if the results of the survey are disseminated, the results are aggregated in a manner that ensures that no recipient of the results may identify the prices charged, reimbursement received, or compensation and benefits paid by any particular provider.

(4) JOINT VENTURES FOR HIGH TECHNOLOGY AND COSTLY EQUIPMENT AND SERVICES.—Any activity of a health care cooperative venture relating to the purchase, operation, or marketing of high technology or other expensive medical equipment, or the provision of high cost or complex services, but only if the number of participants in the venture does not exceed the lowest number needed to support the venture. Other providers may be included in the venture, but only if such other providers could not purchase, operate, or market such equipment or provide a competing service either alone or through the formation of a competing venture.

(5) HOSPITAL MERGERS.—Activities relating to a merger of 2 hospitals if, during the 3-year period preceding the merger, one of the hospitals had an average of 150 or fewer operational beds and an average daily inpatient census of less than 50 percent of such beds.

(6) JOINT PURCHASING ARRANGEMENTS.—Any joint purchasing arrangement among health care providers if—

(A) the purchases under the arrangement represent less than 35 percent of the total sales of the product or service purchased in the relevant market; and

(B) the cost of the products and services purchased jointly accounts for less than 20 percent of the total revenues from all products or services sold by each participant in the joint purchasing arrangement.

(7) NEGOTIATIONS.—Activities consisting of good faith negotiations to carry out any activity—

(A) described in this section,

(B) within an additional safe harbor designated by the Attorney General under section 603,

(C) that is the subject of an application for a certificate of review under section 604, or

(D) that is deemed a submission of a notification under section 605(a)(2)(B),

without regard to whether such an activity is carried out.

SEC. 603. DESIGNATION OF ADDITIONAL SAFE HARBORS.

(a) IN GENERAL.—

(1) SOLICITATION OF PROPOSALS.—Not later than 30 days after the date of the enactment of this Act, the Attorney General shall publish a notice in the Federal Register soliciting proposals for additional safe harbors.

(2) REVIEW AND REPORT ON PROPOSED SAFE HARBORS.—Not later than 180 days after the date of the enactment of this Act, the Attorney General (in consultation with the Secretary of Health and Human Services and the Chair of the Federal Trade Commission) shall—

(A) review the proposed safe harbors submitted under paragraph (1); and

(B) submit a report to Congress describing the proposals to be included in the publication of additional safe harbors described in paragraph (3) and the proposals that are not to be so included, together with explanations therefore.

(3) PUBLICATION OF ADDITIONAL SAFE HARBORS.—Not later than 180 days after the date of the enactment of this Act, the Attorney General (in consultation with the Secretary of Health and Human Services and the Chair of the Federal Trade Commission) shall publish in the Federal Register proposed additional safe harbors for purposes of section 601(a)(2) for providers of health care services. Not later than 180 days after publishing such proposed safe harbors in the Federal Register, the Attorney General shall issue final rules establishing such safe harbors.

(b) CRITERIA FOR SAFE HARBORS.—In establishing safe harbors under subsection (a), the Attorney General shall take into account the following:

(1) The extent to which a competitive or collaborative activity will accomplish any of the following:

(A) An increase in access to health care services.

(B) The enhancement of the quality of health care services.

(C) The establishment of cost efficiencies that will be passed on to consumers, including economies of scale and reduced transaction and administrative costs.

(D) An increase in the ability of health care facilities to provide services in medically underserved areas or to medically underserved populations.

(E) An improvement in the utilization of health care resources or the reduction in the inefficient duplication of the use of such resources.

(2) Whether the designation of an activity as a safe harbor under subsection (a) will result in the following outcomes:

(A) Health plans and other health care insurers, consumers of health care services, and health care providers will be better able to negotiate payment and service arrangements which will reduce costs to consumers.

(B) Taking into consideration the characteristics of the particular purchasers and providers involved, competition will not be unduly restricted.

(C) Equally efficient and less restrictive alternatives do not exist to meet the criteria described in paragraph (1).

(D) The activity will not unreasonably foreclose competition by denying competitors a necessary element of competition.

SEC. 604. CERTIFICATES OF REVIEW.

(a) ESTABLISHMENT OF PROGRAM.—In consultation with the Secretary and the Chair, the Attorney General shall (not later than 180 days after the date of the enactment of this Act) issue certificates of review in accordance with this section for providers of health care services and advise and assist any person with respect to applying for such a certificate of review.

(b) PROCEDURES FOR APPLICATION FOR CERTIFICATE.—

(1) FORM; CONTENT.—To apply for a certificate of review, a person shall submit to the Attorney General a written application which—

(A) specifies the activities relating to the provision of health care services which satisfy the criteria described in section 603(b) and which will be included in the certificate; and

(B) is in a form and contains any information, including information pertaining to the overall market in which the applicant operates, required by rule or regulation promulgated under section 607.

(2) PUBLICATION OF NOTICE IN FEDERAL REGISTER.—Within 10 days after an application submitted under paragraph (1) is received by the Attorney General, the Attorney General shall publish in the Federal Register a notice that announces that an application for a certificate of review has been submitted, identifies each person submitting the application, and describes the conduct for which the application is submitted.

(3) ESTABLISHMENT OF PROCEDURES FOR ISSUANCE OF CERTIFICATE.—In consultation with the Chair and the Secretary, the Attorney General shall establish procedures to be used in applying for and in determining whether to approve an application for a certificate of review under this title. Under such procedures the Attorney General shall approve an application if the Attorney General determines that the activities to be covered under the certificate will satisfy the criteria described in section 603(b) for additional safe harbors designated under such section and that the benefits of the issuance of the certificate will outweigh any disadvantages that may result from reduced competition.

(4) TIMING FOR DECISION ON APPLICATION.—

(A) IN GENERAL.—Within 90 days after the Attorney General receives an application for a certificate of review, the Attorney General shall determine whether the applicant's health care market activities are in accordance with the procedures described in paragraph (3). If the Attorney General, with the concurrence of the Secretary, determines that such procedures are met, the Attorney General shall issue to the applicant a certificate of review. The certificate of review shall specify—

(i) the health care market activities to which the certificate applies,

(ii) the person to whom the certificate of review is issued, and

(iii) any terms and conditions the Attorney General or the Secretary deems necessary to assure compliance with the applicable procedures described in paragraph (3).

(B) APPLICATIONS DEEMED APPROVED.—If the Attorney General does not reject an application before the expiration of the 90-period beginning on the date the Attorney General receives the application, the Attorney General shall be deemed to have approved the application and to have issued a certificate of review relating to the applicant's health care market activities covered under the application.

(5) EXPEDITED ACTION.—If the applicant indicates a special need for prompt disposition, the Attorney General and the Secretary may expedite action on the application, except that no certificate of review may be issued within 30 days of publication of notice in the Federal Register under subsection (b)(2).

(6) ACTIONS UPON DENIAL.—

(A) NOTIFICATION.—If the Attorney General denies in whole or in part an application for a certificate, the Attorney General shall notify the applicant of the Attorney General's determination and the reasons for it.

(B) REQUEST FOR RECONSIDERATION.—An applicant may, within 30 days of receipt of notification that the application has been denied in whole or in part, request the Attorney General to reconsider the determination. The Attorney General, with the concurrence of the Secretary, shall notify the applicant of the determination upon reconsideration within 30 days of receipt of the request.

(C) RETURN OF DOCUMENTS.—If the Attorney General denies an application for the issuance of a certificate of review and thereafter receives from the applicant a request for the return of documents submitted by the applicant in connection with the application for the certificate, the Attorney General and the Secretary shall return to the applicant, not later than 30 days after receipt of the request, the documents and all copies of the documents available to the Attorney General and the Secretary, except to the extent that the information has been made public under an exception to the rule against public disclosure described in subsection (g)(2)(B).

(7) FRAUDULENT PROCUREMENT.—A certificate of review shall be void ab initio with respect to any health care market activities for which the certificate was procured by fraud.

(c) AMENDMENT AND REVOCATION OF CERTIFICATES.—

(1) NOTIFICATION OF CHANGES.—Any applicant who receives a certificate of review—

(A) shall promptly report to the Attorney General any change relevant to the matters specified in the certificate; and

(B) may submit to the Attorney General an application to amend the certificate to reflect the effect of the change on the conduct specified in the certificate.

(2) AMENDMENT TO CERTIFICATE.—An application for an amendment to a certificate of review shall be treated as an application for the issuance of a certificate. The effective date of an amendment shall be the date on which the application for the amendment is submitted to the Attorney General.

(3) REVOCATION.—

(A) GROUNDS FOR REVOCATION.—In accordance with this paragraph, the Attorney General may revoke in whole or in part a certificate of review issued under this section. The following shall be considered grounds for the revocation of a certificate:

(i) After the expiration of the 2-year period beginning on the date a person's certificate is issued, the activities of the person have not substantially accomplished the purposes for the issuance of the certificate.

(ii) The person has failed to comply with any of the terms or conditions imposed under the certificate by the Attorney General or the Secretary under subsection (b)(4).

(iii) The activities covered under the certificate no longer satisfy the criteria set forth in section 603(b).

(B) REQUEST FOR COMPLIANCE INFORMATION.—If the Attorney General or Secretary has reason to believe that any of the grounds for revocation of a certificate of review described in subparagraph (A) may apply to a person holding the certificate, the Attorney General shall request such information from such person as the Attorney General or the Secretary deems necessary to resolve the matter of compliance. Failure to comply with such request shall be grounds for revocation of the certificate under this paragraph.

(C) PROCEDURES FOR REVOCATION.—If the Attorney General or the Secretary determines that any of the grounds for revocation of a certificate of review described in subparagraph (A) apply to a person holding the certificate, or that such person has failed to comply with a request made under subparagraph (B), the Attorney General shall give written notice of the determination to such person. The notice shall include a statement of the circumstances underlying, and the reasons in support of, the determination. In the 60-day period beginning 30 days after the notice is given, the Attorney General shall

revoke the certificate or modify it as the Attorney General or the Secretary deems necessary to cause the certificate to apply only to activities that meet the procedures for the issuance of certificates described in subsection (b)(2).

(D) INVESTIGATION AUTHORITY.—For purposes of carrying out this paragraph, the Attorney General may conduct investigations in the same manner as the Attorney General conducts investigations under section 3 of the Antitrust Civil Process Act, except that no civil investigative demand may be issued to a person to whom a certificate of review is issued if such person is the target of such investigation.

(d) REVIEW OF DETERMINATIONS.—

(1) AVAILABILITY OF REVIEW FOR CERTAIN ACTIONS.—If the Attorney General denies, in whole or in part, an application for a certificate of review or for an amendment to a certificate, or revokes or modifies a certificate pursuant to paragraph (3), the applicant or certificate holder (as the case may be) may, within 30 days of the denial or revocation, bring an action in any appropriate district court of the United States to set aside the determination on the ground that such determination is erroneous based on the preponderance of the evidence.

(2) NO OTHER REVIEW PERMITTED.—Except as provided in paragraph (1), no action by the Attorney General or the Secretary pursuant to this title shall be subject to judicial review.

(3) EFFECT OF REJECTED APPLICATION.—If the Attorney General denies, in whole or in part, an application for a certificate of review or for an amendment to a certificate, or revokes or amends a certificate, neither the negative determination nor the statement of reasons therefore shall be admissible in evidence, in any administrative or judicial proceeding, concerning any claim under the antitrust laws.

(e) PUBLICATION OF DECISIONS.—The Attorney General shall publish a notice in the Federal Register on a timely basis of each decision made with respect to an application for a certificate of review under this section or the amendment or revocation of such a certificate, in a manner that protects the confidentiality of any proprietary information relating to the application.

(f) ANNUAL REPORTS.—Every person to whom a certificate of review is issued shall submit to the Attorney General an annual report, in such form and at such time as the Attorney General may require, that contains any necessary updates to the information required under subsection (b) and a description of the activities of the holder under the certificate during the preceding year.

(g) RESTRICTIONS ON DISCLOSURE OF INFORMATION.—

(1) WAIVER OF DISCLOSURE REQUIREMENTS UNDER ADMINISTRATIVE PROCEDURE ACT.—Information submitted by any person in connection with the issuance, amendment, or revocation of a certificate of review shall be exempt from disclosure under section 552 of title 5, United States Code.

(2) RESTRICTIONS ON DISCLOSURE OF COMMERCIAL OR FINANCIAL INFORMATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), no officer or employee of the United States shall disclose commercial or financial information submitted in connection with the issuance, amendment, or revocation of a certificate of review if the information is privileged or confidential and if disclosure of the information would cause harm to the person who submitted the information.

(B) EXCEPTIONS.—Subparagraph (A) shall not apply with respect to information disclosed—

(i) upon a request made by the Congress or any committee of the Congress,

(ii) in a judicial or administrative proceeding, subject to appropriate protective orders,

(iii) with the consent of the person who submitted the information,

(iv) in the course of making a determination with respect to the issuance, amendment, or revocation of a certificate of review, if the Attorney General deems disclosure of the information to be necessary in connection with making the determination,

(v) in accordance with any requirement imposed by a statute of the United States, or

(vi) in accordance with any rule or regulation promulgated under subsection (i) permitting the disclosure of the information to an agency of the United States or of a State on the condition that the agency will disclose the information only under the circumstances specified in clauses (i) through (v).

(3) PROHIBITION AGAINST USE OF INFORMATION TO SUPPORT OR ANSWER CLAIMS UNDER ANTITRUST LAWS.—Any information disclosed in an application for a certificate of review under this section shall only be admissible into evidence in a judicial or administrative proceeding for the sole purpose of establishing that a person is entitled to the protections provided by such a certificate.

SEC. 605. NOTIFICATIONS PROVIDING REDUCTION IN CERTAIN PENALTIES UNDER ANTITRUST LAW FOR HEALTH CARE COOPERATIVE VENTURES.

(a) NOTIFICATIONS DESCRIBED.—

(1) SUBMISSION OF NOTIFICATION BY VENTURE.—Any party to a health care cooperative venture, acting on such venture's behalf, may, not later than 90 days after entering into a written agreement to form such venture or not later than 90 days after the date of the enactment of this Act, whichever is later, file with the Attorney General a written notification disclosing—

(A) the identities of the parties to such venture,

(B) the nature and objectives of such venture, and

(C) such additional information as the Attorney General may require by regulation.

(2) ACTIVITIES DEEMED SUBMISSION OF NOTIFICATION.—The following health care cooperative ventures shall be deemed to have filed a written notification with respect to the venture under paragraph (1):

(A) SUBMISSION OF APPLICATION FOR CERTIFICATE OF REVIEW.—Any health care cooperative venture for which an application for a certificate of review is filed with the Attorney General under section 603.

(B) CERTAIN VENTURES.—Any health care cooperative venture meeting the following requirements:

(i) The venture consists of a network of non-institutional providers not greater than—

(I) in the case of a nonexclusive network in which the participating members are permitted to create or join other competing networks, 50 percent of the providers of health care services in the relevant geographic area and 50 percent of the members of the provider specialty group in the relevant market; or

(II) in the case of an exclusive network in which the participating members are not permitted to create or join other competing networks, 35 percent of the providers of health care services in the relevant geographic area and 35 percent of the members of the provider specialty group in the relevant market.

(ii) Each member of the venture assumes substantial financial risk for the operation of the venture through risk-sharing arrangements, including (but not limited to)—

(I) the acceptance of capitation contracts;

(II) the acceptance of contracts with fee withholding mechanisms relating to the ability to meet established goals for utilization review and management; and

(III) the holding by members of significant ownership or equity interests in the venture, where the capital contributed by the members is used to fund the operational costs of the venture such as administration, marketing, and computer-operated medical information, if the venture develops and operates comprehensive programs for utilization management and quality assurance that include controls over the use of institutional, specialized, and ancillary medical services.

(3) SUBMISSION OF ADDITIONAL INFORMATION.—

(A) REQUEST OF ATTORNEY GENERAL.—At any time after receiving a notification filed under paragraph (1), the Attorney General may require the submission of additional information or documentary material relevant to the proposed health care cooperative venture.

(B) PARTIES TO VENTURE.—Any party to a health care cooperative venture may submit such additional information on the venture's behalf as may be appropriate to ensure that the venture will receive the protections provided under subsection (b).

(C) REQUIRED SUBMISSION OF INFORMATION ON CHANGES TO VENTURE.—A health care cooperative venture for which a notification is in effect under this section shall submit information on any change in the membership of the venture not later than 90 days after such change occurs.

(4) PUBLICATION OF NOTIFICATION.—

(A) INFORMATION MADE PUBLICLY AVAILABLE.—Not later than 30 days after receiving a notification with respect to a venture under paragraph (1), the Attorney General shall publish in the Federal Register a notice with respect to the venture that identifies the parties to the venture and generally describes the purpose and planned activity of the venture. Prior to its publication, the contents of the notice shall be made available to the parties to the venture.

(B) RESTRICTION ON DISCLOSURE OF OTHER INFORMATION.—All information and documentary material submitted pursuant to this section and all information obtained by the Attorney General in the course of any investigation or case with respect to a potential violation of the antitrust laws by the health care cooperative venture (other than information and material described in subparagraph (A)) shall be exempt from disclosure under section 552 of title 5, United States Code, and shall not be made publicly available by any agency of the United States to which such section applies except in a judicial proceeding in which such information and material is subject to any protective order.

(5) WITHDRAWAL OF NOTIFICATION.—Any person who files a notification pursuant to this section may withdraw such notification before a publication by the Attorney General pursuant to paragraph (4). Any person who is deemed to have filed a notification under paragraph (2)(A) shall be deemed to have withdrawn the notification if the certificate of review in question is revoked or withdrawn under section 604.

(6) NO JUDICIAL REVIEW PERMITTED.—Any action taken or not taken by the Attorney

General with respect to notifications filed pursuant to this subsection shall not be subject to judicial review.

(b) PROTECTIONS FOR VENTURES SUBJECT TO NOTIFICATION.—

(1) IN GENERAL.—

(A) PROTECTIONS DESCRIBED.—The provisions of paragraphs (2), (3), (4), and (5) shall apply with respect to any action under the antitrust laws challenging conduct within the scope of a notification which is in effect pursuant to subsection (a)(1).

(B) TIMING OF PROTECTIONS.—The protections described in this subsection shall apply to the venture that is the subject of a notification under subsection (a)(1) as of the earlier of—

(i) the date of the publication in the Federal Register of the notice published with respect to the notification; or

(ii) if such notice is not published during the period required under subsection (a)(4), the expiration of the 30-day period that begins on the date the Attorney General receives any necessary information required to be submitted under subsection (a)(1) or any additional information required by the Attorney General under subsection (a)(3)(A).

(2) APPLICABILITY OF RULE OF REASON STANDARD.—In any action under the antitrust laws, the conduct of any person which is within the scope of a notification filed under subsection (a) shall not be deemed illegal per se, but shall be judged on the basis of its reasonableness, taking into account all relevant factors affecting competition, including, but not limited to, effects on competition in relevant markets.

(3) LIMITATION ON RECOVERY TO ACTUAL DAMAGES AND INTEREST.—Notwithstanding section 4 of the Clayton Act, any person who is entitled to recovery under the antitrust laws for conduct that is within the scope of a notification filed under subsection (a) shall recover the actual damages sustained by such person and interest calculated at the rate specified in section 1961 of title 28, United States Code, for the period beginning on the earliest date for which injury can be established and ending on the date of judgment, unless the court finds that the award of all or part of such interest is unjust under the circumstances.

(4) AWARD OF ATTORNEY'S FEES AND COSTS OF SUIT.—

(A) IN GENERAL.—In any action under the antitrust laws brought against a health care cooperative venture for conduct that is within the scope of a notification filed under subsection (a), the court shall, at the conclusion of the action—

(i) award to a substantially prevailing claimant the cost of suit attributable to such claim, including a reasonable attorney's fee, or

(ii) award to a substantially prevailing party defending against such claim the cost of such suit attributable to such claim, including reasonable attorney's fee, if the claim, or the claimant's conduct during litigation of the claim, was frivolous, unreasonable, without foundation, or in bad faith.

(B) OFFSET IN CASES OF BAD FAITH.—The court may reduce an award made pursuant to subparagraph (A) in whole or in part by an award in favor of another party for any part of the cost of suit (including a reasonable attorney's fee) attributable to conduct during the litigation by any prevailing party that the court finds to be frivolous, unreasonable, without foundation, or in bad faith.

(5) RESTRICTIONS ON ADMISSIBILITY OF INFORMATION.—

(A) IN GENERAL.—Any information disclosed in a notification submitted under subsection (a)(1) and the fact of the publication of a notification by the Attorney General under subsection (a)(4) shall only be admissible into evidence in a judicial or administrative proceeding for the sole purpose of establishing that a party to a health care cooperative venture is entitled to the protections described in this subsection.

(B) ACTIONS OF ATTORNEY GENERAL.—No action taken by the Attorney General pursuant to this section shall be admissible into evidence in any judicial or administrative proceeding for the purpose of supporting or answering any claim under the antitrust laws.

SEC. 606. REVIEW AND REPORTS ON SAFE HARBORS AND CERTIFICATES OF REVIEW.

(a) IN GENERAL.—The Attorney General (in consultation with the Secretary and the Chair) shall periodically review the safe harbors described in section 602, the additional safe harbors designated under section 603, and the certificates of review issued under section 604, and—

(1) with respect to the safe harbors described in section 602, submit such recommendations to Congress as the Attorney General considers appropriate for modifications of such safe harbors;

(2) with respect to the additional safe harbors designated under section 603, issue proposed revisions to such activities and publish the revisions in the Federal Register; and

(3) with respect to the certificates of review, submit a report to Congress on the issuance of such certificates, and shall include in the report a description of the effect of such certificates on increasing access to high quality health care services at reduced costs.

(b) RECOMMENDATIONS FOR LEGISLATION.—The Attorney General shall include in the reports submitted under subsection (a)(3) any recommendations of the Attorney General for legislation to improve the program for the issuance of certificates of review established under this title.

SEC. 607. RULES, REGULATIONS, AND GUIDELINES.

(a) SAFE HARBORS, CERTIFICATES, AND NOTIFICATIONS.—The Attorney General, with the concurrence of the Secretary, shall promulgate such rules, regulations, and guidelines as are necessary to carry out sections 602, 603, 604, and 605, including guidelines defining or relating to relevant geographic and product markets for health care services and providers of health care services.

(b) GUIDANCE FOR PROVIDERS.—

(1) IN GENERAL.—To promote greater certainty regarding the application of the antitrust laws to activities in the health care market, the Attorney General, in consultation with the Secretary and the Chair, shall (not later than 1 year after the date of the enactment of this Act), taking into account the criteria used to designate additional safe harbors under section 603 and grant certificates of review under section 604, publish guidelines—

(A) to assist providers of health care services in analyzing whether the activities of such providers may be subject to a safe harbor under sections 602 or 603; and

(B) describing specific types of activities which would meet the requirements for a certificate of review under section 604, and summarizing the factual and legal bases on which the activities would meet the requirements.

(2) PERIODIC UPDATE.—The Attorney General shall periodically update the guidelines published under paragraph (1) as the Attorney General considers appropriate.

(3) WAIVER OF ADMINISTRATIVE PROCEDURE ACT.—Section 553 of title 5, United States Code, shall not apply to the issuance of guidelines under paragraph (1).

SEC. 608. DEFINITIONS.

In this title, the following definitions shall apply:

(1) The term "antitrust laws"—

(A) has the meaning given it in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12(a)), except that such term includes section 5 of the Federal Trade Commission Act (15 U.S.C. 45) to the extent such section applies to unfair methods of competition; and

(B) includes any State law similar to the laws referred to in subparagraph (A).

(2) The term "Chair" means the Chair of the Federal Trade Commission.

(3) The term "health insurance plan" has the meaning given such term in section 111(b).

(4) The term "health care cooperative venture" means any activities, including attempts to enter into or perform a contract or agreement, carried out by 2 or more persons for the purpose of providing health care services.

(5) The term "health care services" means any services for which payment may be made under a health insurance plan, including services related to the delivery or administration of such services.

(6) The term "medical self-regulatory entity" means a medical society or association, a specialty board, a recognized accrediting agency, or a hospital medical staff, and includes the members, officers, employees, consultants, and volunteers or committees of such an entity.

(7) The term "person" includes a State or unit of local government.

(8) The term "provider of health care services" means any individual or entity that is engaged in the delivery of health care services in a State and that is required by State law or regulation to be licensed or certified by the State to engage in the delivery of such services in the State.

(9) The term "specialty group" means a medical specialty or subspecialty in which a provider of health care services may be licensed to practice by a State (as determined by the Secretary in consultation with the certification boards for such specialties and subspecialties).

(10) The term "standard setting and enforcement activities" means—

(A) accreditation of health care practitioners, health care providers, medical education institutions, or medical education programs,

(B) technology assessment and risk management activities,

(C) the development and implementation of practice guidelines or practice parameters, or

(D) official peer review proceedings undertaken by a hospital medical staff (or committee thereof) or a medical society or association for purposes of evaluating the professional conduct or quality of health care provided by a medical professional.

TITLE VII—LONG-TERM CARE

SEC. 701. EXCLUSION FROM GROSS INCOME FOR AMOUNTS WITHDRAWN FROM INDIVIDUAL RETIREMENT PLANS OR 401(k) PLANS FOR LONG-TERM CARE INSURANCE.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to items specifically excluded from gross income) is amended by redesignating section 137 as section 138 and by inserting after section 136 the following new section:

"SEC. 137. DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT ACCOUNTS AND SECTION 401(k) PLANS FOR LONG-TERM CARE INSURANCE.

"(a) GENERAL RULE.—The amount includible in the gross income of an individual for the taxable year by reason of qualified distributions during such taxable year shall not exceed the excess of—

"(1) the amount which would (but for this section) be so includible by reason of such distributions, over

"(2) the aggregate premiums paid by such individual during such taxable year for any long-term care insurance contract for the benefit of such individual or the spouse of such individual.

"(b) QUALIFIED DISTRIBUTION.—For purposes of this section, the term 'qualified distribution' means any distribution to an individual from an individual retirement account or a section 401(k) plan if such individual has attained age 59½ on or before the date of the distribution (and, in the case of a distribution used to pay premiums for the benefit of the spouse of such individual, such spouse has attained age 59½ on or before the date of the distribution).

"(c) DEFINITIONS AND SPECIAL RULES RELATING TO LONG-TERM INSURANCE CONTRACTS.—

"(1) LONG-TERM CARE INSURANCE CONTRACT.—

"(A) IN GENERAL.—For purposes of this section, the term 'long-term care insurance contract' means any insurance contract issued if—

"(i) the only insurance protection provided under such contract is coverage of qualified long-term care services and benefits incidental to such coverage,

"(ii) the maximum benefit under the policy for expenses incurred for any day does not exceed $200,

"(iii) such contract does not cover expenses incurred for services or items to the extent that such expenses are reimbursable under title XVIII of the Social Security Act or would be so reimbursable but for the application of a deductible or coinsurance amount,

"(iv) such contract is guaranteed renewable,

"(v) such contract does not have any cash surrender value, and

"(vi) all refunds of premiums, and all policyholder dividends or similar amounts, under such contract are to be applied as a reduction in future premiums or to increase future benefits.

"(B) SPECIAL RULES.—

"(i) PER DIEM, ETC. PAYMENTS PERMITTED.—A contract shall not fail to be treated as described in subparagraph (A)(i) by reason of payments being made on a per diem or other periodic basis without regard to the expenses incurred during the period to which the payments relate.

"(ii) CONTRACT MAY COVER MEDICARE REIMBURSABLE EXPENSES WHERE MEDICARE IS SECONDARY PAYOR.—Subparagraph (A)(iii) shall not apply to expenses which are reimbursable under title XVIII of the Social Security Act only as a secondary payor.

"(iii) REFUNDS OF PREMIUMS.—Subparagraph (A)(vi) shall not apply to any refund of premiums on surrender or cancellation of the contract.

"(2) QUALIFIED LONG-TERM CARE SERVICES.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'qualified long-term care services' means necessary diagnostic, preventive, therapeutic, and rehabilitative services, and maintenance or personal care services, which—

"(i) are required by a chronically ill individual in a qualified facility, and

"(ii) are provided pursuant to a plan of care prescribed by a licensed health care practitioner.

"(B) CHRONICALLY ILL INDIVIDUAL.—

"(i) IN GENERAL.—The term 'chronically ill individual' means any individual who has been certified by a licensed health care practitioner as—

"(I) being unable to perform (without substantial assistance from another individual) at least 2 activities of daily living (as defined in clause (ii)) for a period of at least 90 days due to a loss of functional capacity, or having a similar level of disability (as determined by the Secretary in consultation with the Secretary of Health and Human Services), or

"(II) having a similar level of disability due to cognitive impairment.

"(ii) ACTIVITIES OF DAILY LIVING.—For purposes of clause (i), each of the following is an activity of daily living:

"(I) MOBILITY.—The process of walking or wheeling on a level surface which may include the use of an assistive device such as a cane, walker, wheelchair, or brace.

"(II) DRESSING.—The overall complex behavior of getting clothes from closets and drawers and then getting dressed.

"(III) TOILETING.—The act of going to the toilet room for bowel and bladder function, transferring on and off the toilet, cleaning after elimination, and arranging clothes or the ability to voluntarily control bowel and bladder function, or in the event of incontinence, the ability to maintain a reasonable level of personal hygiene.

"(IV) TRANSFER.—The process of getting in and out of bed or in and out of a chair or wheelchair.

"(V) EATING.—The process of getting food from a plate or its equivalent into the mouth.

"(C) QUALIFIED FACILITY.—The term 'qualified facility' means—

"(i) a nursing, rehabilitative, hospice, or adult day care facility (including a hospital, retirement home, nursing home, skilled nursing facility, intermediate care facility, or similar institution)—

"(I) which is licensed under State law, or

"(II) which is a certified facility for purposes of title XVIII or XIX of the Social Security Act, or

"(ii) an individual's home if a licensed health care practitioner certifies that without home care the individual would have to be cared for in a facility described in clause (i).

"(D) MAINTENANCE OR PERSONAL CARE SERVICES.—The term 'maintenance or personal care services' means any care the primary purpose of which is to provide needed assistance with any of the activities of daily living described in subparagraph (B)(ii).

"(E) LICENSED HEALTH CARE PRACTITIONER.—The term 'licensed health care practitioner' means any physician (as defined in section 1861(r) of the Social Security Act) and any registered professional nurse, licensed social worker, or other individual who meets such requirements as may be prescribed by the Secretary.

"(3) INFLATION ADJUSTMENT OF $200 BENEFIT LIMIT.—

"(A) IN GENERAL.—In the case of a calendar year after 1995, the $200 amount contained in paragraph (1)(A)(ii) shall be increased for such calendar year by the medical care cost adjustment for such calendar year. If any increase determined under the preceding sentence is not a multiple of $10, such increase shall be rounded to the nearest multiple of $10.

"(B) MEDICAL CARE COST ADJUSTMENT.—For purposes of subparagraph (A), the medical care cost adjustment for any calendar year is the percentage (if any) by which—

"(i) the medical care component of the Consumer Price Index (as defined in section 1(f)(5)) for August of the preceding calendar year, exceeds

"(ii) such component for August of 1994.

"(d) OTHER DEFINITIONS.—For purposes of this section—

"(1) INDIVIDUAL RETIREMENT ACCOUNT.—The term 'individual retirement account' has the meaning given such term by section 408(a).

"(2) SECTION 401(k) PLAN.—The term 'section 401(k) plan' means any employer plan which meets the requirements of section 401(a) and which includes a qualified cash or deferred arrangement (as defined in section 401(k)).

"(e) SPECIAL RULES FOR SECTION 401(k) PLANS.—

"(1) WITHDRAWALS CANNOT EXCEED ELECTIVE CONTRIBUTIONS UNDER QUALIFIED CASH OR DEFERRED ARRANGEMENT.—This section shall not apply to any distribution from a section 401(k) plan to the extent the aggregate amount of such distributions for the use described in subsection (a) exceeds the aggregate employer contributions made pursuant to the employee's election under section 401(k)(2).

"(2) WITHDRAWALS NOT TO CAUSE DISQUALIFICATION.—A plan shall not be treated as failing to satisfy the requirements of section 401, and an arrangement shall not be treated as failing to be a qualified cash or deferred arrangement (as defined in section 401(k)(2)), merely because under the plan or arrangement distributions are permitted which are excludable from gross income by reason of this section.".

(b) CONFORMING AMENDMENTS.—

(1) Section 401(k) of such Code is amended by adding at the end the following new paragraph:

"(11) CROSS REFERENCE.—

"For provision permitting tax-free withdrawals for payment of long-term care premiums, see section 137.".

(2) Section 408(d) of such Code is amended by adding at the end the following new paragraph:

"(8) CROSS REFERENCE.—

"For provision permitting tax-free withdrawals from individual retirement accounts for payment of long-term care premiums, see section 137.".

(3) The table of sections for such part III is amended by striking the last item and inserting the following new items:

"Sec. 137. Distributions from individual retirement accounts and section 401(k) plans for long-term care insurance.

"Sec. 138. Cross references to other Acts.".

SEC. 702. CERTAIN EXCHANGES OF LIFE INSURANCE CONTRACTS FOR LONG-TERM CARE INSURANCE CONTRACTS NOT TAXABLE.

Subsection (a) of section 1035 of the Internal Revenue Code of 1986 (relating to certain exchanges of insurance contracts) is amended by striking the period at the end of paragraph (3) and inserting "; or", and by adding at the end thereof the following new paragraph:

"(4) a contract of life insurance or an endowment or annuity contract for a long-term care insurance contract (as defined in section 137(c)(1)).".

SEC. 703. TAX TREATMENT OF ACCELERATED DEATH BENEFITS UNDER LIFE INSURANCE CONTRACTS.

Section 101 of the Internal Revenue Code of 1986 (relating to certain death benefits) is amended by adding at the end thereof the following new subsection:

"(g) TREATMENT OF CERTAIN ACCELERATED DEATH BENEFITS.—

"(1) IN GENERAL.—For purposes of this section, any amount paid or advanced to an individual under a life insurance contract on the life of an insured—

"(A) who is a terminally ill individual, or

"(B) who is a chronically ill individual (as defined in section 137(c)(2)(B)) who is confined to a qualified facility (as defined in section 137(c)(2)(C)(i)),

shall be treated as an amount paid by reason of the death of such insured.

"(2) TERMINALLY ILL INDIVIDUAL.—For purposes of this subsection, the term 'terminally ill individual' means an individual who has been certified by a physician as having an illness or physical condition which can reasonably be expected to result in death in 12 months or less.

"(3) PHYSICIAN.—For purposes of this subsection, the term 'physician' has the meaning given to such term by section 137(c)(2)(E).".

SEC. 704. EFFECTIVE DATE.

The amendments made by this subtitle shall apply to taxable years beginning after December 31, 1994.

TITLE VI—WELFARE RESTRICTIONS FOR ALIENS

SEC. 801. INELIGIBILITY OF ALIENS FOR PUBLIC WELFARE ASSISTANCE.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsections (b) and (c), no alien shall be eligible for any program referred to in subsection (d).

(b) EXCEPTIONS.—

(1) REFUGEE EXCEPTION.—Subsection (a) shall not apply to an alien admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act until 6 years after the date of such alien's arrival into the United States.

(2) AGED EXCEPTION.—Subsection (a) shall not apply to an alien who—

(A) has been lawfully admitted to the United States for permanent residence;

(B) is over 75 years of age; and

(C) has resided in the United States for at least 5 years.

(3) CURRENT RESIDENT EXCEPTION.—Subsection (a) shall not apply to the eligibility of an alien for a program referred to in subsection (d) until 1 year after the date of the enactment of this Act if, on such date of enactment, the alien is residing in the United States and is eligible for the program.

(c) PROGRAMS FOR WHICH ALIENS MAY BE ELIGIBLE.—The limitation under subsection (a) shall not apply to the following programs:

(1) Medical assistance with respect to emergency services (as defined for purposes of section 1916(a)(2)(D) of the Social Security Act).

(d) PROGRAMS FOR WHICH ALIENS ARE INELIGIBLE.—The programs referred to in this subsection are the following:

(1) The program of medical assistance under title XIX of the Social Security Act, except emergency services as provided in subsection (c).

(2) The Maternal and Child Health Services Block Grant Program under title V of the Social Security Act.

(3) The program established in section 330 of the Public Health Service Act (relating to community health centers).

(4) The program established in section 1001 of the Public Health Service Act (relating to family planning methods and services).

(5) The program established in section 329 of the Public Health Service Act (relating to migrant health centers).

(6) The program of aid and services to needy families with children under part A of title IV of the Social Security Act.

(7) The child welfare services program under part B of title IV of the Social Security Act.

(8) The supplemental security income program under title XVI of the Social Security Act.

(9) The program of foster care and adoption assistance under part E of title IV of the Social Security Act.

(10) The food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977 (7 U.S.C. 2012(h)).

(11) The school lunch program carried out under the National School Lunch Act (42 U.S.C. 1751 et seq.).

(12) The special supplemental food program for women, infants, and children carried out under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786).

(13) The nutrition programs carried out under part C of title III of the Older Americans Act of 1965 (42 U.S.C. 3030e et seq.).

(14) The school breakfast program carried out under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773).

(15) The child and adult care food program carried out under section 17 of the National School Lunch Act (42 U.S.C. 1766).

(16) The Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note).

(17) The summer food service program for children carried out under section 13 of the National School Lunch Act (42 U.S.C. 1761).

(18) The commodity supplemental food program authorized by section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note).

(19) The special milk program carried out under section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1772).

(20) The program of rental assistance on behalf of low-income families provided under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

(21) The program of assistance to public housing under title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.).

(22) The loan program under section 502 of the Housing Act of 1949 (42 U.S.C. 1472).

(23) The program of interest reduction payments pursuant to contracts entered into by the Secretary of Housing and Urban Development under section 236 of the National Housing Act (12 U.S.C. 1715z–1).

(24) The program of loans for rental and cooperative housing under section 515 of the Housing Act of 1949 (42 U.S.C. 1485).

(25) The program of rental assistance payments pursuant to contracts entered into under section 521(a)(2)(A) of the Housing Act of 1949 (42 U.S.C. 1490a(a)(2)(A)).

(26) The program of assistance payments on behalf of homeowners under section 235 of the National Housing Act (12 U.S.C. 1715z).

(27) The program of rent supplement payments on behalf of qualified tenants pursuant to contracts entered into under section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s).

(28) The loan and grant programs under section 504 of the Housing Act of 1949 (42 U.S.C. 1474) for repairs and improvements to rural dwellings.

(29) The loan and assistance programs under sections 514 and 516 of the Housing Act of 1949 (42 U.S.C. 1484, 1486) for housing for farm labor.

(30) The program of grants for preservation and rehabilitation of housing under section 533 of the Housing Act of 1949 (42 U.S.C. 1490m).

(31) The program of grants and loans for mutual and self-help housing and technical assistance under section 523 of the Housing Act of 1949 (42 U.S.C. 1490c).

(32) The program of site loans under section 524 of the Housing Act of 1949 (42 U.S.C. 1490d).

(33) The program under part B of title IV of the Higher Education Act of 1965.

(34) The program under subpart 1 of part A of title IV of the Higher Education Act of 1965.

(35) The program under part Cof title IV of the Higher Education Act of 1965.

(36) The program under subpart 3 of part A of title IV of the Higher Education Act of 1965.

(37) The program under part E of title IV of the Higher Education Act of 1965.

(38) The program under subpart 4 of part A of title IV of the Higher Education Act of 1965.

(39) The program under title IX of the Higher Education Act of 1965.

(40) The program under subpart 5 of part A of title IV of the Higher Education Act of 1965.

(41) The programs established in sections 338A and 338B of the Public Health Service Act and the programs established in part A of title VII of such Act (relating to loans and scholarships for education in the health professions).

(42) The program established in section 317(j)(1) of the Public Health Service Act (relating to grants for immunizations against vaccine-preventable diseases).

(43) The program established in section 317A of the Public Health Service Act (relating to grants for screening, referrals, and education regarding leading poisoning in infants and children).

(44) The program established in part A of title XIX of the Public Health Service Act (relating to block grants for preventive health and health services).

(45) The programs established in subparts I and II of part B of title XIX of the Public Health Service Act.

(46)(A) The program of training for disadvantaged adults and youth under part A of title II of the Job Training Partnership Act (29 U.S.C. 1601 et seq.), as in effect before July 1, 1993.

(B)(i) The program of training for disadvantaged adults under part A of title II of the Job Training Partnership Act (29 U.S.C. 1601 et seq.), as in effect on and after July 1, 1993.

(ii) The program of training for disadvantaged youth under part C of title II of the Job Training Partnership Act (29 U.S.C. 1641 et seq.), as in effect on and after July 1, 1993.

(47) The Job Corps program under part B of title IV of the Job Training Partnership Act (29 U.S.C. 1692 et seq.).

(48) The summer youth employment and training programs under part B of title II of the Job Training Partnership Act (29 U.S.C. 1630 et seq.).

(49) The programs carried out under the Older American Community Service Employment Act (42 U.S.C. 3001 et seq.).

(50) The programs under title III of the Older Americans Act of 1965.

(51) The programs carried out under part B of title II of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5011–5012).

(52) The programs carried out under part C of title II of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5013).

(53) The program under the Low-Income Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.).

(54) The weatherization assistance program under title IV of the Energy Conservation and Production Act (42 U.S.C. 6851).

(55) The program of block grants to States for social services under title XX of the Social Security Act.

(56) The programs carried out under the Community Services Block Grant Act (42 U.S.C. 9901 et seq.).

(57) The program of legal assistance to eligible clients and other programs under the Legal Services Corporation Act (42 U.S.C. 2996 et seq.).

(58) The program for emergency food and shelter grants under title III of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11331 et seq.).

(59) The programs carried out under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.).

(60) A State program for providing child care under section 402(i) of the Social Security Act.

(61) The program of State legalization impact-assistance grants (SLIAG) under section 204 of the Immigration Reform and Control Act of 1986.

(e) NOTIFICATION OF ALIENS.—Any Federal agency that administers a program referred to in subsection (d) shall, directly or through the States, notify each alien receiving benefits under the program whose eligibility for the program is or will be terminated by reason of this section.

SEC. 802. STATE AFDC AGENCIES REQUIRED TO PROVIDE INFORMATION ON ILLEGAL ALIENS TO THE IMMIGRATION AND NATURALIZATION SERVICE.

Section 402(a) of the Social Security Act (42 U.S.C. 602(a)) is amended—

(1) by striking "and" at the end of paragraph (44);

(2) by striking the period at the end of paragraph (45) and inserting "; and"; and

(3) by inserting after paragraph (45) the following:

"(46) require the State agency to provide to the Immigration and Naturalization Service the name, address, and other identifying information that the agency has with respect to any individual unlawfully in the United States any of whose children is a citizen of the United States.".

TITLE IX—INCREASE IN ASSISTANCE TO COMMUNITY AND MIGRANT HEALTH CENTERS FROM RESIDUAL SAVINGS

SEC. 901. GRANT PROGRAM TO PROMOTE PRIMARY HEALTH CARE SERVICES FOR UNDERSERVED POPULATIONS.

(a) AUTHORIZATION.—The Secretary of Health and Human Services shall provide for a program of grants to migrant and community health centers (receiving grants or contracts under section 329, 330, or 340 of the Public Health Service Act) in order to promote the provision of primary health care services for underserved individuals. Such grants may be used—

(1) to promote the provision of off-site services (through means such as mobile medical clinics);

(2) to improve birth outcomes in areas with high infant mortality and morbidity;

(3) to establish primary care clinics in areas identified as in need of such clinics; and

(4) for recruitment and training costs of necessary providers and operating costs for unreimbursed services.

(b) CONDITIONS.—(1) Grants under this subsection shall only be made upon application, approved by the Secretary.

(2) The amount of grants made under this section shall be determined by the Secretary.

(c) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—Subject to paragraph (2), there are authorized to be appropriated for each fiscal year, in the 5-fiscal-year period beginning with fiscal year 1995, such amounts as the Secretary estimates, in consultation with the Director of the Office of Management and Budget, reflects the net savings to the Federal Government in the fiscal year of the enactment of this Act.

(2) LIMITATION.—The total amount of funds made available under this section in such 5-fiscal-year period may not exceed $13.1 billion.

(3) USE OF FUNDS.—Of the amounts appropriated each fiscal year under this section, at least 10 percent shall be used for grants described in subsection (a)(1) and at least 10 percent shall be used for grants described in subsection (a)(2). The Secretary may use not to exceed 50 percent of the amounts appropriated to carry out this section for the purpose of making new grants or contracts under sections 329, 330, and 340 of the Public Health Service Act.

(d) STUDY AND REPORT.—The Secretary shall conduct a study of the impact of the grants made under this section to migrant and community health centers on access to health care, birth outcomes, and the use of emergency room services. Not later than 2 years after the date of the enactment of this Act, the Secretary shall submit to Congress a report on such study and on recommendations for changes in the programs under this section in order to promote the appropriate use of cost-effective outpatient services.

THE INTRODUCTION OF A SENSE-OF-THE-CONGRESS RESOLUTION ON AIDS EDUCATION

HON. JERROLD NADLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. NADLER. Mr. Speaker, I rise today to introduce a sense of the Congress resolution which expresses the need for quality HIV/AIDS education to help prevent the spread of AIDS.

This resolution calls for a real AIDS education initiative. With 315,390 AIDS deaths and more than 194,300 AIDS-related deaths since the discovery of the disease 12 years ago, the AIDS epidemic rages unabated. The need to marshall the powers of the Federal Government and communities across the Nation behind an all-out AIDS education effort to prevent the spread of this dreadful disease has never been greater. Clearly, we cannot battle AIDS without first ensuring that every American is educated about the disease and is continuously reminded of ways to prevent it.

That is why I am introducing a resolution which calls for greater AIDS education and prevention initiatives. This resolution calls for States to provide quality sex education programs in school for young adults who are least educated about the disease and at great risk for contracting it. It also calls for the Secretary of Health and Human Services and the Surgeon General to develop guidelines for the prevention of AIDS and HIV infection and to distribute those guidelines to parents and their children.

It also expresses the sense of the Congress that condom use for television, advertisements, and public service announcements should be encouraged rather than discouraged. Finally, it calls for the reinstatement of the National Commission on AIDS which has provided useful information about the disease.

Mr. Speaker, this country has been negligent in making AIDS education a public health priority. While we wait for a cure to put an end to this deadly disease, we must in the meantime take the necessary and appropriate prevention measures to help stop the spread of this disease which is devastating to so many Americans. I urge my colleagues to join me in cosponsoring this important measure.

JUSTICE DEPARTMENT MISCUE

HON. MARIA CANTWELL

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Ms. CANTWELL. Mr. Speaker, numerous economic studies and statistics make it clear that the computer software industry is one of our Nation's strongest assets in today's global economy. To maintain our national leadership in this fast-changing industry of today and tomorrow, our policymakers should be certain that they do not inadvertently hobble U.S. software makers.

Two highly respected economists have written on this issue in recent days: Lester Thurow, professor of management and economics at MIT, and Robert Shapiro, vice-president of the Progressive Policy Institute and a principal economic advisor during President Clinton's election campaign. I commend their views to the attention of Members. I ask unanimous consent that the text of those articles be included at this point.

[From the Boston Globe, Nov. 9, 1993]

JUSTICE DEPARTMENT MISCUE

(By Lester Thurow)

The rest of the world must watch us with a mixture of envy, horror, and wonder.

The envy comes from the fact that the U.S. computer software industry sells 75 percent of the prepackaged software in the world and controls 50 percent of the overall nationwide market for all software sales and services; $20 billion in sales are made to foreigners each year. This is one of the industries of the 21st century that everyone would like to capture—a labor-intensive industry with growing employment (420,000) people now work there in the United States) paying high wages. It is the stuff of national economic dreams.

The horror springs from the fact that the Justice Department is thinking about bringing an antitrust case to hobble the most powerful firm, Microsoft, in the industry—a firm with a 50 percent market share for personal computer operating systems but a 6 percent overall market share.

In an antitrust tradition that dates back to the dinosaurs, "big is bad." If someone is

successful in their market, they must have done something bad and if they haven't been doing something bad, they surely are planning to do something bad. If their prices haven't been too high, then surely their prices have been too low (one of the charges the Justice Department is thinking about bringing against Microsoft). If there is an economic success story out there in the big economy, it is the duty of the antitrust division of the Justice Department to ride to the rescue and break up the stuff of dreams.

The rest of the world knows that if they had a successful firm in a successful industry, they would be asking how their governments could help make that industry even more successful at home and abroad. They would be asking their governments to do something about the computer software piracy (copying of programs without paying for them—mostly in Asia) that deprives American firms of $12 billion in revenue that could make them even stronger in the future.

The last thing foreigners can imagine is doing anything to weaken either such firms or such an industry. Other countries all have active national industrial policies designed to capture the computer software industry. One of my colleagues at MIT, Mike Cusumano, has written a book about the Japanese computer software factory and the Japanese strategy for driving the American firms out of this industry.

The rest of the world's wonder comes from their wonderment at their good luck in that the American Justice Department will do something for them they haven't been able to do for themselves—weaken the American software firms and give them a chance to break into the industry. For if Microsoft were broken up or hobbled, the winners would not be other American firms but foreign firms who would first use this gap in the market to get their own national markets weaned back away from those American operating systems.

With local operating systems, other forms of American software couldn't be sold and foreign applications software firms would have a change to also get their national markets away from the Americans. Then, having established an unassailable national base, it would be time to use the profits made in this national base to attack the big American market and get some market share away from the Americans.

For the rest of the world, this is a dream come true. Who needs national strategy for capturing computer software when the Americans will give it to you?

If the Justice Department looks up and thinks for a few minutes, it will realize that almost by definition the computer software industry cannot be monopolized. It is just an industry that is too easy to enter. It doesn't take a lot of money. All it takes is a few bright computer programmers who get together and make the next breakthrough. It has happened in the past (that's how the Microsofts got big) and it will happen again in the future.

Even today there are seven or eight competing operating systems for personal computers—some of them owned by companies like Apple, IBM, Sun and AT&T, who are certainly too big to be driven out of business by prices that are too low and certainly plenty big enough to take advantage of anyone who attempts to set prices too high. Even if this weren't true, piracy sets a limit on how high software prices can be set. If prices were set too high and there were no effective competition, everyone would start illegally copying the systems they wanted but could not afford.

The Justice Department should wake up and understand that the world of the 1890s (the era when our anti-trust laws were formed) is not the era of the 1990s. Today's world is not a world where if one American firm is hobbled the beneficiary will automatically be another American firm. It is a world where nations vigorously attempt to create economic advantages for their own national firms.

[From the Washington Post, Nov. 14, 1993]

ONE WORLD UNDER DOS?

(By Robert J. Shapiro)

Health-care reform, NAFTA, national service, deficit reduction, public investment, welfare reform—virtually every part of President Clinton's domestic agenda can be seen as an attempt to help us become more competitive. But does the rest of his government get the message? Does it understand how the new economy works?

If reports on the business pages of many newspapers are accurate, the antitrust division in the Justice Department is considering moving against the Microsoft company, because the market share held by its MS-DOS operating system is deemed too big for healthy competition. For an administration disposed toward aggressive regulation of domestic markets, this case presents the first important test of its understanding of the new terms of competition in a global economy.

The case concerns, at base, two crucial changes in the rules of economic competition. The first is the most fundamental: In global competition, a firm's capacity to innovate is fast becoming more important than its ability to cut costs by being more efficient. After all, Honda succeeded not by building a Ford more cheaply but by introducing innovative processes, materials and designs that defined a new market segment—and Ford came back by doing much the same thing with the Taurus. The second change at issue here concerns the way that technological breakthroughs create their own markets that, as they expand, tend to strengthen the relative position of the market's leading firm.

If we proceed as if these changes had never happened, we may injure not only the world-class competitiveness of one U.S. firm, but the productivity of our software industry and even the large U.S. economy.

In many respects, the U.S. software industry epitomizes the new economy in which competitiveness is driven more by innovation than by traditional measures of efficiency. Global competition creates a dynamic in which new market segments are created or defined around the world by new products, production processes, sources of labor and materials and ways of marketing, financing and distribution. In this competitive hothouse, firms succeed not by producing a standard good more cheaply but by continually restructuring their resources so they can outpace their rivals.

What difference does this make for the case that a firm should be restrained because it has a large share of a segment of the software market? In the old economy, a large market share could confer on a firm the monopolist's power to preclude real competition. The reason is that size brings with it economies of scale, including better access to the investment capital crucial to becoming more efficient.

But in the new economy, where innovation is more important than simple efficiency, market share is a poor proxy of market power because a firm with an innovative product or process can overtake the industry leader without matching its scale. Software entrepreneurs don't have to raise the capital to build a plant as large as the industry leader's; rather, they have to find and motivate a handful of programming geniuses who can develop a program with new features or greater capacity. That's why the Horatio Alger route to success is so common in information-technology businesses—and so rare in old-economy industries. With a few exceptions such as IBM software, industry leaders have been born in garages and graduate-school labs, not in the divisions of large corporations.

In new-economy businesses, therefore, the competition that antitrust regulators are charged with protecting depends less on having a number of rivals of roughly the same size than on easy entry into a business line that requires human resources that no firm can monopolize.

In addition to the market power of innovation, the new information markets have a particular feature that makes market share an especially wrong-headed measure of market power. When these markets function well, they almost invariably—almost inherently—are dominated by one firm. The reason is what economists call network externalities. That's an intimidating term for a simple dynamic in which one innovation creates opportunities for more, which can work only in tandem with the original. A firm, for example, develops a new computer system or operating program with more power or versatility than current conversions, which attracts the attention of the people who write the application programs that consumers use, from word-processing and spreadsheets to graphics and games. As more applications are developed for the new software or hardware, the firms' market expands rapidly.

Nearly every segment of the information-technology market repeats this big-player pattern because it is, in a word, efficient. Microsoft is the significant player in operating systems for IBM-type computers—although others with market weight include IBM, Novell, Sun and Apple-Macintosh. But Novell has an even bigger share of the market niche for networking software. ATEX is the leading supplier of software designed for the publishing industry. Intel is the leader in the market for personal-computer microprocessors. IBM used to be the only big player in computer hardware—until innovators displaced it.

It is true that dominant products and players are aided by the fact that for an information technology to be useful for a broad variety of applications, it must conform to a standard in wide use—and patent and copyright laws protect the property rights of those who set those standards. But big players still run large risks: When a new product sets off network externalities, the market share of the old leader tends not to erode slowly but to collapse quickly. What competitive markets give they also can take away—which is why most contracts within the industry are short-term.

As a matter of national competitiveness, these market arrangements work well. Over the last decade, software has been the fastest-growing industry in the U.S. economy, with revenues up 239 percent (after inflation) since 1982 and employment growth of six to nine times the rates of the rest of the economy. And virtually alone among all our major industries, it has no foreign peers.

U.S. software companies hold 95 percent of the American market and 60 percent of foreign markets.

Curbing the leader in one segment of this well-functioning industry at the behest of the leader's lagging rivals would, in effect, subsidize firms that have not competed as successfully and so weaken all players' economic incentives for innovation. In a global economy with many advanced nations matching America's economies of scale, our chief competitive advantage lies in technological superiority. Software innovations play a crucial role in this process because they enable other industries to innovate and become more productive. For example, some close observers forecast that software advances on the horizon may enable U.S. firms to reclaim much of the market in consumer electronics. The lesson for the Justice Department's antitrust enforcers is that nothing is gained by restricting an industry leader in one important segment of a healthy market—and a great deal could be lost.

TRIBUTE TO MARY B. BURCH

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. PAYNE of New Jersey. Mr. Speaker, life experiences have taught me that no one becomes who and what he or she is alone. There are always individuals who influence our lifestyle, our way of thinking and living. Sometimes these transformations are the result of luck or sometimes, the lack of luck. Sometimes they come about because of careful planning and monitoring.

One of the great influences on my life was my experience with the Leaguers and its founders, Dr. Reynold and Mrs. Mary Burch. Mr. Speaker, on Saturday, December 4, special tribute is being paid to Mrs. Mary Beasley Burch. On that day, friends, associates, and mentees will join in this tribute to a warm and loving person who shepherded so many of us to become successful men and women. Mrs. Burch is approaching her 90th birthday, the beginning of a new decade. A more appropriate time could not be found to say "thanks, Mrs. Burch, just for being there."

Mary Beasley Burch is a former schoolteacher who opened up her home to children in her neighborhood when she found them to be mischievous because they lacked a constructive use of leisure time. Mrs. Burch set up a system of rewarding displays of more positive behavior, and banded these young people into a formal group which met weekly. She planned weekly outings to theaters, museums, legislative sessions, cultural events, and so forth, and within a matter of months, young people came from all over the Essex County, NJ, area to her home as the news spread of this unique club. In 1948, the club became the Junior Leaguers.

Many young people attended important events under Mrs. Burch's leadership—events they would never have had the opportunity to attend. In 1949, there was the swearing-in ceremonies for Mayor Villani at Newark's city hall. There was the visit to Assemblyman Bowser's office in Trenton in 1950, and a weekend exchange to Philadelphia in 1951. One of the most memorable events was the first debutante cotillion in 1951 where high school students had an opportunity to attend a formal affair and garner social amenities. The cotillion became a scholarship fundraising event. The organization and its supporters devoted their energies to generating scholarship aid and assistance to a population of young people who, without it, had no hopes for college training.

The list of former leaguers who have become prominent citizens is endless. Former leaguers are serving in government, science, business, education, the performing arts, the judicial system, the diplomatic service, and medicine. I am proud to be a former leaguer. So are Secretary of Energy Hazel R. O'Leary, playwright Amiri Baraka, and recording artist Dionne Warwick.

Mr. Speaker, over the years I have had the privilege of working with young people as teacher, advisor, mentor, and friend. Working with our young people is one of the most important jobs I have held. I am sure my sense of commitment and dedication to our young people—our future—stem from my acquaintance with people like Mrs. Burch.

Mrs. Burch is a woman of courage, conviction, and high standards. She has given of herself in a tireless, unselfish way. She chose to invest her time, her energy, her money, and other resources in the development of youth. Mrs. Burch, on behalf of the generations who have gone before and those that will be, I want to thank you for having the courage and foresight to take some troublesome youth into your home and arms, and nurture them into fine and productive men and women.

RECOGNITION OF RONALD B. LAMB, VICE PRESIDENT, GOVERNMENT RELATIONS, LOS ANGELES CHAMBER OF COMMERCE

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. DIXON. Mr. Speaker, I rise today to recognize the contributions of several dedicated individuals who worked hard to ensure affordable housing for the military personnel at the Los Angeles Air Force Base/Space and Missile Systems Center in Los Angeles, CA. Former Los Angeles mayor, Tom Bradley; former deputy mayor, Linda Griego; Los Angeles unified school board superintendent, Sidney Thompson; and former Congressman Mel Levine are four individuals who played important roles in preventing the relocation of the Los Angeles Air Force Base/Space and Missile Systems Center. I also want to recognize the significant contribution of Ronald B. Lamb, vice president of government relations of the Los Angeles Area Chamber of Commerce.

Ron's exceptional leadership and commitment, brought to the forefront of our community's agenda, an issue which represents thousands of jobs and billions of dollars annually to the Los Angeles area. The civilian and military jobs that the Air Force base generates are vital to our economy. This support was vital to our success in retaining the Los Angeles Air Force Base and its important mission in Los Angeles.

In 1991 and earlier this year, the Department of Defense had considered relocating the Los Angeles Air Force Base to another city. When it was determined that the lack of affordable housing for military personnel was the critical factor in the base closure deliberations, Ron Lamb launched an exhaustive effort to find suitable property to meet the Air Force's housing needs, with support from local, State, and Federal officials. Several months ago, the Defense Base Realignment and Closure Commission recommended that the Los Angeles Air Force Base/Space and Missile Systems Center not be relocated.

The signing of the property lease agreement on October 16 by California Governor Wilson, Los Angeles unified school district superintendent Sidney Thompson, and a representative from the Air Force was a major milestone in our campaign. The unified school district property will be used by the Air Force to build affordable housing units.

Mr. Speaker, I ask my colleagues to join me in honoring Ron Lamb for his major role in ensuring that the Los Angeles Air Force Base/Space and Missile Systems Center remains in our community. I look forward to working with Mr. Lamb and community leaders on other projects that will maintain jobs and promote economic growth and development in the Los Angeles area.

COMMUNITY SCHOOL BOARD 8 QUINCENTENNIAL CELEBRATION OF THE DISCOVERY OF PUERTO RICO

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. SERRANO. Mr. Speaker, I rise today in recognition of the celebration Community School Board 8 will hold next Tuesday, November 30, at the Bronx's Public School 75 in honor of the quincentennial of the discovery of Puerto Rico.

Five hundred years ago a sailing ship from Spain made landfall on the island of Puerto Rico. That momentous event set in motion the forging of a new culture, which over the centuries has grown and spread and thrived, both on the island of Puerto Rico and on the mainland of the United States.

Mr. Speaker, I would like to express my appreciation to Community Superintendent Max Messer; Deputy Superintendents Michael M. Kadish and Harriett McFeeters; Principal Eva Garcia of Public School 75; the officers and members of Community School Board 8—President James Vacca, Vice President Ciro Guerra, Secretary Rose Foley, Treasurer Julia Rodriguez, Dennis R. Coleman, Jorge Martinez, Lynn M. Gerbino, Anne L. Schuster, and Carol Trotta; as well as all of the other individuals involved in the holding of this special celebration in this historic year.

TIME TO PLAN FOR A PEACEFUL FUTURE

HON. JERROLD NADLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. NADLER. Mr. Speaker, today I am introducing the Defense Alternative Use Committee Act. This legislation, when enacted, will help move this Nation's bloated defense establishment toward a peaceful, more productive, and economically competitive future.

With the end of the cold war, there is really no excuse for this Nation to waste billions of dollars each year stockpiling and developing the world's most sophisticated arsenal. If these expenditures are unnecessary, they are an obscene waste in a era in which children go hungry, tens of thousands of our neighbors must live on the streets, and our education system lacks the resources to train citizens for a productive future.

So why do we do it? Why, when earlier today we listened to hours of speeches denouncing wasteful spending? The answer is that large sectors of our economy are still dependent on defense purchases by our Government and by foreign governments. Members of this House will never vote for a rational and realistic Defense budget until we are able to reverse the militarization of our economy.

This bill is an attempt to reverse that process. When enacted, it would require all defense contractors, companies seeking permission to export arms, and federally operated defense plants to establish alternative use committees, composed of management, labor, and community representatives, whose job would be to plan for a peaceful and productive future for the plant and its employees.

This approach, pioneered by my predecessor, the late Ted Weiss, would reshape our Nation's defense conversion policy in an important way. Right now most of our energies are directed at helping workers and communities after the plant closes. These programs are important and often stand between the affected communities and economic disaster. But we need to do still more.

By relying on those who know the plant and the capabilities of its work force to plan for a peaceful future, the Defense Alternative Use Committee Act will provide a smooth transition to a peacetime economy.

Mr. Speaker, it is not simply a matter of making things we do not need—we are not making things we do need. You can't buy a VCR made in America. Ride on a passenger rail car in this country and you will see the logo of a foreign corporation. The list is endless, but the story is always the same—our best and brightest, the finest, most productive workers in the world are being wasted building doomsday weapons we must never use. These communities need more than the promise of Government-sponsored severance pay when the Federal Government stops buying their weapons. We owe it to these communities to bring planning for a peacetime economy, and for a stronger, more competitive national economy.

Mr. Speaker, I hope every Member of this House will join me in supporting the Defense Alternative Use Committee Act.

IN SUPPORT OF H.R. 3650

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. WAXMAN. Mr. Speaker, today with the support of Representative JOHN DINGELL and Representative TOM BLILEY, the chairman of the Committee on Energy and Commerce and the ranking minority member of the Subcommittee on Health and the Environment, I attempted to bring to the House floor legislation that would assure consumers continued access to dietary supplements. This bill, H.R. 3650, would establish beyond any possible doubt that the Food and Drug Administration may not require prescriptions for dietary supplements. It would also have placed a moratorium on any FDA action on claims for dietary supplements under the Nutrition Labeling and Education Act through June 30, 1994.

Regrettably and inexplicably, we were blocked in this effort by some of the very people who claim to be fighting for consumers who use dietary supplements. Representatives RICHARDSON and GALLEGLY informed me that they would object to the consideration of H.R. 3650, even though that bill would have both guaranteed consumers access to supplements and imposed a 6-month moratorium on claims.

For the past year, the manufacturers of vitamins and other dietary supplements have waged an extraordinary campaign to liberalize the advertising restrictions on their products. To build support for their effort, they have told the public that access to vitamins, minerals, herbs, amino acids, and other dietary supplements is threatened.

It worked. Thousands of people are scared and angry because they believe that the Food and Drug Administration is about to require prescriptions for vitamins and pull other dietary supplements off store shelves. Those people have written us countless letters asking Congress to keep those products available.

The Health Subcommittee held a hearing on this issue in June and I hoped we could draft consensus legislation that would have addressed all of the issues. We ran out of time to get it done, but it was clear to me we should not have left without assuring people they would have access to their food supplements.

H.R. 3650 would have done that. It would have assured consumers around our Nation that access would be maintained. It would prohibit the FDA from requiring prescriptions for supplements, and it would make it clear that products on the market before November 15, 1993 could stay on the market unless the FDA can prove that they are unsafe.

Mr. Speaker, the experience of this evening demonstrates the total irrationality that pervades the debate about dietary supplements. It is my hope that next year we will be able to resolve these issues in a way that both assures consumers access to these products but prohibits manufacturers from making health claims that are not supported by good scientific evidence.

Mr. Speaker, I insert H.R. 3650 immediately following this statement:

H.R. 3650

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 "Dietary Supplement Access and Claims Moratorium Act of 1993".

SEC. 2. FINDINGS.

The Congress finds the following:

(1) Many consumers use vitamins, minerals, herbs, amino acids, and other dietary supplements.

(2) There has been a public campaign to convince consumers that the Food and Drug Administration intends to require prescriptions for many dietary supplements, or that the FDA will otherwise act to take these products off the market.

(3) Due to public concern, it is appropriate for Congress to assure consumers that they will have access to the dietary supplements that are currently on the market.

(4) The dietary supplement industry is concerned that the Nutrition Labeling and Education Act of 1990 will prohibit health claims on dietary supplements. Congress shall extend the moratorium on FDA actions under such Act with respect to dietary supplements.

TITLE I-ACCESS TO DIETARY SUPPLEMENTS

SEC. 101. REFERENCE.

Whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Federal Food, Drug, and Cosmetic Act.

SEC. 102. ACCESS TO DIETARY SUPPLEMENTS.

(a) FDA MAY NOT REQUIRE PRESCRIPTIONS FOR DIETARY SUPPLEMENTS.—Section 503(b) (21 U.S.C. 353(b)) is amended by adding at the end the following:

"(6) For a dietary supplement marketed on or before November 15, 1993, the Secretary may not, after November 15, 1993, require a prescription. For a dietary supplement first marketed after November 15, 1993, this subsection as it was in effect on the date of the enactment of the Dietary Supplement Access and Claims Moratorium Act of 1993 shall apply.".

(b) FDA MAY NOT REQUIRE PREMARKET APPROVAL FOR DIETARY SUPPLEMENTS.—

(1) FOOD ADDITIVES.—Section 201(s) (21 U.S.C. 321(S)) is amended—

(A) by striking out the period at the end of subparagraph (5) and inserting in lieu thereof "; or"; and

(B) by adding after subparagraph (5) the following:

(6) any dietary ingredient in a dietary supplement.".

(2) DRUGS.—Section 201(g)(1) (21 U.S.C. 321(g)(1)) is amended by adding at the end the following: "A dietary supplement which was on the market on or before November 15, 1993, and for which no claim is made is not a drug.".

(c) BURDEN OF PROOF ON FDA.—

(1) IN GENERAL.—Section 402 (21 U.S.C. 342) is amended by adding at the end the following:

"(f) If it contains a dietary ingredient at a level that may be injurious to health or is a dietary supplement which when used in accordance with the conditions of use may be injurious to health.".

(2) CONFORMING AMENDMENT.—Section 402 (21 U.S.C. 342) is amended by striking "food" in the matter preceding paragraph (a) and inserting "food or dietary supplement".

(d) DEFINITIONS.—

(1) IN GENERAL. Section 201(21 U.S.C. 321) is amended by adding at the end the following:

"(gg) The term 'dietary ingredient' means—

"(1) a vitamin,

"(2) a mineral,

"(3) an herb,

"(4) an amino acid, or

"(5) other ingredient,

contained in a product marketed in the United States as a dietary supplement on or before November 15, 1993.

"(hh) The term 'dietary supplement' means a product which contains one or more dietary ingredients and—

"(1) which is marketed to supplement the diet,

"(2) which is intended for use in tablet, capsule, powder, softgel, or liquid form and if in liquid form is formulated in a fluid carrier and is intended for ingestion in daily quantities measured in drops or similar small units of measure.

"(3) which is not represented for use as conventional food or as a sole item of a meal or of the diet, and

"(4) which does not include any ingredient other than a vitamin or mineral which has been approved as the active ingredient of a drug.".

(2) SECRETARIAL ACTION.—For purposes of the definitions added by paragraph (1), the Secretary of Health and Human Services shall, not later than 180 days after the date of the enactment of this Act, issue a regulation identifying the dietary ingredients which were marketed on or before November 15, 1993.

TITLE II—MORATORIUM ON DIETARY SUPPLEMENT CLAIMS

SEC. 201. REFERENCE.

Whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Prescription Drug User Fee Act of 1992.

SEC. 202. PROHIBITION OF IMPLEMENTATION.

Section 202(a)(1) (21 U.S.C. 343 note) is amended—

(1) by striking "December 15, 1993" and inserting "June 30, 1994", and

(2) by inserting "amino acids," after "herbs,".

SEC. 203. ISSUANCE OF REGULATIONS.

The amendments made by sections 202(a0(2)(B)(i) and 202(a)(2)(B)(ii) (212 U.S.C. 343 note) are each amended—

(1) by striking "December 31, 1993" and inserting "June 30, 1994", and

(2) by inserting "amino acids," after "herbs,".

SEC. 204 STATE ENFORCEMENT.

The amendment made by section 202(a)(3) (21 U.S.C. 343 note) is amended by striking "to such dietary supplement on December 31, 1993" and inserting "to dietary supplements of vitamins, minerals, herbs amino acids, or other similar nutritional substances on June 30, 1994".

SEC. 205. CLAIM APPROVAL.

Section 202(b) (21 U.S.C. 343 note) is amended—

(1) by striking "December 15, 1993" and inserting "June 30, 1994", and

(2) by inserting "amino acids," after "herbs,".

THE DOLLAR COIN: IT MAKES CENTS TO BUCK TRADITION

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. KOLBE. Mr. Speaker, I rise today to bring to my colleagues' attention legislation that Congressman ESTEBAN TORRES and I have introduced a bill that would save taxpayers at least $395 million annually. H.R. 1322, the United States One Dollar Coin Act of 1993, already has 226 cosponsors and continues to gain momentum.

The bill is simple. It would phaseout the $1 note in favor of a gold-colored $1 coin commemorating our veterans of war. And over the past several years that this legislation has been introduced, it has received broad-based support from the Federal Reserve Board, public-transit systems, coin collectors, vending operators, environmentalists, and consumers.

Despite all the support, skepticism still runs strong. But when the facts are made clear, much of the skepticism turns first into grudging acceptance, then enthusiastic support. I commend to my colleagues' attention several items that effectively lay out these facts—an article that appeared in the Washington Post, an article appearing in Forbes, and a letter to the editor appearing in today's Washington Post.

[From the Washington Post, Nov. 5, 1993]

THE DOLLAR COIN: IT MAKES CENTS TO BUCK TRADITION

(By James K. Glassman)

Here's a simple way for the government to cut the deficit by a half billion dollars or so a year and make our lives easier besides: Replace the anachronistic one-dollar bill with a coin.

Yes, I know, I know. The Susan B. Anthony dollar coin (1979-81) was a disaster. But it was the wrong design, introduced the wrong way. And since the suffragette made her ignominious exit, a high-denomination (dollar or thereabouts) coin has supplanted paper notes in nearly every industrialized country.

Some learned from our mistakes. Canada, for example, brought out a dollar coin in 1987 that could serve as model for the United States. Like the Anthony, this coin is roughly the size of a quarter, but it isn't quite round (it has 11 sides). More important, it's gold-colored and has smooth, rather than "reeded" edges.

The British one-pound coin (worth about $1.50) and the French 10-franc coin ($1.70) are relatively small, but thick. By touch alone in your pocket, you can tell what they are. And Mexico recently brought out a gorgeous, tow-tone 10-peso ($3.20) coin that's my own aesthetic ideal.

Even if the Anthony coin hadn't been so easy to confuse with a quarter, it would have been doomed from the start for another reason: It had to compete with the dollar bill. Experts agree that the coin has to replace the bill, not coexist with it; otherwise, inertia will prevent merchants and consumers from making a change.

But why do we need a dollar coin, anyway? One big reason is that the government will save hundreds of millions of dollars. A study by the Federal Reserve Board in 1992 said the coin would cut the deficit by $395 million a year over 30 years. George McCandless, a University of Chicago economist, estimates the savings at $862 million annually.

Much of the savings would come from the simple fact that dollar bills wear out in an average of about 17 months while coins last 30 years. A coin costs more to make—about 6 cents to 8 cents, compared with 3 cents for a bill—but it's around a lot longer.

The private sector would benefit from the change, too, since dollar bills aren't particularly amenable to use in vending machines—a bigger and bigger problem as the value of the dollar erodes through inflation.

A dollar-bill reader on a vending machine costs $400 or $500, and much of that cost—utterly unnecessary in Canada, Mexico, Australia, etc.—gets passed along to the consumer.

The Coin Coalition, which is lobbying for the change, says that processing dollar coins instead of dollar bills will save the mass transit industry alone more than $124 million a year. The Southern California Transit District, for example, has such a difficult time with crumpled-up dollar bills that it sells them to a contractor for 97 cents to "process"—which is to say, un-wrinkle by hand. Tom Rubin, the transit district's controller, says that a coin would save $4.5 million a year.

The Chicago Transit Authority does it own bill-unfolding, at a cost of $22 per thousand; processing coins costs just $1.64 per thousand.

One objection to the coin is that it weighs down pockets, but, under the new regime, you'll probably be carrying around fewer quarters. While four quarters weigh about 23 grams, one dollar coin will weigh about 8 grams.

There's really no reasonable argument against replacing the dollar bill with a dollar coin. Still, the chances that H.R. 1322, the "United States One Dollar Coin Act of 1993," will pass are no better than 50-50. The main reason, as the director of the Mint put it in testimony before Congress in 1990: "People like bills."

They do. Remember that scene in the movie "Big" where Tom Hanks, a kid who suddenly turns into an adult, asks for his entire paycheck in one-dollar bills, just for the tactile thrill?

Although bills are ostensibly flimsier than coins, people seem to consider them more "valuable." In a psychological sense, to turn a bill into a coin is almost to devalue it.

Even Canadians, "who are often more docile in such matters than U.S. citizens, registered unhappiness when their Royal Mint announced the dollar coin—now affectionately called a "loonie" after the diving bird depicted on it.

A poll by Gallup Canada Inc. in December 1986, just before the coin came out, registered just 38 percent approval and 32 percent disapproval. But, in less than a year, opposition dwindled. The government stood firm, and production of dollar bills stopped in 1989.

Just to test whether they still pine for paper, the General Accounting Office, Congress's auditing arm, hired Gallup to survey 1,025 Canadians in August 1992. Approval of the coin was 49 percent, disapproval 18 percent. "Knowledgeable Canadian officials believe resistance is no longer an issue," said the GAO in a report issued in March 1993.

But Canada has a parliamentary form of government, less swayed by the week-to-week vagaries of public opinion. Will Congress and the administration be able to hang tough if the radio talk show hosts whip up

anti-coin sentiment? If there's an outcry about "debasing" the currency?

Don's count on any profiles in courage. So far, about 200 House members have signed on as sponsors to H.R. 1322, but it's far from a top priority. In 1979, worry over an adverse reaction to the Susan B. Anthony caused lawmakers to insist on continued production of dollars bills, thereby dooming the dollar coin, concluding, The GAO, with no ax to grind, comes out strongly for replacing the bill with the coin, * * * in an environment of difficult and unpopular deficit reduction measures, the alternative of securing $395 million in annual budget savings through updating our coinage is likely to be a relatively painless sacrifice."

Agreed, but the Clinton administration has more grandiose matters on its mind, and, in the end, the fate of the dollar coin—like other multibillion-dollar matters of state—may rest on the outcome of a battle between two sets of fairly insignificant interests groups.

The Coin Coalition has lined up the vending machine, convenience store, mass transit and copper folks. the status quo has support from ink and paper makers, as well as Congress's ubiquitous Texans—since the Forth Worth plant of the Bureau of Engraving and Printing prints about half of all dollar bills.

In addition, the firm that makes the paper for the bills, Crane & Co., is based in Dalton, Mass., home state of Rep. Joseph P. Kennedy II (D), chairman of the House subcommittee that has jurisdiction.

Ah, but the pro-coin forces know how to play the game! Their bill states, "The reverse side of the dollar shall have a design recognizing America's veterans." And veterans, of course, are a large and powerful interest group.

There's no requirement in the bill for what's depicted on the other side, the "obverse." But don't count on a flag or a bird. Eagles don't sway many votes in Congress. What about a band of sportsmen with rifles? Or some hearty union members? Or a crowd of civic-mined senior citizens?

[From Forbes, Nov. 8, 1993]

UNCLE, CAN YOU SPARE A COIN?

(By Peter Samuel)

Remember when you tossed down a coin or two for the price of a hot dog, a beer, a subway ride? You didn't have to reach for your wallet, find some greenbacks and count your change. During the decades when the cost of these items has climbed from around a quarter to well over $1, the quarter—which won't even buy most newspapers these days—has remained the highest commonly available coin. The dollar bill, once kept neat and crisp for relatively higher value purchases, is today typically a bedraggled shadow of its former self—faded and crumpled through overuse in all manner of small transactions.

For most people today coins aren't an asset, they are a nuisance.

Why not bring back a meaningful coin? Both the Federal Reserve and the General Accounting Office think it would be a good idea. So should Albert Gore if he is serious about looking for ways to cut out unnecessary federal spending. Because those dollar bills wear out so fast, using them for small purchases means they must be constantly replaced. The Fed and the GAO have estimated savings of about $400 million a year to the federal budget from the replacement of the $1 bill with a $1 coin.

Almost half of the 8.4 billion bills printed annually by the Bureau of Engraving & Printing are the $1 variety. Each dollar note costs about 4 cents to make.

A $1 coin would cost more—an estimated 8 cents. But the coins last 30 years, compared with 17 months for the dollar bill. On a per-year basis it costs almost ten times as much to keep a dollar bill in circulation as it would a dollar coin.

Various businesses and utilities stand to gain even more than the government by a dollar coin: vending machine operators, telephone companies with coin phones, transit systems, convenience stores, cities with parking meters, fast-food establishments, and toll roads and bridges.

At these establishments the handling of dollar bills is extremely difficult and costly to automate. Bills have to be manually sorted and straightened out and faced the right way before being inserted into counting machines. (How often has that vending machine turned up its nose at your slightly crumpled dollar bill?)

By contrast, coins can simply be dumped unsorted into the hoppers of counting machines that do all the work of sorting, counting and bagging automatically. William Buetow, treasurer at the Chicago Transit Authority, has said bills cost $22 per thousand to count, whereas coins cost less than $2 per thousand dollars.

The Los Angeles County Metropolitan Transportation Authority does not bother to sort its dollar bills. It sells them by weight to private sector contractors unprocessed for 98 cents on the dollar. Buetow has estimated Chicago could save about $2 million a year if a $1 coin were used rather than a bill. Los Angeles' transit authority says it could save $4 million.

The U.S. vending industry has had to install bill acceptors in many of its 4.5 million soda, snack and hot drink machines. The acceptors add about $400 to the capital cost of each machine—around 20%—and probably more to servicing costs, since bills are notorious for getting jammed.

In Canada, where a dollar coin was introduced in 1987, vending machine turnover has boomed, during which time sales from U.S. vending machines have been relatively flat.

So where's the $1 coin? Earlier this year bills for a dollar coin were reintroduced in both the U.S. House and the Senate. The Coin Coalition, a lobby group representing some 30 industry associations, made a major push to attract the attention of the Clinton Administration. But in Congress the bill is bottled up in a banking subcommittee chaired by Joseph P. Kennedy II (D-Mass.). Representative Kennedy seems to be too busy to bother with such trifles. As his staff puts it, "The congressman has higher priorities." Kennedy, of course, is very much in the family tradition. As this instance shows, he's more interested in spending government money than in saving it, more interested in bashing business than in helping it.

Other than Kennedy's laziness and short attention span, the only real opposition comes from the American Bankers Association, which stresses changeover costs in the switch from bill to coin and is concerned about the extra weight of coin in transportation.

The last two efforts at introducing a dollar coin—the Eisenhower coin in 1971 and the Susan B. Anthony in 1979—were flops, the latter because people had trouble distinguishing it from a quarter. In both cases, the government kept churning out $1 greenbacks. Most other countries that introduced higher-denomination coins stopped printing the equivalent-value bills. As long as both exist, a lot of people will prefer the paper because it is easier to carry and doesn't make your pockets bulge.

But does the $1 greenback make economic sense? It buys what a quarter bought 25 years ago; $5 does what the dollar did 35 years ago.

But given this Administration's lack of interest, such a desirable changeover is highly unlikely. So private industry is proceeding on its own. One of the largest teller machine networks, Money Access Service Inc. (MAC), based in Wilmington, Del., is investing heavily in development and trials of cards for vending machines, gasoline, transit, telephones, fast food, parking, meters, newspaper racks and convenience stores.

Existing credit and debt cards are okay for bigger transactions, where the transaction is large enough to justify charges for all the credit verification wizardry. But for the little transactions, it is too expensive. Donald Gleson, a president at MAC, is working on a stored value card that takes transactions of less than $20 electronically and can be read from, and written to, in a cheap, stand-alone point-of-sale terminal. None of that expensive instantaneous on-line communication with a central computer.

Joseph Schuler, a card consultant based in Gaithersburg, Md., says cards with a tiny microprocessor built in (dubbed "smart cards") will be the vehicle for this cash substitute. Current magnetic stripe cards like familiar ATM and credit cards are too limited in capability and increasingly subject to fraud. The smart card may, all in one credit-card-size piece of plastic, incorporate ATM cash card, credit card and a stored value cash substitute.

In all, the combined annual savings to both government and business could run into the billions if the use of paper money for small transactions could be reduced. Just one number to leave you with: Where motorists pay their tolls with a prepaid card in Oklahoma, costs per lane are $15,800 per year. A coin basket lane—which would be much more widespread with dollars coins—$16,500. Manned booths, a mighty $176,000.

[From the Washington Post, Nov. 22, 1993]

SAVE MONEY, THROW OUT DOLLAR BILLS

Last winter there was an article in The Post touting the savings of switching to a dollar coin and eliminating the dollar bill ["Durable Dollar Coin Proposed Again," news story, March 12]. I responded then that saving hundreds of millions of dollars a year was a nice piece of change to save for very little sacrifice. In the past year, we have spent an estimated $395 million to $862 million on dollar bills and are no closer to a new dollar coin ["The Dollar Coin," business, Nov. 5].

What is the delay? I don't want to hear that we have higher priorities than saving tax dollars or that "the Clinton administration has more grandiose matters on its mind." Nor do I want to hear that it will inconvenience a few people. Even if we decided today to go to a dollar coin, it would probably be two years before we could start using it. That means millions of dollars more have been wasted because of inaction on the part of Congress.

If members of Congress would take action on some of the smaller, simpler cost-savings matters before it, we would probably save a fortune. I think it is time for our great deliberative bodies to stop deliberating and start acting, especially on something that makes a lot of "cents."

Mr. Speaker, Congress is often chided for not leading, for not making tough decisions.

Here is an example of where Congress can lead and save taxpayers at least $395 million each year. I'm convinced that we will have a dollar coin. The only question is how much time and money will we waste before we have one?

LEGISLATION TO AMEND THE EXPORT ADMINISTRATION ACT OF 1979

HON. MARIA CANTWELL

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Ms. CANTWELL. Mr. Speaker, I am today introducing legislation to amend the Export Administration Act of 1979 to liberalize export controls on software with encryption capabilities.

A vital American industry is directly threatened by unilateral U.S. Government export controls which prevent our companies from meeting worldwide user demand for software that includes encryption capabilities to protect computer data against unauthorized disclosure, theft, or alteration.

The legislation I am introducing today is needed to ensure that American companies do not lose critical international markets to foreign competitors that operate without significant export restrictions. Without this legislation, American software companies, some of America's star economic performers, have estimated they stand to lose between $6 and $9 billion in revenue each year. American hardware companies are already losing hundreds of millions of dollars in lost computer system sales because increasingly sales are dependent on the ability of a U.S. firm to offer encryption as a feature of an integrated customer solution involving hardware, software, and services.

The United States' export control system is broken. It was designed as a tool of the cold-war, to help fight against enemies that no longer exist. The myriad of Federal agencies responsible for controlling the flow of exports from our country must have a new charter, recognizing today's realities.

Next year, the House Foreign Affairs Subcommittee of Economic Policy, Trade and the Environment, of which I am a member, will be marking up legislation to overhaul the Export Administration Act. It is my hope that the legislation I introduce today will be included in the final Export Administration Act rewrite.

This legislation takes some important steps to resolve a serious problem facing some of our most dynamic industries. It would give the Secretary of Commerce exclusive authority over dual use information security programs and products, eliminates the requirement for export licenses for generally available software with encryption capabilities, and requires the Secretary to grant such validated licenses for exports of other software with encryption capabilities to any country to which we already approve exports for foreign financial institutions.

The importance of this legislation cannot be overstated. America's computer software and hardware companies, including such well-known companies as Apple, DEC, Hewlett-Packard, IBM, Lotus, Microsoft, Novell, and WordPerfect, have been among the country's most interntionally competitive firms earning more than one-half of their rvenues from exports.

The success of American software and hardware companies overseas is particularly dramatic and the importance of foreign markets is growing. Currently, American software companies hold a 75 percent worldwide market share and many derive over 50 percent of their revenues from foreign sales. American computer hardware manufacturers earn more than 60 percent of their revenues from exports.

As my colleagues are well-aware, we are participants in a new information age that is quickly transforming local and national marketplaces and creating new international marketplaces where none previously existed. President Clinton and Vice President GORE have both spent considerable time explaining their vision of the National Information Infrastructure that is essential to our continued economic growth.

Part of that infrastructure is already in place. International business transactions that just a few years ago took days or weeks or months to complete can now be accomplished in minutes.

Driving this marketplace transformation is the personal computer. And, at the heart of every personal computer is computer software. Even the most computer illiterate of us recognize that during the past decade, computer prices have dropped dramatically while computer capabilities have increased exponentially. That combination has made it possible to exchange information and conduct business at a scale that was considered science fiction only a few years ago.

Indeed, we all now rely on computer networks to conduct business and exchange information. Whether it be the electronic mail or "e-mail" system that we all now use in our congressional offices or the automated teller system relied on to conduct our personal financial affairs, we rely on computer networks of information.

In the future, individuals will use information technologies to conduct virtually any of the routine transactions that they do today in person, over the telephone, and through paper files. From personal computers at home, in schools, and in public libraries, they will access books, magazine articles, videos, and multimedia resources on any topic they want. People will use computer networks to locate and access information about virtually any subject imaginable, such as background on the candidates in local political races, information on job opportunities in distant cities, the weather in the city or country they will be visiting on their vacation, and the highlights of specific sports events.

Consumers will use their computers and smart televisions to shop and pay for everything from clothing and household goods to airline tickets, insurance, and all types of online services. Electronic records of the items they purchase and their credit histories will be easy to compile and maintain.

Individuals will access home health programs from their personal computers for instant advice on medical questions, including mental health problems, information about the symptoms of AIDS, and a variety of personal concerns that they would not want other family members, or their neighbors and employers to know about. They will renew their prescriptions and obtain copies of their lab results electronically.

The U.S. economy is becoming increasingly reliant on this information network. While we may not often think about these networks, they now affect every facet of our professional, business, and personal lives. They are present when we make an airline reservation; when we use a credit card to make a purchase; or when we visit a doctor who relies on a computer network to store our medical information or to assist in making a diagnosis. These networks contain information concerning every facet of our lives.

For businesses, the reliance on information security is even greater. While businesses rely on the same commercial use networks that individual consumers use, in addition, businesses are now transmitting information across national and international borders with the same ease that the information was once transmitted between floors of the same office building.

While all of this information exchange brings with it increased efficiencies and lower operating costs, it has also brought with it the need to protect the information from improper use and tampering.

Information security is quickly becoming a top priority for businesses that rely on computer networks to conduct business. According to a recent survey of Fortune 500 companies conducted for the Business Software Alliance, 90 percent of the participants said that information security was important to their operations. Indeed, almost half of the Fortune 500 companies surveyed recently stated that data encryption was important to protect their information. One third of those companies said they look for encryption capabilities when buying software.

The challenge for information security can be met by America's computer companies. American companies are deeply involved in efforts to ensure that the information transmitted on computer networks is secure. Numerous companies have developed and are developing software products with encryption capabilities that can ensure that transmitted information is received only by the intended user and that it is received in an unaltered form. Those encryption capabilities are based on mathematical formulas or logarithms of such a size that makes it almost impossible to corrupt data sources or intercept information being transmitted.

I wish I could stand here today and tell my colleagues that U.S. export control laws were working and encryption technology was only available to American software companies.

However, this is not the case. Sophisticated encryption technology has been available as a published public standard for over a decade and many private sources, both domestic and foreign, have developed encryption technology that they are marketing to customers today. It is an industry where commercial competition is fierce and success will go to the swift.

Software is being developed and manufactured with encryption capabilities for the simple reason that software customers are demanding it. Computer users recognize the vulnerability of our information systems to corruption and improper use and are insisting on protection. That protection will be purchased or obtained from American companies or from foreign software companies. The choice is not whether the protection will be obtained, but from which company.

Incredible as it may seem to most of my colleagues, the executive branch has seen fit to regulate exports of American computer software with encryption capabilities—that is, the same software that is available across the counter at your local Egghead or Computerland software store—munitions and thereby substantially prohibit its export to foreign customers. This policy, which has all the practical effect of shutting the barn door after the horses have left in preventing access to software with encryption capabilities, does have the actual detrimental effect of seriously endangering sales of both generally available American software and American computer systems.

This is because increasingly sales are dependent on the ability of a U.S. firm to offer encryption as a feature of an integrated customer solution involving hardware, software and services.

Indeed, software can be exported abroad by the simplest measures and our intelligence gathering agencies have no hope of ever preventing it. Unlike most munitions that are on the prohibited export list, generally available software with encryption capabilities can be purchased without any record by anyone from thousands of commercial retail outlets, or ordered from hundreds of commercial mail order houses, or obtained for free from computer bulletin boards or networks. Once obtained, it can be exported on a single indistinguishable floppy disk in the coat pocket of any traveler or in any business envelope mailed abroad.

Moreover, both generally available and customized software can be exported without anyone ever actually leaving the United States. All that is necessary are two computers with modems, one located in the United States and one located abroad. A simple international phone call and a few minutes is all that it takes to export any software program.

Once a software program with encryption capabilities is in a foreign country, any computer can act as a duplicating machine, producing as many perfect copies of the software as needed. The end result is that the software is widely available to foreign users.

All this was demonstrated at a hearing held on October 12 by Chairman GEJDENSON's Economic Policy Trade and Environment Subcommittee of the Foreign Affairs Committee.

Furthermore, while current executive branch policy regulates the export of American manufactured software with encryption capabilities, it is obviously powerless to prevent the development and manufacture of such software by foreign competitors. Not surprisingly, that is exactly what is happening. We heard testimony at the Subcommittee's hearing that over 200 foreign hardware, software and combination products for text, file, and data encryption are available from 20 foreign countries. As a result, foreign customers, that have, in the past, spent their software dollars on American-made software, are now being forced, by American policy, to buy foreign software—and in some cases, entire foreign computer systems. The real impact of these policies is that customers and revenue are being lost with little hope of regaining them, once lost. All precipitated by a well-intentioned, but completely misguided and inappropriate policy.

There were efforts, in the last Congress to correct this policy. In response, the Bush administration did, in fact, marginally improve its export licensing process with regard to mass market software with limited encryption capabilities. However, those changes are simply insufficient to eliminate the damage being done to American software companies.

My legislation is strongly supported by the Business Software Alliance. The Business Software Alliance represents the leading American software businesses, including Aldus, Apple Computer, Autodesk, Borland International, Computer Associates, GO Corp., Lotus Development, Microsoft, Novell, and WordPerfect. In addition, Adobe Systems, Central Point, Santa Cruz Operation, and Symantec are members of BSA's European operation. Together, BSA members represent 70 percent of PC software sales.

The legislation is also supported by the Industry Coalition on Technology Transfer, an umbrella group representing 10 industry groups including the Aerospace Industries Association, American Electronic Association, Electronics Industry Association, and Computer and Business Equipment Manufacturing Association.

All these companies are at the forefront of the software revolution. Their software, developed for commercial markets, is available throughout the world and is at the core of the information revolution. They represent the finest of America's future in the international marketplace, and the industry has repeatedly been recognized as crucial to America's technological leadership in the 21st century.

My legislation is straightforward. It would allow American companies to sell the commercial software they develop in the United States to their overseas customers including our European allies—something that is very difficult if not impossible under present policies.

I urge my colleagues to support this legislation and ask unanimous consent that the text of the bill and a section-by-section explanation be printed at this point.

SECTION-BY-SECTION ANALYSIS OF REPORT CONTROL LIBERALIZATION FOR INFORMATION SECURITY PROGRAMS AND PRODUCTS

SECTION 1

Section 1 amends the Export Administration Act by adding a new subsection that specifically addresses exports of computer hardware, software and technology for information security including encryption. The new subsection has three basic provisions.

First, it gives the Secretary of Commerce exclusive authority over the export of such programs and products except those which are specifically designed for military use, including command, control and intelligence applications or for deciphering encrypted information.

Second, the government is generally prohibited from requiring a validated export license for the export of generally available software (e.g. mass market commercial or public domain software) or computer hardware simply because it incorporates such software.

Importantly, however, the Secretary will be able to continue controls on countries of terrorists concern (like Libya, Syria, and Iran) or other embargoed countries (like Cuba and North Korea) pursuant to the Trading With The Enemy Act or the International Emergency Economic Powers Act (except for instances where IEEPA is employed to extend EAA-based controls when the EAA is not in force).

Third, the Secretary is required to grant validated licenses for exports of software to commercial users in any country to which exports of such software has been approved for use by foreign financial institutions. Importantly, the Secretary is not required to grant such export approvals if there is substantial evidence that the software will be diverted or modified for military or terrorists' end-use or re-exported without requisite U.S. authorization.

SECTION 2

Section 2 provides definitions necessary for the proper implementation of the substantive provisions. For example, generally available software is offered for sale or licensed to the public without restriction and available through standard commercial channels of distribution, is sold as is without further customization, and is designed so as to be installed by the purchaser without additional assistance from the publisher. Computer hardware and computing devices are also defined.

DON BOSCO TECHNICAL HIGH SCHOOL MARKS 45 YEARS

HON. HERB KLEIN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. KLEIN. Mr. Speaker, I rise today to recognize a truly outstanding educational institution in my Eighth Congressional District of New Jersey, Don Bosco Technical High School. 1993 marks the 45th anniversary of the school's foundation. On December 4, 1993, Don Bosco Technical High School will hold a dinner and dance celebration at the school.

From its beginnings in September 1949, the school has contributed an extremely positive presence in the greater Paterson community. The educational program at Don Bosco Technical High School was purposefully designed to balance the spiritual, academic, and vocational training in order to enable the students to become good Christians and useful citizens.

In 1984, upon receiving their accreditation from the Middle States Association of Colleges and Schools, the school received the highest of praise from the accreditation team who commended the school for creating a climate which creates a family atmosphere. This atmosphere that the administrators and teachers have been able to create has successfully prepared students year after year to ably enter the work force or to continue their technological education in college.

It is not every day that you find a school that is so beloved by teachers, administrators, parents, students, and city residents alike.

Don Bosco Tech has combined learning, religion, athletics, and community service to establish a 45-year tradition of excellence. Therefore it is with great pleasure that I urge my colleagues to join with me in recognizing December 4, 1993, as Don Bosco Tech Day throughout the Eighth Congressional District.

RON HARDMAN RETIRES AFTER 27 YEARS ON THE HILL, "HAPPY NEW YEAR!"

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. MYERS of Indiana. Mr. Speaker, when the House adjourns today, a "Happy New Year" greeting will be echoed on both sides of the aisle. But, in our office Happy New Year not only will signal the end of the session, it will signal the retirement of my administrative assistant, Ron Hardman, who came to Congress with me when I was elected in 1966.

For as long as anyone can remember, Ron has ended his telephone conversations with Happy New Year and bid goodbye to constituents in the office with those inevitable three words. Now, it is our turn to say Happy New Year to a dear friend and one of this institution's most loyal staff.

Ron was born with a passion for politics and a nose for news. So passionate was he to get a story for the Terre Haute Tribune Star about a young upstart from Covington who was running for Congress the he arrived for our interview out of breath and in need of a pen, which he borrowed from me.

That nose for news turned him into a broadcasting major at DePauw and Indiana State Universities, a reporter with Armed Forces Radio Network during his military service, an anchor on WTHI-News in Terre Haute, and a political reporter for the Terre Haute Star. And who can forget his recounting of interviews with Lyndon Johnson, John F. Kennedy, Richard Nixon, and Eleanor Roosevelt?

Ron started out in our office as the press secretary and for the last 20 years has served as my chief of staff. All along he's made certain I've gotten good coverage and good counsel. Ron has added another dimension to our office—a veritable Fourth of July parade with all the bells and whistles. With the enthusiasm of a drum major, he has led the office through our country's national crises from Vietnam to Watergate to the Persian Gulf and has been the first to offer comfort in any personal crisis.

Ron's commitment to public service has served the Seventh District well. That dogged determination to go the extra mile, make another phone call, write another letter, has indeed made things happen, changed lives and in one instance prolonged a life. His belief in finding something good in every person has brought out that good and produced a trust and confidence that is rare in public life.

Ron is a talker. But he's also a listener. He's a good friend. A good husband to Martha; a good father to Dora and Anne. And this Greencastle native has attracted a wide circle of friends on the Hill and in the Washington area while still keeping a loyal following in the Seventh District. So profound has been his influence that my constituents have wondered when he was going to run for my seat.

I shall miss Ron. And our office will miss him. We Hoosiers stick together. And Ron stuck with me and by me, with us and by us. Our friendship is something I will always cherish and his leadership, dedication, and spirit are his legacy to our office.

Happy New Year, Ron.

THE REGULATORY SUNSET ACT OF 1993

HON. JIM CHAPMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. CHAPMAN. Mr. Speaker, today I am introducing the Regulatory Sunset Act of 1993, a bill that will cut the costs of Federal regulations by putting a framework in place to abolish or modify regulations that are obsolete, inconsistent, duplicative, or impeded competition. Since 1978, each administration has sought to address the growing number of regulations and their economic impact on the Nation. Today, we still have a regulatory program that can be more of a burden than a benefit to American consumers, businesses, and the economy as a whole. It is time to force action on this issue.

In 1978, President Carter issued an Executive order to improve Government regulations. He announced,

> I came to Washington to reorganize a Federal Government which had grown more preoccupied with its own bureaucratic needs than with those of the people. This Executive order is an instrument for reversing this trend. It promises to make Federal regulations clearer, less burdensome, and more cost-effective.

In 1981, President Ronald Reagan issued his own directive to executive agencies to strengthen the key elements of President Carter's order. The Office of Management and Budget was made a central clearing house for regulations and a Presidential Task Force on Regulatory Review was established to review new and existing regulations.

In 1989, President Bush established the President's Council on Competitiveness to review regulatory issues and in January 1992 he declared a 90-day moratorium and review on Federal regulations. Executive agencies were to refrain from issuing new regulations and develop proposals to eliminate existing regulations that imposed unnecessary burdens.

Last month, President Clinton issued his own Executive order on Federal regulations. This order incorporates the key elements from earlier orders such as agency review of regulations, OMB oversight of regulatory compliance, and implementation of the most cost-effective rules.

I applaud President Clinton and the recognition by the National Performance Review that "thousands upon thousands of outdated, overlapping regulations remain in place" and that we must "clear the thicket of regulation by undertaking a thorough review of the regulations already in place". But, history has demonstrated that reliance upon the executive branch to tackle this problem alone will not result in overwhelming reform.

At the end of 1991, 59 difference agencies were working on approximately 4,900 regulations. Federal regulatory spending has grown to more than $13 billion annually. The cost to the private sector of complying with regulations is approximately $430 billion annually.

President Clinton's Executive order makes the case for reform very clear when it states,

> The American people deserve a regulatory system that works for them, not against them: a regulatory system that protects and improves their health, safety, environment, and well-being and improves the performance of the economy without imposing unacceptable or unreasonable costs on society; regulatory policies that recognize that the private sector and private markets are the best engine for economic growth; regulator approaches that respect the role of State, local, and tribal governments; and regulations that are effective, consistent, sensible, and understandable. We do not have such a regulatory system today.

The Regulatory Sunset Act of 1993 will require agencies to review their regulations and make recommendations to terminate, continue, or modify those regulations. It will designate a Regulatory Review Officer within each agency, who is responsible for furthering compliance with this directive. This is consistent with the National Performance Review's recommendation and President Clinton's Executive order.

However, regulatory reform will require an unprecedented relinquishing of power by executive agencies, and my legislation recognizes this. The Regulatory Sunset Act will mandate the automatic termination of agency regulations that do not measure up to criteria outlined in the bill; such as whether the regulation is obsolete, duplicative, cost-effective, impeded competition, et cetera. All existing regulations will sunset in 7 years unless reauthorized and new regulations promulgated after enactment of this bill will be subject to a 3-year sunset unless reauthorized. Once a regulation has been reauthorized, it will be subject to continuous review every 7 years thereafter.

Finally, the bill establishes a Regulatory Sunset Commission that will review agency recommendations on regulations and has the final authority over whether regulations should be continued, terminated, or modified. If the Commission recommends modification of a regulation, it provides time for the agencies to make appropriate modifications so the regulation can then be continued.

Federal regulations are necessary to meet statutory requirements and protect the environment and health and safety of individuals. However, regulatory burdens have increasingly impacted our ability to ensure an expanding economy. It is past time to address regulations that have unintended adverse impacts. The Regulatory Sunset Act of 1993 calls for taking a new approach to reforming our regulatory program.

COUNCILMAN SAM HORWITZ: A CAREER OF DISTINGUISHED SERVICE

HON. JERROLD NADLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. NADLER. Mr. Speaker, at the end of this year, a truly remarkable era in the life of New York City will come to an end. My good friend and colleague, Councilman Sam Horwitz will leave office after two decades of distinguished service to the people of the 47th councilmanic district and the people of Brighton Beach, Coney Island, Seagate, Bensonhurst and Gravesend. It is with both sorrow and deep gratitude that the people of these communities say goodbye and thank you for a job well done.

Sam Horwitz has served in several prominent positions in the council, reflecting his abilities and the regard in which he has been held by his colleagues. He served as the leader of the councils' Brooklyn delegation from 1982–86. From 1986–90, he chaired the committee on committees.

In the early 1980's, he was appointed chairperson of the council's committee on transportation. Sam was not content to sit in the committee chambers, but took to the streets, the subway stations, and the train yards. His work helped remove graffiti from trains, push forward the MTA's program to make the system fully accessible to all New Yorkers, reduce noise, and improve service. Having served as Sam's counterpart in the State assembly, I fully understand the challenges and difficulties he faced. It was a task as important to our city's future as it was challenging. It was our good fortune that Sam was more than up to the job.

In 1985, Sam took over the council's committee on general welfare which oversees all of the city's social services and the vast city agencies charged with serving our neighbors most in need. Sam improved the work of these agencies by getting more caseworkers and improving caseload distribution for Protective Services for Adults.

Sam's service to our city has been so varied, and has had such an impact, that it would be hard in the space of a single statement to encompass all he has done. Perhaps CBS News Radio put it best when it described Sam as a "legislator closest to the people."

Mr. Speaker, most of all, Sam Horwitz has been a good neighbor, and a tireless advocate for his community. Together with his wife, Estelle, their son Mark, daughter Susan, and granddaughter Phoebe, they have been stalwart citizens of Brooklyn. Through storms, whether brought by the forces of nature of politics, Sam Horwitz has served our city. On behalf of our city, I join my neighbors tonight in saying thank you to Councilman Sam Horwitz.

TRIBUTE TO BOB DeLAZARO

HON. BOB FRANKS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. FRANKS of New Jersey. Mr. Speaker, as the first session of the 103d Congress draws to an end, I would like to pay tribute to Bob DeLazaro, an outstanding member of my staff who is retiring at the end of this year.

Bob has had a long and distinguished career. Bob graduated from Syracuse University in 1951, after serving a stint in the Army during the Korean war. Bob also attended graduate school at Columbia University and Stanford University. After attaining his undergraduate degree, Bob worked for a number of years as a newspaper reporter, columnist, and editor for such publications as the Courier News and the now-defunct Elizabeth Daily Journal. During this career as a newspaperman, Bob received an award from the American Political Science Association for distinguished reporting. Bob also won several awards from the New Jersey Press Association for distinguished reporting as an editorial writer and as a political editor.

In 1973, Bob joined the staff of my predecessor, Congressman Matt Rinaldo, as his press secretary. Bob served in that capacity until Matt retired from the House last year. In January, I hired Bob—or Bob D., as he is affectionately known by the other members of my staff—to be my special assistant.

Recently, I spoke to Congressman Matt Rinaldo, and asked him to give me his impressions of Bob. Matt told me that

> Bob is a dedicated family man, conscientious, extremely loyal, and has a high sense of purpose. Bob was not an employee in the conventional sense of the word, but instead was a real friend. He was a person that I could rely on for counsel and advice, and he always gave me his best judgment. We had many of the same friends and enjoyed many an evening dinner meeting together. We have been friends since childhood, growing up only one block apart in the City of Elizabeth, New Jersey. I knew his brother and the other members of his family well. I believe he contributed to the common goals that we shared to do our very best for the people of the then 12th and now 7th District, many of whom we knew on a first-name basis.
>
> Bob is a person who went to the mat for me, and I will never forget his hard work and untiring efforts on my behalf. I wish him well in his retirement, and look forward to a continuing friendship with him and his wonderful wife Kathy.

Mr. Speaker, I wholeheartedly concur with the sentiments of Congressman Rinaldo. Bob has been an invaluable asset to my staff, and his experience and knowledge of the 7th District will be impossible to replace. I believe the people of the 7th District owe Bob DeLazaro a debt of gratitude for all his efforts to improve the quality of life in our community. I wish him well in his well-deserved retirement.

ADDITIONAL COSPONSORS OF H.R. 2921

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. CLEMENT. Mr. Speaker, several of my colleagues have asked that they be listed as cosponsors of H.R. 2921, the bill to create a matching grant program to preserve and restore the historic buildings on the campuses of the Nation's historically black colleges and universities. I thank my colleagues for their support of this important measure.

Since I cannot formally add the names to H.R. 2921 now that the bill has been reported from the Natural Resources Committee, I nonetheless want to acknowledge and thank them. They are Representatives ROBERT (BUD) CRAMER of Alabama, WILLIAM JEFFERSON of Louisiana, ROBERT UNDERWOOD of Guam, and LUCIEN BLACKWELL of Pennsylvania.

NATIONAL COMMUNICATIONS COMPETITIVENESS AND INFORMATION INFRASTRUCTURE ACT OF 1993

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. MARKEY. Mr. Speaker, today I am introducing, along with the ranking minority member of the subcommittee, Mr. FIELDS, and Messrs. BOUCHER, OXLEY, BRYANT, MOORHEAD, HALL, BARTON, HASTERT, LEHMAN, GILLMOR, RICHARDSON, and SCHENK, the National Communications Competition and Information Infrastructure Act of 1993.

This legislation represents what I believe to be the Nation's roadmap for the information superhighway.

The purpose of this act is to help consumers by promoting a national communications and information infrastructure. This legislation seeks to accomplish that goal by encouraging the deployment of advanced communications services and technologies through competition, by safeguarding ratepayers and competitors from potential anticompetitive abuses, and by preserving and enhancing universal service.

The legislation we are proposing has three key elements. A more detailed explanation follows.

First, the act will promote and accelerate access to advanced telecommunications capability as well as spur competition to the local telephone companies from diverse competitors. As part of a national policy to promote competition to communications monopolies, competitors and information providers will be granted the right to compete with the local telephone company and to use its facilities. Such competitors, which could be cable companies, independent phone companies, information service providers, or others, will be allowed equal access to, and interconnection with, the facilities of the local phone company

so that consumers are assured of the seamless transmission of telephone calls between carriers and between jurisdictions.

The FCC will be required to establish rules for compensating local telephone companies for providing interconnection and equal access to competitors.

Second, the legislation will promote and accelerate competition to the cable television industry by permitting telephone companies to compete in offering video programming. Specifically, the bill would rescind the ban on telephone company ownership and delivery of video programming that was enacted in the Cable Act of 1984. Telephone companies would be permitted, through a separate subsidiary, to provide video programming to subscribers in its telephone service area.

Telephone companies would be required to establish a video platform upon which to offer their video programming. Telephone companies, on a nondiscriminatory basis, must allow other providers to offer video programming to subscribers utilizing the same video platform. Other providers will be allowed to use up to 75 percent of the video platform capacity.

In order to protect against media concentration and to promote a more fully competitive marketplace, telephone companies would be prohibited from buying cable systems within their telephone service territory, with only tightly drawn exceptions. In this way, consumers would have at least one other independent delivery system from which to choose for telephone, video, or other multimedia services.

Third, the legislation will preserve and enhance the universal provision of telephone service at affordable rates. To ensure that universal service is preserved as local telephone service become more competitive, a Federal-State joint board is established by the legislation to develop a plan to perpetuate the universal provision of affordable, high quality telephone service. All providers of telecommunications services will be required to make an equitable contribution to the preservation of universal service.

To enhance universal service, the legislation requires that this joint board define the nature and extent of the services encompassed within a telephone company's universal service obligation. In addition, the legislation directs the FCC to investigate the policy changes needed to provide open platform service at affordable rates. Open platform service would provide digital phone service on a single line, end-to-end basis to residential subscribers. To ensure affordability, such service would be tariffed at reasonable rates.

Such digital service has the potential of enhancing the capacity of the existing twisted copper wire infrastructure tenfold for modest cost. A variety of applications for telemedicine, distance learning, and other multimedia services could utilize the additional capacity gained by going digital to empower consumers, schools, hospitals, small businesses and others.

In conclusion, I think this legislation represents a well-balanced approach to a difficult subject. In light of a recent court decision striking down the cabletelco prohibition as unconstitutional, this bill proposes consumer protections where there are now none. In addition, it continues a trend, starting in our country but emulated throughout the world, what shows consumers of telecommunications equipment and services benefit tremendously from competition. This bill will help achieve many of the goals I and my colleagues share for promoting an electronic superhighway to enrich the lives of all Americans in the information age. I urge my colleagues to join me in sponsoring this important telecommunications legislation.

SECTION-BY-SECTION SUMMARY OF THE NATIONAL COMMUNICATIONS COMPETITION AND INFORMATION INFRASTRUCTURE ACT

TITLE I—TELECOMMUNICATIONS INFRASTRUCTURE AND COMPETITION

Section 101. Section 101(a) adds new purposes of section 1 of the Communications Act of 1934. Section 101(b) adds new definitions to the Communications Act, including definitions for "information service" "telecommunications", "telecommunications service", "local exchange carrier", "telephone" "open platform service", and "equal access". The term "open platform service" is defined in functional terms as a service enabling subscribers to access voice, data, and video services on a single-line basis that is available throughout a State.

Section 102. This section adds a new subsection to section 201 of the Communications Act. Subsection (c) is entitled "Equal Access." Paragraph (1) of subsection (c) sets forth that all common carriers are subject to such rules of openness and accessibility as the Federal Communications Commission may require. It also set forth the obligations of local exchange carriers to provide access to their facilities.

Paragraph (2) directs the FCC to establish regulations providing reasonable and nondiscriminatory equal access to the facilities and capabilities of a local exchange carrier. This paragraph also directs the FCC to establish rules that compensate the local exchange carriers for opening up their facilities. In addition, this paragraph stipulates that rural exchange carriers do not have to provide access to another local exchange carrier. Significantly, the bill also gives the FCC authority to modify these requirements for carriers with fewer than 500,000 access lines. The bill directs the FCC to convene a Federal-State Joint Board to advise the Commission regarding access rules, and provides that the FCC can use existing rules if they are applicable.

Paragraph (3) provides that no State or local government may have rules or laws in place after one year that effectively prohibit the offering of telephone service or the entry of companies into the local telephone business.

Paragraph (4) requires local exchange carriers to have cost-based tariffs in place for equal access and interconnection services, and requires that the tariffs do not bundle together separable elements, features, or functions offered by the carrier.

Paragraph (5) establishes a process by which a local exchange carrier can obtain permission from State or federal authorities to have pricing flexibility in the offering of telecommunications services. The FCC is required to establish criteria for determining when pricing flexibility is appropriate, and then directs the FCC and States to use this criteria in reviewing applications for pricing flexibility. The FCC is required to respond to any application within 180 days.

Paragraph (6) establishes a Joint Board to formulate a plan to preserve universal service. The Joint Board is directed to develop a plan that establishes predictable mechanisms to ensure the continued viability of universal service, that promotes access to advanced telecommunications services, and that requires all providers of telecommunications services to contribute to preservation of universal service.

Paragraph (7) provides that the FCC and the States shall not prohibit resale of telephone exchange service. Paragraph (8) directs the FCC to review its rules established under this subsection to determine whether the goals of this legislation are being met. Paragraph (9) requires the FCC to conduct a study of rural phone service and the effects of competition on service in rural areas.

Subsection (d), paragraph (1) sets forth functionality and reliability obligations of common carriers. Paragraph (2) directs the FCC to establish procedures for coordinating network planning and for establishing procedures for the development of standards for interconnection and interoperability. Paragraph (3) directs the FCC to initiate an inquiry on the rules and policies necessary to make open platform service available to the public. This paragraph further directs the Commission to prescribe regulations as necessary for the provision of open platform service when such service is economically and technically feasible.

Paragraph (4) directs the Commission to establish regulations designed to make network capabilities and services accessible to individuals with disabilities. Paragraph (5) directs the Commission to designate performance measures or benchmarks for the purpose of ensuring the continued reliability of communications equipment and services. Paragraph (6) grants the FCC authority to waive or modify any of the requirements of subsection (d) for those companies serving rural areas.

Section 103. This section amends section 208 of the Communications Act to require that the FCC respond to any complaint on unreasonable or discriminatory interconnection within 180 days.

Section 104. This section amends section 7 of the Communications Act to provide for expedited licensing of new technologies.

Section 105. This section amends section 214 to require that a provider of telephone exchange service must address the means by which new or extended lines will meet the network access needs of individuals with disabilities.

TITLE II—COMMUNICATIONS COMPETITIVENESS

Section 201. This section amends section 613(b) of the Communications Act to provide that any common carrier subject to title II of the Communications Act may provide video programming to subscribers within its telephone service area provided that it provides video programming through a separate affiliate and otherwise consistent with part V of title VI of the Communications Act, as added by this legislation. This section also makes a conforming change to section 602 to define "telephone service area."

This section also amends title VI of the Communications Act to add a new "Part V—Cable Service Provided by Telephone Companies".

Section 651 defines key terms, such as "affiliated video programming", "control", "rural area", and "video platform".

Section 652 provides that a common carrier subject to title II must provide video programming through a separate affiliate. This section directs that the separate affiliate must maintain separate books, separate operations, and separate marketing, except telephone companies are permitted to handle in-coming inquiries on cable service. If a cable company is jointly marketing video

and telephone services, then the common carrier can petition the FCC for relief from the general joint marketing prohibition. This section also permits the FCC to grant waivers from these requirements for small or rural telephone companies or, beginning 5 years after enactment, for any company that can demonstrate that a waiver will not harm telephone ratepayers and is in the public interest.

Section 653 directs that a common carrier that provides video programming must establish a video platform that provides access to programmers on reasonable and nondiscriminatory terms. The FCC must respond to telephone company video dialtone platform petitions within one year. This section also requires the FCC to study whether it is in the public interest to make cable operators common carriers and subject to a video platform requirement.

Section 654 stipulates that a common carrier can reserve for itself no more than 25 percent of the available capacity of a basic platform established pursuant to section 653. This requirement is scheduled to expire 5 years after enactment.

Section 655 directs the FCC to prescribe regulations prohibiting common carriers from including in telephone rates any expenses associated with the provision of video programming. The Commission is also directed to prescribe regulations prohibiting cable operators from including in the cost of cable service any expenses associated with the provision of telephone service.

Section 656 contains a general prohibition on buyouts by a common carrier of a cable system within its service territory. Subsection (b) provides for exceptions, including one that would permit a common carrier to engage in a joint venture with a cable system or systems so long as in the aggregate the area served by the joint venture did not exceed ten percent of the households served by the carrier. Another exception would permit a carrier to use the "drop" from the curb to the home that is controlled by the cable company, if such use was limited in scope and duration. This section also contains a waiver process, under which the Commission could grant a waiver upon a showing of undue economic distress by the owner of the cable system if a sale to a telephone company is blocked.

Section 657 establishes penalties for violations of this Part. Section 658 sets forth consumer protection provisions, including the formation of a Joint Board to ensure proper jurisdictional separation and allocation of costs of establishing a video platform.

Section 659 provides which sections of title VI would be applicable to a video platform. This section requires that video programming affiliates would have to comply with the rules on privacy, program access, and consumer protection contained in title VI. This section also directs the FCC to prescribe regulations requiring a video platform to comply with the rules on "must carry", capacity for public, educational, and governmental use (PEG), and other carriage obligations that generally fall on cable systems. This section also requires the video programming affiliate of a carrier to pay a fee equivalent to a franchising fee to the local franchising authority.

Section 660 stipulates that many of the provisions added by this legislation (sections 652, 653, 654, and 656) do not apply to common carriers providing service in rural areas.

THE LOWER SALMON RIVER IN CENTRAL IDAHO

HON. LARRY LaROCCO

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. LAROCCO. Mr. Speaker, I had hoped in this particular month and in the concluding hours of the first session of this Congress to introduce legislation designating the Lower Salmon River as a component of the National Wild and Scenic River System.

Introduction of that legislation would be symbolically important to me and to thousands of Idahoans because November 1993 marks the 25th anniversary of enactment of the National Wild and Scenic Rivers Act. That section of Idaho's fabled Salmon River would complement a Wild and Scenic Rivers System which honors and protects our Nation's most outstanding river segments and their landscapes.

Any mark which I might leave in this Congress toward fulfillment of the National Wild and Scenic Rivers System also carries deep personal significance for me and for my family. We celebrate anniversaries together, and the celebration of this anniversary takes us back to earlier days when I worked for Idaho's Senator Frank Church.

Together with then-Interior Secretary Stewart Udall, Frank Church was the father and principal Senate sponsor of the National Wild and Scenic Rivers Act.

In those days, such legislation was a quixotic gesture. America had eclipsed other nations of the world in setting aside some measure of land as wilderness and extended protection for fish and wildlife in natural areas and alongside river corridors.

In pushing for legislation which recognized the unique role of rivers in our lives and in our landscapes, Stewart Udall and Frank Church allowed each of us to return to a particular river which flowed through our backyard and nurtured us through childhood—the memories of our fist fish, the torment of our first flood.

If their notion of selecting segments of our Nation's outstanding rivers for protection might then have been grounded by dreams, their actions are now anchored by reality. There is the reality of science, of finding ways of utilizing our natural resources to sustain communities within their natural surroundings.

There is also the reality of preserving a way of life which people value, and that seems to be at the heart of protecting the Lower Salmon River in my State.

The river corridor is remarkable. Idaho has a long history of competing with West Virginia as the whitewater capital of the world—a war which we are winning with much thanks to the Middle Fork. Main, and lower segments of the Salmon River.

Idaho battles in other arenas to prove its rivers to be the most remarkable in the Nation. In this case, my thought is that the designation of the Lower Salmon would contribute toward the full protection of the longest free-flowing river, without dams, in the Lower 48. A so-called expert told me I was wrong: that's the Yellowstone River. That expert reported back about the existence of a small dam on the headwaters of the Yellowstone River.

And so I'm right about the Salmon and glad to be encouraging a wild and scenic designation which would add significant protection to a free-flowing, 425-mile and as-yet-without-dams river system. The 150 miles which would remain unprotected are currently being studied jointly by the Bureau of Land Management and the USDA Forest Service as further—and for the Salmon final—additions to the National Wild and Scenic Rivers System.

The Lower Salmon flows from the community of Riggins, ID, to its confluence with the Snake River on the Idaho-Oregon border. It contains the physical evidence and sacred sites of ancient pathways for native Americans. As cultural history has evolved, the oral history and physical resources of the Lower Salmon have evolved as a fundamental element of traditional, as well as contemporary, Indian life in the Pacific Northwest.

And in history, the Lower Salmon provided much the same struggle against the elements for Asians who are now a substantial foundation in the Oregon and Idaho economic and social community. Brought unwillingly to this harsh land, shanghied Chinese ancestors endured their lives, pulling from the Lower Salmon corridor the mining and agricultural products from which they gained a real economic foothold throughout the Pacific Northwest.

As its name suggests, it remains today as a major—if struggling—habitat for spawning salmon. It sustains a sturgeon fishery and habitat which is probably equalled only by Oregon's Rogue River.

But today, the issues seem to be defined by personal values—a mixture of its spectacular natural geography, as well as the debate which surrounds the reasons for which people who were born along the Salmon River, continue to live along the Salmon River. And the reasons for which a few people who moved from urban areas in Idaho and elsewhere to the Salmon, don't wish to be followed by hordes of other urban refugees.

There are no specific and current threats to the corridor of the Lower Salmon River, but the kinds of trespass and development which have threatened other attractive rural communities are not going to be made welcome.

The question along the Salmon is, "Where do we go from here?" It's a question which plagues many rural and primitive areas of America which are rapidly becoming uncontrolled targets for destination tourism and unwelcome development. Some have successfully protected traditional land uses through the wild and scenic destination of the river as a recreational corridor. Community leaders in Riggins and Idaho County are pulling together the best information they can find from those experiences.

Mr. Speaker, it is important that I not take credit for identifying the need for a plan and a public process to resolve this question. Nor is the idea of turning to the Wild and Scenic Rivers Act for protection and sustained use of the Lower Salmon an idea which I originated.

Idaho's senior Senator recognized the community's problem, as long ago as when he still served as a Member of this body. Senator GORE has pursued the question for several years in collaboration with Lower Salmon landowners. Federal river managers, and with others in the State who are decisionmakers in the

future of our State's economy and cultural values.

In the last Congress, Senator CRAIG sponsored the initial legislation proposing to designate the Lower Salmon, which I was happy to cosponsor. That opened the Senator's individual discussions with Lower Salmon communities and the landowners along the river corridor to others in the State who feel they have a stake in the outcome.

Inevitably, the legislation raised new issues—problems related to current and prospective uses of the river, to the transportation system into the area—a lot of issues which are now on the table, as advocates of those issues are not at the table

The major stumbling block has always been scenic easements. We're closer today to real landowner protection than we've ever been in the history of Federal activities. There is a need to renew the legislative forum in order to move forward on that and all of the other issues.

Republican members of my House Committee on Natural Resources may well have found an appropriate and acceptable form of protections for landowners. These are words amended into legislation recently in work on another wild and scenic bill, on H.R. 914 to designate the Red River in Kentucky. With that language, we may be able to answer the as-yet-unresolved concerns of landowners along the Lower Salmon.

Much as I had hoped more progress on the Lower Salmon would be made by now in this now concluding session of Congress, I remain committed to the process.

Nonetheless, I can't help tonight but regret the passing of a symbolic opportunity. The debate about our utilization of natural resources and our protection of natural resources will rage forever, in Idaho as well as everywhere else in the world. Issue-by-issue, we will involve our people in reaching a decision which represents shared responsible use—working toward the best version of an outcome which we can achieve together.

A given in Idaho is the heritage of our rivers—their history, their resources, their potential for our future. I have disappointed many people tonight in not introducing wild and scenic legislation for the Lower Salmon. The letters are on my desk—people from Idaho who share the goal of protecting the Salmon River and who would have been glad of an opportunity to be part of a symbolic anniversary as well.

Legislation, however symbolic, would have renewed on this anniversary the tie of the Salmon River to Idaho's history. And if well-celebrated, anniversaries are also our transition into the future. I will spend the weeks ahead in Idaho and will return here in January. We'll move this opportunity forward.

INTRODUCTION OF THE HIV EMERGENCY SUPPLEMENTAL GRANTS AMENDMENTS OF 1993

HON. JERROLD NADLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. NADLER. Mr. Speaker, I rise to introduce the HIV Emergency Supplemental Grants Amendments of 1993. This bill amends the way in which funding for the supplemental grant under the Emergency Relief Program regarding HIV is determined for each grant application by directing that the cities with the highest cumulative number of AIDS cases be given priority in the distribution of grant funding.

My district in New York City is in many ways at the epicenter of the AIDS epidemic. With over 48,000 cases of AIDS—the highest number of any city in the country—and over 29,000 more cases than the next highest city, New York City in 1993 was unfairly shortchanged in receiving its fair share of Ryan White supplemental grant funding. It was the original intent of Congress under the law that these moneys would go to the hardest hit cities. There is no city that is harder hit than New York. In the first 3 months of 1993, there were 4,069 new cases of AIDS reported in New York City, compared with 1,811 cases in the last 3 months in 1992. The growth of this epidemic in New York is prevalent.

Mr. Speaker, New York City is in dire need of adequate financial assistance, and this bill accurately reflects that need. For the sake of those cities hardest city hit by this deadly disease, I urge my colleagues to support this crucial measure.

CONFERENCE REPORT ON H.R. 3167, UNEMPLOYMENT COMPENSATION AMENDMENTS OF 1993

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. FORD of Michigan. Mr. Speaker, I rise in support of the conference report on H.R. 3167, the Unemployment Compensation Amendments of 1993.

I strongly support extending the unemployment benefits program. While our Nation's economy is gradually improving, thousands of people in my congressional district are still out of work, and unable to find even part-time employment. In October, the State of Michigan had 322,000 people who were unable to find jobs. While this is a long way from the nearly double digit unemployment rates we faced last year, we must not forget those families who, through no fault of their own, are facing the terrible uncertainty of yet another month of electric bills and mortgage payments without a paycheck.

This bill extends the authorization for new claims of emergency benefits from its expiration date of October 2, 1993 to February 5, 1994. The extension will provide 7 or 13 weeks of extended benefits for workers who have exhausted their regular State benefits. States which have adjusted insured unemployment rates of at least 5 percent would be eligible for 13 weeks of extended benefits. The majority of States like Michigan, whose rate falls below this threshold, would be able to offer 7 weeks of extended benefits. The bill would reduce the deficit by $24 million over the next 5 years. This savings is achieved through two straightforward financing provisions: the institution of worker profiling, which will enable beneficiaries to find employment more rapidly, and by extending to 5 years from its current level of 3 years the amount of time that the income of the sponsors of legal aliens is taken into account in determining the alien's eligibility for Supplemental Security Income [SSI] benefits.

Mr. Speaker, more than a quarter million jobless workers have been denied extended benefits since the program expired on October 2. To have delayed this extension for over a month and a half is simply unconscionable. The conference committee was correct to remove the controversial provision added by the other body regarding reductions in the Federal work force. This provision will be thoroughly debated as the House undertakes its discussion on additional spending cuts. Consideration of an unemployment benefits extension is not now, and never was, the place to have such a discussion.

Our economy is improving, but hundreds of thousands of Americans still need and deserve our help. I urge my colleagues to approve this conference report. Thousands of jobless workers have waited too long already.

CANCEL THE SPACE STATION

HON. TIM ROEMER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. ROEMER. Mr. Speaker, this year, the House almost made history. By a vote of 215–216, the amendment I introduced with Congressman ZIMMER and 19 others to end the space station program almost ended one of the largest tax dollar wastes in history.

Today, we have a new opportunity to restart the journey down the road to fiscal sanity. I am proud and pleased to be here today to reaffirm my support for eliminating measures that cost the taxpayers billions of dollars, yet have lost their merit for continued public support.

I strongly believe that what I and the 27 original cosponsors of this measure are trying to do is in the best interest of the country, the taxpayers and certainly of NASA and the American space program.

I am a strong supporter of the American space program. But I find it sad to see the productive, smaller space projects being shut down so that larger and larger amounts of funding are eaten up by a space station program that has cost about $11 billion already with no hardware to show for it.

We are told that this latest new design will cost over $19 billion additional dollars. However, this does not include the emergency crew escape vehicle, the equipment for the science experiments, or any potential cost overruns. The General Accounting Office has produced reports stating that these costs will be at least $10 billion more.

In addition, it is estimated that the operational cost to run the space station could run at or over $100 billion.

While I laud the administration's goal to reduce these costs and the necessary manpower by one-third, NASA's management history with this program does not inspire confidence that this can be done anytime soon.

In any case, we are still talking about a program that will cost the American taxpayer well over $100 billion.

Now we have the proposed joint United States/Russian space station effort. This is a phoenix rising from the ashes of the recent, failed U.S. space station redesign effort. Early this year, the President asked NASA to prepare three options for a replacement for space station *Freedom*, to cost $5 billion, $7 billion and $9 billion respectively. The result was five, not three options.

These options, in turn, evolved into space station *Alpha*, an amalgam of these five versions and the original *Freedom*. The pricetag: About $19.5 billion. Recently, NASA itself stated that the two countries did not have the resources to keep two space station programs going. Presumably, this is an admission that NASA knows we cannot go forward with a space station alone.

But this proposal to turn to the Russians for help is fraught with peril. The events of early October clearly demonstrate that the political instability in Russian could threaten the program. There remains great skepticism that the Russian launch facility, in the country of Kazakhstan, is in good working order. In fact, this facility known as the Baikinour Cosmodrome, is located in Leninsk, a crumbling city with no real resources.

Far too many questions remain unanswered. NASA has yet to determine or release any cost figures for this program, but continues to offer robust assurances that it will save money. NASA has yet to provide any public information on a dollar value of the Russian contribution, how much cash, hardware, and services the United States will be required to give the Russians, and how many United States jobs will go to Russian citizens.

In addition, all this hinges on Russian compliance with the Missile Technology Control Regime agreement. What if they break this pact? What if a new leader in 3 years refused to go along with it? It means the cancellation of a joint space station.

In fact, there are far too many questions to remain answered for the United States to be comfortable in signing any lasting agreements.

I am all for working with our former adversaries, and sharing our knowledge of important scientific issues. But NASA is not the place for a massive foreign aid program to Russia.

The United States and Russian space agencies have taken two large, difficult and complex space station programs, both of which cost huge amounts of money, neither which produces any quality science, and proposed to merge them, making them even more complex and riskier without increasing the promise of success or results.

It is time to end this program before it kills NASA and its mission. There would be no shame in admitting failure and going back to the drawing board. Pushing forward is an affront to the taxpayers and to good science.

I suggest that we allow NASA the time and resources to improve its management structure and redefine its mission first, rather than move ahead with a mammoth, multibillion-dollar program whose costs will almost assuredly go over-budget.

Mr. Speaker, the choice is clearer than ever. I urge my colleagues to support this bill.

CONGRATULATIONS TO JUDY AND CARL HERBET ON THEIR 50TH WEDDING ANNIVERSARY

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. ENGEL. Mr. Speaker, I wish to offer my heartfelt congratulations to my good friends, Judy and Carl Herbet, on the occasion of their 50th wedding anniversary.

Carl and Judy were married on December 11, 1943. Carl had been a firefighter in Oregon in the C.C.C. and served in the U.S. Coast Guard. For many years Judy worked for Metropolitan Life and Carl was enjoyed in the supermarket industry. They lived in my district in Bronx, NY before moving to Colorado. Judy and Carl are the proud parents of two daughters, Marilyn Pinsker and Susan Christopher. They have four beautiful granchildren, Rachel, Aaron, Daniel, and Jason.

Judy and Carl have enriched the lives of their families and neighbors through their active participation in the community. Their love of children has prompted both of them to volunteer at the Eisenhower Elementary School in Boulder, CO. They are deeply committed to their synagogue, the Bonai Shalom Congregation of Boulder, and their neighbors and friends are appreciative of all the good work they have accomplished.

I join with their daughters, grandchildren, and sons-in-law Jerry Pinsker and Paul Christopher in wishing them a happy 50th wedding anniversary and many more years of health and happiness.

INTRODUCTION OF THE SUPERFUND LIABILITY REFORM ACT

HON. RICK BOUCHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. BOUCHER. Mr. Speaker, last December at his economic conference in Little Rock, then President-elect Clinton said he was "appalled by the paralysis" of the Superfund Program and "by the fact that the money's being blown."

The President was right. The Superfund Program is in deep trouble. In a recent editorial, the Washington Post said, "Of all the environmental laws that Congress has written in the past two decades, Superfund is the most deeply flawed and troubling. It was created to do a necessary job—to clean up hazardous waste dumps. But it is generating intolerable injustices and needs to be fixed." Superfund, the Post concluded "has become notorious for inequity and inefficiency, giving a bad name to a good cause."

The principal source of the inequity of the Superfund Program and the primary cause of the program's failure is its liability system. It is a harsh, punitive, and unfair system that has set off a chain reaction of lawsuits, leading to the meltdown of the entire cleanup program.

Mr. Speaker, today I am introducing the Superfund Liability Reform Act, legislation which will break the cycle of wasteful litigation and will help refocus the Superfund Program on its intended purpose. I am pleased to be joined by the gentleman from Michigan [Mr. UPTON] in offering this measure.

The Congress is now working closely with the administration to fashion comprehensive reform of the Superfund Program. There are many complex matters to discuss in the context of Superfund reform. We are introducing the Superfund Liability Reform Act today to stimualte discussion with regard to the liability provisions in the hope that this proposal will serve as the foundation for a new and more equitable liability structure as we draft comprehensive Superfund reform next year. We fully expect that constructive refinements in the proposed structure will be made as these discussions progress.

The National Advisory Council on Environmental Policy and Technology [NACEPT], which has been meeting for many months under the auspices of the Environmental Protection Agency, has carefully examined the many problems of the Superfund Program and has reached general consensus on the means to address many of those problems. The legislation we are introducing today embodies the framework of recommendations coming from the NACEPT discussions regarding Superfund liability reform.

NACEPT identified certain essential aspects of reform of Superfund's liability system, including the need to expedite the determination of liability of parties at each Superfund site, the need to allocate shares of liability fairly among those parties and need for a neutral and impartial third party to make the liability determinations. The EPA, the environmental community and a wide array of stakeholders at Superfund sites, all of whom were represented in the NACEPT process, agreed on those principles. The bill I am submitting today creates a new system of liability which encompasses those principles and reflects the consensus of the group.

The bill reforms the current system of joint and several liability by allocating shares of liability to ensure that liable parties will pay only their fair share of cleanup costs. Liable parties that accept their assigned shares are released from further liability for cleanup costs. This feature will help minimize, and hopefully eliminate the time-consuming and expensive cycle of litigation which exists today.

The assignment of shares of liability for each site would be determined by a three-member panel of specially trained administrative law judges. To make its determination, each allocation panel would consider the so-called Gore Factors, principles developed by Vice President GORE in 1980 during the original Superfund reauthorization when the Vice President was a Member of the House of Representatives. The Gore Factors include the degree to which a party's contribution of hazardous substances to a site can be distinguished, the amount of hazardous substances contributed by a party, the degree of toxicity of those substances, the degree and nature of a party's involvement at the site, and whether a party cooperated with Federal, State or local officials in preventing harm to public health or to the environment. The Gore Factors, which passed the House of Representatives in 1980

but were not incorporated into the Superfund statute as enacted, provide very sensible criteria for determining each party's share of liability for cleanup costs.

The allocation of shares of liability would be a final, binding allocation of all recoverable response costs at a site and would be subject only to limited judicial review. Any challenge to the binding allocation of responsibility would be filed in U.S. District Court. Unless the court finds the allocation decision to be arbitrary and capricious, or that the challenging party is not liable as a matter of law, the unsuccessful challenger would pay all attorneys' fees incurred in defending the challenge and would be held liable for the costs of the orphan share at the site. This strong disincentive to appeal the decision of an allocation panel would limit unnecessary judicial review, expediting the final determination of liability and greatly reducing transaction costs for liable parties.

Although liable parties would no longer be jointly and severally liable for all cleanup costs at a Superfund site, this legislation retains a critical aspect of joint and several liability for the EPA to use an enforcement tool. Under the bill, the EPA would still retain its authority to impose liability on a party to perform the entire cleanup at a hazardous waste site, but that party would retain the right to collect from other liable parties their respective assigned shares of the cleanup costs.

Liable parties which are insolvent, defunct or unknown are called orphan parties, and the legislation provides for the orphan shares to be paid by the hazardous substance Superfund. The EPA will have a strong incentive to bring as many parties as possible into the allocation proceeding for each site in order to reduce the size of the orphan share. In addition, for each site the EPA will designate a guardian of the fund who will ensure that all liable parties pay their maximum fair share and protect the Superfund from covering too large of an orphan share.

The legislation places a moratorium on cost-recovery litigation at all national priority list sites pending the allocation of shares of liability at each site. No cost recovery action, no governmental enforcement action, and no contribution action could be filed with respect to any national priority list site until 90 days after a binding allocation decision is issued.

There would also be simple and swift enforcement of the binding allocation decisions. Liable parties would be obligated to pay promptly and manage the cleanup efforts, or face substantial civil and criminal sanctions.

A recent study by the Rand Corp. found that one-third of all the money spent by potentially responsible parties at Superfund sites went toward legal fees and other costs not related to the cleanup of the sites. The study revealed that 60 percent of the money was spent on these transaction costs in some cases. Lloyd S. Dixson, one of the authors of the report, said the finding "raises doubts whether Superfund's liability approach as currently designed is an efficient way to clean up the Nation's hazardous waste sites."

After studying this matter in depth and for some time, I am convinced the current Superfund liability system is inefficient, wasteful, and in need of wholesale reform. The legislation I am introducing today will lead to more efficient cleanups of hazardous waste sites and will discourage excessive litigation and the evasion of responsibility.

The Superfund Liability Reform Act maintains the essential "polluter pays" principle established under the original statute, so that any party found to have polluted a site must help to pay for the cleanup. The legislation also encourages the EPA to bring the maximum number of potentially responsible parties to the negotiating table, minimizing the orphan shares assigned to the hazardous substance Superfund. It will also force the EPA and the States to do their homework, making them develop a more comprehensive body of information as to who is responsible for the hazardous waste at each site.

Mr. Speaker, we introduce the Superfund Liability Reform Act today to help move the debate forward, so that the Congress can complete the reauthorization of the Superfund program before the end of next year. This proposal has been very carefully crafted and enjoys substantial support from the private sector. Following this statement is a section-by-section analysis of the bill. I encourage my colleagues to examine this legislation closely and hope they can offer their support.

SUMMARY OF THE SUPERFUND LIABILITY REFORM ACT

The Superfund Liability Reform Act creates a new Title V to the Comprehensive Environmental Response. Compensation and Liability Act of 1980 ("CERCLA"), establishing a new process for determining the liability of potentially responsible parties at Superfund sites. The principal features of the bill are as follows:

LIABILITY FOR COSTS OF RESPONSE ACTIONS

Section 107(a) of CERCLA is amended to provide that a liable party at a National Priority List site shall be liable only for its assigned share of the cost of the response action at that site, as determined by the liability allocation process established under the new Title V.

Section 107(a) is also amended to provide that the assigned shares of "orphan parties," or liable parties which are no longer in existence, insolvent or unknown, shall be paid out of the Hazardous Substance Superfund.

LIABILITY FOR PERFORMANCE OF RESPONSE ACTIONS

Section 107 is clearified to allowed the Environmental Protection Agency to retain its enforcement authority to impose joint and several liability on any liable party to perform the entire response action at a National Priority List site. The party performing the response action retains its right to collect from other liable parties their respective allocated shares of the costs of the response action at the site.

LIABILITY WITH RESPECT TO RECYCLING TRANSACTIONS

A new Section 127 is added to CERCLA, providing that a recycling transaction shall not be construed as an "arrangement for the treatment and disposal" of hazardous substances [which would subject a party to liability under Section 107(a)] if the following conditions are met:

The material being used in the transaction meets a specification grade (referred to as "specification grade secondary material").

Such secondary material is used to make a new product and contains elements necessary to make such a product.

Such secondary material competes with a virgin material.

The production of the secondary material results in a substantial amount of the input material being made available for use as a feedstock to make a new product.

There is evidence of a market for the secondary material.

The secondary material does not include unnecessary hazardous substances introduced during recycling.

The secondary material consists primarily of metal, paper, plastic, glass, textiles or rubber.

Section 127 also requires the EPA Administrator to promulgate management standards applicable to the production or transfer of secondary materials used as a feedstock to make new products.

BINDING ALLOCATIONS OF RESPONSIBILITY

A new Title V is added to CERCLA, providing a process for allocating shares of liability for the costs of response actions at National Priority List Superfund sites:

General Provisions

Allocation Panels

The EPA Administrator appoints panels composed of three administrative law judges, called "allocation panels," which perform expedited proceedings to determine the liability of parties at National Priority List sites.

Qualification of Administrative Law Judges

Each administrative law judge on an allocation panel is required to complete at least 40 hours of education and training in the operation of the Superfund program and in the science of soil and groundwater contamination and the technology for treating such contamination.

Powers of Allocation Panels

Allocation panels shall have the power and authority to issue requests for information and for production of documents, to rule upon motions and offers of proof, to issue orders, to administer oaths, to examine witnesses, to admit or exclude evidence, to hear and decide questions of fact and law, to require parties to attend settlement conferences, to obtain or employ clerical and investigative services and computer information and database management services and to establish a document repository for all documents associated with the liability allocation proceeding.

Allocation panels shall also have the power of subpoena to collect all necessary or relevant information for conducting the allocation process, including the power to compel the attendance and testimony of witnesses and the production of documents.

Informal Rules of Evidence

The binding allocation process is not bound by the Federal Rules of Evidence, but instead is governed by the informal rules of evidence currently used by the EPA in its enforcement and permit revocation proceedings.

Service of Process

Documents are deemed served on a party if they are mailed to the counsel of record for the party or to the address designated by a party not represented by counsel.

Binding Allocation of Responsibility Proceeding

Initial Petition

Within 30 days after initiating the remedial investigation study for a National Priority List site, the EPA or the State where the site is located files a petition at the EPA identifying the site and the potentially responsible parties and summarizing the legal and technical issues specific to the site.

Guardian of the Fund

The petition includes the name of a person appointed by the EPA Administrator to serve as the guardian for the Hazardous Substance Superfund for the site in question.

Parties' Statements

Within 30 days after the filing of the initial petition, the EPA, the State, the guardian and any potentially responsible parties identified in the petition may file statements stating defenses to liability, equitable considerations pertaining to any party's liability, additional relevant facts and issues and the names of additional potentially responsible parties.

Information Requests/Production of Documents

Within 30 days after the filing of the initial petition, the allocation panel mails requests for information and for production of documents to the State, to the guardian and to all potentially responsible parties. All parties have 45 days in which to respond.

Addition of Potentially Responsible Parties

Within 120 days after the filing of the initial petition, any party may identify and nominate additional parties as potentially responsible parties.

Initial List of All Potentially Responsible Parties

Within six months after the filing of the initial petition, the allocation panel causes to be published in the Federal Register and in general circulation newspapers in the State wherein the site is located a list of all potentially responsible parties. The allocation panel may add new potentially responsible parties at any time before the issuance of the final decision allocating shares of liability among liable parties.

"De Micromis" Settlements

Within six months after the filing of the initial petition, the allocation panel issues a list identifying parties found to have contributed only a miniscule amount of hazardous substances to the site in question. A "de micromis" party may resolve its liability and may be released from further liability at the site by paying a premium of $1,000, which reflects the administrative costs and the cleanup costs to the federal government for the site for that party. The amount is earmarked in the Hazardous Substance Superfund to help cover the response costs at the site.

Advocacy Papers

Within 30 days after the publication of the initial list of potentially responsible parties, the guardian, the State and any potentially responsible party may file an allocation advocacy paper outlining the legal and factual criteria to be used in determining whether a potentially responsible party at the site is a liable party. Parties also have an opportunity to submit a second advocacy paper after the allocation panel's issuance of the first allocation report.

Allocation Reports

Within 90 days after the publication of the initial list of potentially responsible parties, the allocation panel issues an allocation report specifying the criteria to be used in identifying the liable parties and how such criteria will be applied to the case in determining assigned shares of liability for response costs at the site.

Following receipt of the second round of advocacy papers the allocation panel issues its second allocation report identifying all liable parties of the site and specifying the assigned share of response costs for each liable party.

Hearings

Any potentially responsible party may request a hearing before the allocation panel on the determination that the party is a liable party and on the determination of its assigned share. The allocation panel has the discretion to grant or deny such a request. Most evidence in the allocation process is offered through the submission of documents and not through hearings.

Determination of Orphan Share

The guardian, the State and each liable party may file an orphan share advocacy paper offering evidence as to which liable parties are orphan parties whose assigned share of response costs at the site should be assigned to the orphan share. Following receipt of orphan share advocacy papers the allocation panel issues an orphan share allocation report identifying the orphan share.

Determination of Non-Liable Parties

At any time during the period beginning six months after the filing of the initial petition and ending 18 months after the filing of the initial petition the allocation panel may issue a list identifying all potentially responsible parties determined not to have contributed any amount of hazardous substances to the site in question. Such non-liable parties are released from all future liability with regard to that site.

Final Binding Allocation of Responsibility Decision

Within 18 months after the filing of the initial petition the allocation panel shall issue a final decision listing all liable parties and the assigned share of response costs for each and all orphan parties and the total orphan share. The final decision is based on the following factors:

The degree to which each liable party's contribution to a discharge, release or disposal of hazardous substances can be distinguished;

The amount of hazardous substances contributed by each liable party at the site, compared to the total amount of hazardous substances at the site;

The degree of toxicity of the hazardous substances contributed by each liable party;

The degree of involvement by each liable party in the generation, transport, treatment, storage or disposal of the hazardous substances;

The degree of care exercised by each liable party with respect to the hazardous substances concerned, taking into account the characteristics of such hazardous substances;

The degree of cooperation by each liable party with federal, state or local officials to prevent any harm to the public health or to the environment;

The weight of evidence as to the liability and the appropriate shares of each liable party; and

Any other equitable factors deemed appropriate.

"De Minimis" Settlements

As part of the final decision or at any time before the issuance of the final decision, the allocation panel issues a list of all potentially responsible parties determined to contribute 1.0 percent or less of the total quantity of hazardous substances present at the site in question. Such "de minimis" parties may settle with the EPA Administrator by paying a specified amount based on the EPA's estimate of the total cost of cleanup at the site multiplied by the de minimis party's allocated share, and increased by a reasonable premium to reflect the benefit of an early and complete resolution of liability. The proceeds of the de minimis settlements go towards the cost of the response action at the site.

Judicial Review

The binding allocation of responsibility decision constitutes a final agency action under the Administrative Procedures Act. Any challenge to the final decision must be filed in U.S. District Court. Unless the court finds the allocation decision to be arbitrary and capricious or an abuse of discretion, or that the challenging party is not liable as a matter of law, the unsuccessful challenger must pay all attorneys' fees incurred in defending the challenge and is held jointly and severally liable for the orphan share of response costs at the site.

Collection and Enforcement

After the final allocation decision any party which has incurred response cost above the amount allocated to that party is considered a "creditor party" entitled to collect from "debtor parties" any or all of their shares of allocated response costs, depending upon the amount incurred by the creditor party. The creditor party is also entitled to collect from the Hazardous Substance Superfund amounts corresponding to the orphan parties' allocated shares.

Liable parties are obligated to pay their allocated shares promptly and to manage the cleanup efforts if ordered to do so by the EPA Administrator, or face substantial civil and criminal penalties.

Moratorium on Cost Recovery Litigation

No cost recovery action, no government enforcement action and no contribution action may be filed with respect to any National Priority List site until 90 days after a final binding allocation of responsibility decision is issued.

Transition Provisions

At all National Priority List sites where potentially responsible parties are performing CERCLA cleanup work at the time of enactment of this legislation, whether the work is pursuant to a consent order or an enforcement order, the potentially responsible party's obligation to perform the work and the deadline for completion of that work remain unaffected.

At all National Priority List sites where cost recovery, enforcement or contribution litigation is ongoing, such litigation is stayed until a binding allocation or responsibility decision is issued. Such a decision will conclusively determine the liability of all parties at the site. Litigation over other issues, such as EPA claims for civil penalties or private party claims based on contracts for insurance or indemnification, may resume following completion of the binding allocation process.

At National Priority List sites where one or more potentially responsible parties have been determined to be liable for all past and future response costs, no binding allocation process shall be performed and the prior liability determinations remain in effect.

At National Priority List sites where liability has been partially determined, the binding allocation process shall proceed and the allocation panel shall allocate liability for the costs of the entire cleanup. In doing so, the allocation panel shall give credit to each potentially responsible party for prior costs incurred or for prior work performed.

Voluntary Settlements

Prior to the issuance of a final binding allocation decision, any group of potentially responsible parties may offer voluntarily to cover 100 percent of the costs of the response

action at the site in question. No costs may be borne by the orphan share for such voluntary settlements and no party which is not a signatory to the voluntary binding allocation of responsibility may be held liable for any response costs at the site.

New Binding Allocations of Responsibility

A binding allocation decision may not be changed or revised for at least five years after the date of the final decision. New binding allocation proceedings may be available only if a party demonstrates that, due to new information not reasonably available during the original allocation proceeding, at least a 35 percent increase in total waste-in volume has been discovered.

DRUG COMPANIES JOIN IN RELIEF EFFORT TO AID THE FORMER YUGOSLAVIA

HON. BOB FRANKS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. FRANKS of New Jersey. Mr. Speaker, this morning the first shipment of critically needed medicine donated 11 of the Nation's leading pharmaceutical companies left Andrews Air Force Base. Tomorrow it will arrive in Zagreb, Croatia. From there, the supplies will be distributed to 10 hospitals throughout Croatia and Bosnia by Project Hope. This shipment was the result of a major coordinated effort aimed at easing both the physical and mental trauma of the ongoing civil war in the former Yugoslavia.

I first realized the unique opportunity to organize a humanitarian assistance project when I received a letter from one of my constituents, Herb Ditzel of Garwood, who was seeking my assistance in obtaining drugs to help alleviate the suffering in the former Yugoslavia. Herb, one of the longest living survivors of childhood cancer, owes his life to living in a country that has the best medical treatment in the world. He wanted to make sure that children, caught in a tragic conflict halfway around the world, had a fighting chance for survival by having access to the advanced medicines produced in my home State of New Jersey.

When I turned to some of the leading pharmaceutical companies to participate in a coordinated humanitarian relief project, the response was instant and overwhelming. In fact, many of the pharmaceutical companies were already making contributions. I felt that by bringing together pharmaceutical companies in a coordinated program, we would ensure that more medicine, and more of the right medicine, would reach the people who need it most.

A number of the Nation's leading pharmaceutical companies—Schering-Plough, Merck, Hoffman-LaRoche, Hoechst—Rousell, Pfizer, Sandoz, Warner-Lambert, Bristol-Myers Squibb, Lederle Laboratories, Johnson & Johnson, and Glaxo—have agreed to pool their resources to help those suffering in the former Yugoslavia. The shipment that left today for Yugoslavia contains high-priority pharmaceuticals and medical supplies including: antibiotics, IV fluids and administration sets, diuretics, cardiovascular drugs, vitamins, surgical bandages and gloves, and other important pharmaceutical products and supplies.

Mr. Speaker, America's pharmaceutical companies have been the scapegoat for much of what is wrong with our health care system. However, this humanitarian assistance program to the former Yugoslavia is just one example of the pharmaceutical industry's concern for the health of people of all nations. I wholeheartedly thank those participating pharmaceutical companies and Project Hope for helping to make this humanitarian project a wonderful success.

INTRODUCTION OF A BILL TO ALLOW FOR INCREASED COBRA COVERAGE

HON. JERROLD NADLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. NADLER. Mr. Speaker, I rise today to introduce a bill which will expand current COBRA health insurance statutes, which allows the Government to pay for private health insurance premiums for those who need it most—those Americans with debilitating diseases like AIDS who may be unable to work, and unable to afford health insurance.

This bill will extend health coverage provided by COBRA to individuals with incomes of up to 185 percent of the Federal poverty level. Current law allows States to assume the cost of health insurance premiums for persons needing medical attention who have incomes of up to 100 percent of the Federal poverty level.

Today, hundreds of thousands of people suffer from debilitating and fatal diseases like AIDS and cancer. Often, these diseases prevent their victims from working, and maintaining financial self-sufficiency. Disastrously, they also lose their private health insurance unless they can afford to incur both the employer and individual monthly share of the premium. At a time when these individuals need health care coverage the most, the cost of care becomes an overwhelming expenditure to the victim.

It is estimated that as much as a third of the Nation's medical costs stem from care given in the final year of life. In many of these cases, health insurance becomes unaffordable just when individuals can least afford to lose it. Worse still, in order to become eligible for Government assistance under current COBRA eligibility requirements, these individuals must become completely impoverished. This is simply not acceptable.

This legislation provides a much needed remedy. My bill calls on the Government to provide greater assistance to more people to help maintain their private health insurance coverage. Although these individuals are above the poverty level, they are truly in need of assistance.

This bill will provide increased health security through the continuation of private health care for more people. It will ensure access to services, a better quality of life, greater emotional and financial security, and will also save billions of dollars annually.

Mr. Speaker, I look forward to the day when we have adopted a national health care system that will alleviate the emotional and financial crisis that comes with debilitating diseases. Until that occurs, however, we must address the unmet health care needs of victims of diseases such as AIDS and cancer. I call on my colleagues to recognize the importance of this crucial measure in providing greater health and economic security for Americans. I urge you to cosponsor this important legislation.

NATIONAL PARK SERVICE REFORM INITIATIVE

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. VENTO. Mr. Speaker, today I am introducing a series of bills that both individually and collectively make needed changes and improvements to the natural, cultural, and recreational programs of the National Park Service [NPS]. Together these bills form an important National Park Service reform initiative to address pressing issues facing the heritage preservation policies of our Nation today.

NEW AREA STUDIES

The first bill I am introducing today is the National Park Service New Area Study Reform Act. This bill makes several important changes to the current process for studying new areas for potential addition to the National Park System. These changes will lead to improved quality of new area studies and enhance the process of expanding the National Park System.

The National Park Service is charged with the management of the Nation's most precious natural, cultural, and historical resources. The 367 areas which make up the National Park System are a diverse collection of parks, historic sites, memorials, monuments, seashores, battlefields, parkways, and trails. These areas and known throughout the world for their scenic beauty and historical significance. Each year, the areas which make up the National Park System are visited by over 260 million people.

Considering the exceptional quality of our national parks, it is our obligation to ensure that only outstanding resources are added to the National Park System. I disagree with those who say that our National Park System is complete and that nothing else should be added. In our National Park System, several important natural land forms and themes of American history and culture are underrepresented or not represented at all—as well as unique recreational resources that are of national significance. The National Park System needs the ability to expand in order to reflect the progression of history and to respond to a rapidly growing population. In expanding the System, great caution must be exercised in order to make sure that only high quality resources are included.

While Congress has the final say with regard to establishing new park units, it is the National Park Service which furnishes Congress with the information it needs to make

these policy decisions. Congress relies heavily on these studies to make evaluations about the significance of an area and its suitability for being designated as a national park unit. Between 1976 and 1981 the National Park Service had a program of identifying high priority candidates for study. This program was terminated by the Reagan administration and for the past 13 years the National Park Service has not had a legislative program. In the absence of any initiatives coming from the National Park Service, Congress directed numerous studies of specific areas in authorizing legislation and appropriations earmarks. Earlier this year the National Park Service revived their new area study program and for the first time in 13 years they requested funds for studying several areas.

There are several problems with the current new area study process. First, there are three separate sources for new area studies. These sources are the National Park Service itself, the authorizing committees and the Appropriations Committees. There is no agreed upon process for ranking the priority of these studies, nor is there adequate funding to get all of them done. Because studies usually take 2 to 3 years, some studies are delayed indefinitely or worse yet are started and stopped in midstream because all available funding in a particular fiscal year was earmarked for another study. The quality of the studies ranges widely, as does the level of review and scrutiny by the Washington office of the National Park Service. It has been too easy for political considerations to get injected into the study process, and recommendations of professional planners are sometimes changed and tailored for political reasons. Studies come to Capitol Hill without any preferred recommendation, often leading Members of Congress to push ahead with legislation to establish a unit when the resource involved might not meet the appropriate criteria or to select an inappropriate option.

The legislation I am introducing would make several changes to the new area study process. First, it would amend section 8 of the August 18, 1970 act commonly known as the General Authorities Act to require that all new area studies be authorized by Congress through an authorizations process. This applies to any study conducted by the National Park Service which may result in action by Congress to establish a new park system unit, affiliated area or major expansion of an existing unit. It does not cover projects or studies that provide technical assistance to State or local governments or studies addressing wild and scenic rivers, national trails system units, or wilderness areas. The bill requires the National Park Service to submit on January 1 of each year a list of new area studies they would like to undertake. This list would contain the highest study priorities of the National Park Service. Congress would then have to enact legislation directing the National Park Service to conduct specific studies. If enacted, it is likely that many of the candidates for study would come from the National Park Service list, and that these may be joined together with other priorities of Congress in an omnibus study bill. The National Park Service would then have 3 years from the date of enactment to complete the studies. The National Park Service would conduct the studies using the national significance, suitability and feasibility criteria currently defined in the National Park Service management policy guidebook. These studies should reflect the highest possible professional standards and provide a clear recommendation to Congress. If an area fails to meet established criteria, the study should clearly state this finding. The studies would be forwarded directly to the authorizing committees of Congress by the Director of the National Park Service.

Several other measures to change the new area study process have been introduced and I know the Clinton administration has indicated its interest in making some changes to the way new areas are studied and added to the System. I am committed to working with interested Members and the Clinton administration in fine-tuning this bill and in setting a course to guide the future evolution of the National Park System.

STEAMTOWN NATIONAL HISTORIC SITE

Last year, the House passed legislation, H.R. 3519, to provide significant policy reforms for Steamtown national historic site in Scranton, PA. That legislation would have put the Steamtown Project back on track and provided much needed reforms in the operations and development of the site.

In the 102d Congress, the other body declined to act on that legislation. In the meantime, the development of Steamtown national historic site, including the construction of a pedestrian bridge linking this unit of the National Park System to a shopping mall—named the shopping mall at Steamtown—has continued. My concerns are such that, frankly, it may be highly desirable to transfer this controversial park unit to the Commonwealth of Pennsylvania or to some other entity capable of better managing it and pursuing the nonpark policies that occupy this site's troubled management. However, my first and primary concern is to correct past mistakes to the extent possible and assure that the site's management be in accord with other units of the National Park System.

The bill I am introducing is identical to the bill that passed the House in 1992 with the one exception that language has been added to cap operations funding and ensure that further development, construction, or related activities will not be authorized without a specific act of Congress. While such development is substantially completed, this provision will cap the already high costs of creating Steamtown national historic site. I introduce this bill because I believe it is high time to resolve the future of Steamtown national historic site. The House took responsible action on this matter last year and I hope to again have my colleague's support in making these necessary reforms in the project.

NATIONAL PARKS AND LANDMARKS CONSERVATION

Our Nation's identity is steeped in images from our national parks: the power of Old Faithful in Yellowstone, the majesty of halfdome in Yosemite, the vision of Independence Hall, the endurance of Chaco Canyon's prehistoric ruins. These are places of national and international significance. Our Nation and people have been shaped by these special places which have come to symbolize America. We all care deeply about our national parks and landmarks and take great pride in them; they embody the best this Nation has. The statute of Liberty, the Everglades, Gettysburg, the Grand Canyon—these and other national parks help define us as an American people. In addition to the national parks, there are 2,000 national historical landmarks and 580 national natural landmarks, which although not owned or administered by the national Government have been found to be nationally significant and need to be protected in perpetuity as well as congressionally designated National Park sites.

Having inherited such wonders, we can do no less than pass them on to our descendants in the best condition possible. But today these special places are at risk, threatened by human-caused and natural forces. Numerous articles and studies report the threats, stress, strains, and degradation on our national parks and landmarks. Such problems and transboundary.

Threats to these resources originate both inside and outside parks and landmarks. Some dramatic threats are easily recognized. But other threats, whose impacts are often even more serious, are subtle and insidious. Our responsibility extends to all these special resources, and against all such threats.

As part of my effort to reform the National Park Service, I am introducing "The National Park and Landmark Conservation Act." It will help ensure that these resources and the threats they face are responded to in a manner and way that is both thoughtful and effective. Over 75 years ago when the National Park Service was established, park managers sincerely believed that they could ensure that national park resources would remain unimpaired by carefully managing actions within park boundaries. Today we know that national parks and landmarks are embedded in their larger ecosystems, and in their larger societal contexts. They are affected by forces from near and far. Today we realize that the forces endangering our national parks and landmarks are both more powerful and complicated than had been suspected. There is every reason to believe that such threats to our heritage will only become more complex as we learn more about them. Some threats are completely beyond our human control. But many other threats are very much within our power to counter. Public policy should strongly encourage communities and individuals around parks and landmarks to cooperate in their protection from careless, uncontrolled and adverse development. The law and public policy emanating from our Nation should direct other national agencies to coordinate with national parks and landmarks so that national dollars aren't simultaneously spent to save parks and landmarks, while other spending adversely impacts such special resources. National policy can provide mechanisms to deal with emergency situations so that we can avoid the crisis we encountered 3 years ago when the Manassas National Battlefield Park was under threat of a suburban shopping mall.

For this reason, I ask Members of join me in providing a renewed, thoughtful, and sensible framework for national park and landmark protection. The legislation is premised on cooperation rather than confrontation. This approach to national park and landmark protection combines a through knowledge of these

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special places and their needs, with careful management and cooperative efforts to prevent crises, and to provide emergency tools for those times crises cannot be prevented.

We need the political will to act on our deep concerns for our natural and cultural heritage as embodied within our national parks and landmarks.

Today I am introducing comprehensive legislation that furthers the protection of these resources so that the fundamental goals and objectives of their designation, their use, and their enjoyment might be optimized in perpetuity. My legislation has five simple principles.

First, we must ensure that the National Park Service can manage the resources in its care in the most professional way possible. My legislation includes the Presidential appointment of a professional Director of the National Park Service with Senate conformation and with clear authority over the organization. The National Park Service should never again lend itself to service as a political pincushion. Neither the National Park Service or its personnel should be politically manipulated.

Second, we need to understand the conditions and needs of national parks and landmarks as accurately and fully as possible so that wise protection decisions can be made. The measure directs the National Park Service to maintain a dynamic research and data program concerning the condition of our national parks and landmarks and to use these insights to make appropriate management decisions.

Third, we need to establish cooperative mechanisms among national parks and landmarks and those organizations, individuals, and governmental entities that can be partners in their protection and public enjoyment. We must craft partnership with those who interact with national parks and landmarks, so that those who live near parks and landmarks and those held responsible for their management can jointly preserve and enjoy these resources.

Fourth, we must craft tools to handle emergencies when they arise. Once a bulldozer has scraped away archaeological resources or a species is extinct it is too late. The Congress cannot create natural or cultural resources. We can only designate—and when we do it must carry with it the inherent tools for the National Park Service to effectively discharge its stewardship duties. These are irreplaceable nationally significant resources and there are rare times when action to save them must be quick and effective.

FIfth, there should be consistency in Federal actions: common sense would dictate that national or State government agencies or their programs should not damage the national parks and landmarks that the National Park Service is entrusted by law to protect.

This legislation does not create buffer zones, impose draconian policies, or otherwise force a heavy governmental hand on areas near parks and landmarks. It recognizes that the preservation and interpretation of these special places is best a stewardship effort shared by all of us—a task of conscious cooperation, collaboration, and comity.

The National Park and Landmark Conservation Act includes all the units of the National Park System as well as all the national landmarks, places that have been designated for their national significance and physical integrity. These resources are irreplaceable. They contain some of the most precious treasures of America. They deserve our full care and attention. They are a natural and cultural legacy given to us by those who came before us; we are temporary guardians of that heritage for future generations of Americans. Seventy-six years ago people with great vision established the National Park Service. Over 100 years ago we began to set aside these special places. The preservation and conservation of our natural and cultural resources—America's crown jewels—is recognized as one of the best ideas our Nation ever had. Let's build upon that heritage and not allow it to be despoiled or decay. We all benefit from the early visionaries that preserved this heritage for us today. This legislation is intended to maintain the essence of such vision so that future generations, too, will be able to fully benefit from our national parks and landmarks—their American heritage legacy. By instituting these reforms today we will help ensure that inheritance for tomorrow.

AMERICAN HERITAGE PARTNERSHIP PROGRAM

Finally, I am introducing legislation to establish a heritage partnership program to reserve recreational, cultural, historic, and natural resources. Our Nation contains many geographically and thematically unified areas, which include significant resources worthy of preservation and conservation. In many cases, these areas are connected by greenways, trails, or natural corridors which could be the focus of innovative recreational management ideas. While such areas are important nationally, they may not meet the criteria for inclusion as units of the National Park Service, and may best be managed in a true Federal partnership with State and local governments and private entities.

In fact, the strong State, local, and private support these areas receive, and their diverse resources, indicate that national involvement, while welcome and necessary, should be limited. The professional expertise of the National Park Service can be useful in identifying and providing assistance for defining, establishing, and managing these important areas. However, the diversity of their resources, the ownership patterns, and the variety of uses and activities taking place, suggest that a true Federal partnership, wherein the national Government provides recognition and limited financial and technical assistance, and other entities through the State and local government manage and fund the largest share of the necessary preservation and interpretation, is the most appropriate method of preserving these areas.

Proposals for heritage areas or corridors have significantly increased in the past several years. Affiliated with the National Park Service, there are currently four such areas which have been recognized and funded with various levels of success. Budgetary reality suggests that limited funds will be available to accommodate existing units of the National Park System, and less will be available for establishing new national park units or proposed heritage corridor areas outlined in this proposal. This American heritage areas program would extend national preservation efforts in a new cost effective manner and would assure that new heritage areas or corridors will have been properly reviewed.

My proposal establishes an American heritage area partnership program within the Department of the Interior. Under this program, States would nominate areas eligible for inclusion in the program. Based upon a preliminary survey and determination by the Secretary that such an area is suitable, the nomination would require the approval of Congress. Upon AHACP designation, the Secretary would enter into a binding cooperative agreement with the State or its assigns to clarify respective State and Federal responsibilities for implementing a management plan for the area.

American heritage areas must include resources with demonstrated national importance, and a variety of natural, recreational, historic, and cultural resources and themes, and may be connected by natural corridors, greenways, or trails. The Secretary's approval must be based on these criteria and a demonstrated commitment by the State, local, and private organizations involved to operate and maintain the area on a long-term basis and to provide appropriate regulatory assistance in preserving the area. The area must be worth recognizing and preserving, and public and private entities involved must be willing to use such tools as zoning laws, alternative funding sources, and tax incentives to assure the restoration and preservation of resources within the area.

To participate in a cooperative agreement, the States and localities must provide assurances that such agreement will be implemented and followed, and must take such regulatory and financial actions to provide for the operation and maintenance of the resources. Federal funding of individual projects within the area would be contingent upon a 50 percent match and an agreement that changes in the project funding would require the Secretary's approval.

The American heritage area partnership program would be funded through the historic preservation fund. No new funding authorization would be required; this would merely authorize an additional purpose for existing available funds. The Federal contribution would be limited to $300,000 for each area for planning and technical assistance, and $3 million for capital improvements.

Mr. Speaker, Americans are increasingly interested in conserving and preserving natural areas and cultural symbols. There is also an increased understanding that resource preservation and economic viability are not mutually exclusive but compatible and mutually enhancing. Obviously, the national Government can neither own nor manage each property or area worthy of preservation. In these active communities containing a variety of resources, multiple management, and funding sources would be the most appropriate method of preserving and interpreting the nationally important resources and themes. The legislation I am introducing today provides national encouragement for protecting these assets without instituting a massive new Federal bureaucracy or providing significant Federal funding. The National Government will neither own nor manage the majority of resources assembled in these areas. These are dynamic, thriving communities, which with the assistance of the

National Park Service will maintain an appropriate balance between preservation and growth. I urge my colleagues to join me in this fiscally responsible resources protection initiative.

REMARKS ON PALAU COMPACT APPROVAL

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. UNDERWOOD. Mr. Speaker, in a plebiscite on November 9 the citizens of the Republic of Palau voted by an overwhelming margin of 68 to 32 percent to approve the Compact of Free Association between the Republic of Palau and the United States.

I congratulate the Republic of Palau on this historic vote. With the implementation of the compact, the United States terminates its trust relationship and fulfills its responsibility to grant self-determination and self-government to the Trust Territory of the Pacific Islands.

The people of Guam share the immense pride of the people of Palau on this historic occasion. As neighbors, we share their dream of a better world for their children, we share their confidence in the future, and we share their hope in the new Pacific era.

We also join the people of Palau in affirming the values stated eloquently in the Preamble of the Palau Constitution:

We renew our dedication to preserve and enhance our traditional heritage, our national identity and our respect for peace, freedom, and justice for all mankind. We venture into the future with full reliance on our own efforts and the divine guidance of Almighty God.

STATEHOOD

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. CLAY. Mr. Speaker, I wrote these remarks more than 15 years ago and it is sad to think that they are still relevant today. I recall Dr. Martin Luther King, as he sought civil rights for black Americans, rhetorically posing the question—how long, how long must we wait before enjoying the fruits of full citizenship? This plaintive cry has not been answered especially for the citizens of our Nation's Capital.

On December 20, 1977, I wrote the following as my weekly column:

Washington, D.C., a city of over 800,000 mostly federal workers, mostly black, stands out as a prime example of why many foreigners take America's boast of representative government as a farce. The District of Columbia, supposedly the citadel of the greatest representative democracy in the history of the world has no representatives in the affairs of the body that directly impacts their lives. They have been denied the fundamental right of electing members of Congress and have little control of the decisions in local matters. There are more permanent residents in D.C. than in 10 of our states (note: now reduced to three). Yet these residents do not have one voting member in either House of Congress.

The people of D.C. are citizens in every aspect of the word. They are required to pay the same federal taxes as others. They must fight to defend this country. They must obey the laws of the land. However, the law which says that every citizen is entitled to be represented is totally ignored in their case. What a mockery. What justification can be advanced to continue this flagrant kind of colonialism just blocks from the White House?

The ten states in the union which have populations smaller than that of the District have a combined total of 34 votes in Congress. Certainly no intelligent person would suggest that the citizens of Delaware, Montana or Alaska have made more significant contributions to the development or defense of this country than those in the District. Surely they would not argue that somehow the citizens of those ten states were destined by divine providence to enjoy constitutional rights while the residents of D.C. were not. It is absurd to even suggest such.

So why don't we get on with the urgent business at hand? Why is it taking Congress so long to pass a constitutional amendment which would give the District of Columbia proportionate representation? I think the reason is apparent but I hesitate to state it publicly for fear the anti-busing, anti-affirmative action, anti-open housing clique would accuse me of racism.

Now, Mr. Speaker, 16 years later I ask as did Dr. King, "how long, how long?"

UNIVERSAL HEALTH CARE FOR OREGONIANS ACT OF 1993

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. WYDEN. Mr. Speaker, over the past several years, as the Federal Government has failed repeatedly to come to agreement on a package of national health reforms, States have taken the undisputed leadership role in devising strategies to expand access to health insurance and contain the growth of health costs.

The States have been widely praised for this pioneering work by Members of Congress on both sides of the aisle. Both current and previous administrations have hailed these ground breaking States as laboratories of democracy. And there is good reason for such enthusiasm. Over the years, many of our most cherished Federal institutions got their start in State programs, including Social Security, Medicaid, and child labor laws. More recently, the health care reforms that began two decades ago in New Jersey paved the way of the Medicare hospital reimbursement system reforms of 1982.

Now there is an unprecedented opportunity for achieving health reform on a national scale. Last Saturday, November 20, the majority leader introduced President Clinton's Health Security Act, H.R. 3600, to begin formal consideration of national health reform in Congress. I believe that this legislation has many positive features and the President and the First Lady deserve a great deal of credit for all their efforts. But enactment of the President's bill will not mean the States will suddenly become less important to health care reform. In fact, if H.R. 3600 is enacted promptly into law, the new system it ushers in will be one built on a rapid expansion of State health reform activities, not a sudden shift to Federal control.

Under these circumstances, the worst thing Congress could do is create uncertainty that undermines State action toward achieving universal health insurance coverage. Congress needs to send a message to States that they will be able to continue with their reform efforts, but within the context of a national system. I believe Congress must also prepare for the possibility that the defenders of the status quo will try to stall the enactment of comprehensive health reform, or that its provisions may be amended to provide for a protracted phase-in of universal coverage.

No matter what happens, the wisest course for Congress to take would be to reward State innovation in health reform, and firmly reject proposals that would reverse or punish States for their innovation in extending health insurance to the uninsured.

In my home State of Oregon, the Oregon Health Plan will begin to provide a solid package of essential health benefits to 120,000 uninsured low income persons in just 3 months' time. Another 303,000 uninsured workers will be covered through the State's "play or pay" employer mandate many months before the Health Security Act can be fully implemented—even if there are no further delays in the enactment or phasing-in of that Federal legislation.

Oregon is not alone. Millions of uninsured Americans living in diverse States, including Washington, Florida, Maryland, Minnesota, Tennessee, Vermont, Ohio, and California, will benefit from State health reforms before national health reform can be put into place. These vulnerable citizens need our help to assure, first, that they receive health insurance coverage as quickly as possible, and second, an orderly transition from State health reform to national health reform.

Unfortunately, Federal law is smothering many of the State health reform programs that would help the uninsured pay for health care they and their families require.

While the Clinton administration has made good its commitment to grant waivers to innovative State Medicaid programs, there is no legal process for a State to obtain a waiver from section 514(a) of the Employee Retirement Income Security Act of 1974 [ERISA], which preempts State authority to regulate or tax certain employee health benefit plans.

This is no small technical problem. Courts have held repeatedly that the broadly-worded ERISA preemption provisions prohibit any State reforms which relate to self-insured group health plans. Far from receiving the careful congressional consideration appropriate to such a sweeping Federal claim over State consumer and worker protection authority, these provisions were drafted hastily toward the end of ERISA's consideration in Congress. ERISA's overbroad Federal preemption language was possible in part because it was enacted at a time when health costs were

much more manageable for business, labor, and States, and when State health reforms were rarely enacted into law.

But today, more than half of the U.S. work force is employed by employers who are beyond the reach of even the most enlightened State health reforms, as a result of the sweeping preemption provisions of ERISA. Today, according to reports and testimony from the General Accounting Office [GAO/HRD–92–70], this ERISA preemption is a major hurdle that will be impossible for States to overcome unless Congress provides for selective ERISA exemptions for appropriate States.

Mr. Speaker, I would ask permission to include in the RECORD the executive summary of GAO's findings at the conclusion of my remarks.

In putting together this legislation to grant the State of Oregon a limited exemption from ERISA's preemption clause, I have sought to reach a balance among the interests involved in this debate. For example, I understand that any ERISA exemptions for States must be granted within the context of expected national health reform. In this bill, therefore, the State of Oregon would eventually be brought into the national health system likely to be enacted by this Congress, but Oregon would be allowed to come into the new system after it is fully established. In this way, I believe Congress can recognize and reward the State of Oregon for the substantial investment made by the State and its citizens in establishing its own system for covering the uninsured.

In addition, this bill and the Oregon Health Plan itself are careful not to jeopardize the self-insured employer health plans responsible for insuring so many Oregonians. While the ERISA exemption is critical to achieving universal coverage under the Oregon Health Plan, self-insured health plans in Oregon would feel little impact as a result of the full implementation of the Oregon Health Plan, because the State has adopted a "play or pay" approach. Self-insured health plans are already "playing" in the health care market, and would face no new obligation to "pay."

I wanted to take fully into account the concerns of these employers about future legislation, however, so my bill provides for equitable treatment of employers in the event that the State were to consider levying some form of assessment on employer based health plans at some point in the future, as a means of achieving universal health insurance coverage. Specifically, the ERISA exemption granted by this bill would require that any such assessment or tax be broadly based, and would prohibit any discriminatory assessment on employer health plans.

This provision is intended to prevent State tax levies from being imposed on too narrow a base. If States were to finance their health reforms solely through taxes on the ERISA plans, these taxes would rapidly become too burdensome on employers that already carry not only the burden of providing health insurance to their own employees, but also pay their competitors' employees' health costs through cost-shifting. This is precisely the circumstances that caused the demise of the long-established New Jersey system, and I can see no reason to duplicate that in Oregon.

No legislation is perfect upon introduction, and this bill, seeking to address a profoundly complex problem as it does, is certainly no exception. I offer this legislation to my colleagues and to States and organizations representing employers and employees in the hope that they will analyze and comment on it, and help me to perfect it over the months during and following the sine die adjournment.

Mr. Speaker, I thank my colleagues for their attention.

EXECUTIVE SUMMARY

PURPOSE

Providing health care to every American has become one of the most serious problems facing the nation. The number of individuals without—or with inadequate—health insurance is increasing, while the cost of providing care is growing. Chairmen John Dingell and Ron Wyden asked GAO to report on state initiatives to address the problems of access and affordability in the health care system and federal barriers that limit state options to achieve universal access to health care.

BACKGROUND

State governments have a major stake in financing and providing health care. States are concerned about the growing proportion of their budgets devoted to health—they already spend an average of 20 percent of their total budgets on health-related programs. Yet in some states, almost one-quarter of the population is uninsured.

In responding to the health care crisis, states are constrained by their budgetary problems. In addition, state reforms must comply with federal laws and regulations. The Employee Retirement Income Security Act of 1974 (ERISA) preempts state authority to regulate self-insured employer health plans. While ERISA primarily reacted to problems dealing with the solvency of employer-sponsored pension plans, its impact on employer-provided health benefits has grown as more firms have self-insured for health benefits. Over half of U.S. workers are employed in firms that self-insure, and states cannot require such employers to provide a specific health plan or pay state-imposed premium taxes. In addition, if a state wants to integrate the Medicaid program with a state plan, it needs federal permission to do so.

RESULTS IN BRIEF

States have taken a leadership role in devising strategies to expand access to health insurance and contain the growth of health costs. One hurdle that is difficult for states to overcome, however, is the restrictions imposed by ERISA's preemption clause. This clause effectively prevents states from exercising control over all employer-provided insurance. Hawaii, in part because its law requiring employers to provide health insurance took effect before ERISA war enacted, is the only state with an exemption. Even its exemption, however, has frozen the Hawaiian law in its original form, preventing state officials from making the improvements they would like to make.

Other states that have tried to move toward coverage of all their citizens have had to work within ERISA's constraints. One strategy, used by Massachusetts and Oregon, has been to create "play-or-pay" systems that rely on the State's power to tax. Employers are required to pay a tax to help finance state-brokered insurance; if they provide health insurance to employees, they generally receive a credit for the amount they spend on coverage. These laws, however, are expected to face legal challenges based on ERISA, and the outcome is uncertain.

Some state incentives have been more narrowly focused, creating programs to assist specific groups, such as low-income children and adults. These have successfully extended coverage to some residents, but state budgetary constraints have limited the programs to serving a small fraction of the uninsured population.

State efforts to help the medically uninsurable and small business employees gain access to coverage through the private health insurance market have also achieved modest results. In addition, while most States have concentrated on expanding access, a few have implemented payment reforms to control medical inflation and reduce administrative costs. Maryland, for example, has lowered cost growth through its hospital rate-regulation system.

GAO'S ANALYSIS

Hawaii approaches universal access with help of ERISA exemption

In some States, debate no longer centers on whether to set a goal of ensuring universal access to health care coverage, but on how to achieve it. Hawaii was the first state to try to extend coverage to all its residents, and its uninsured rate is the lowest of all the states. The principal tool that has allowed Hawaii to approach universal access is its 1974 law requiring employers to provide health insurance for full-time workers. Hawaii is able to enforce this requirement because its 1974 law is statutorily exempt from the ERISA preemption provisions. State requirements that virtually all employers provide insurance and that insurers cover all employees reduce uncompensated care and cost shifting. Most residents not covered by employers or Medicaid are eligible for a State-subsidized insurance program with less extensive benefits. Hawaii officials would like to refine their system, but the ERISA exemption precludes the state from modifying its existing employer-mandate law.

Massachusetts faces delays and obstacles

States adopting universal access plans more recently did not have Hawaii's option of requiring employer-provided insurance and had to devise other approaches. When Massachusetts enacted its package of reforms in 1988, it designed a play-or-pay provision that requires employers to pay a tax to a state-brokered health insurance fund. Employers that provide health insurance to employees may generally deduct their costs for providing the insurance from the required contribution. Although the play-or-pay system was specifically designed to be compatible with the requirements of ERISA, state officials are not sure whether it would withstand a legal challenge. Implementation of the play-or-pay requirement has been delayed until 1995. Programs targeted to specific uninsured groups—such as unemployed workers and disabled people—have been implemented and made some progress in expanding access to insurance, but tight budgets limit their effectiveness.

Oregon's comprehensive approach requires Federal waivers

Oregon, too, when exacting a comprehensive package of initiatives in 1989, chose a play-or-pay mechanism in the hope of avoiding an ERISA problem. Its requirement will go into effect in 1995, unless private market reforms are successful in reducing the uninsured population. One of the state initiatives is a Medicaid expansion that extends Medicaid benefits to all residents with incomes below the poverty level, including those who would not normally qualify for federal funds. Certain health services in the current benefits package would no longer be covered. The

Medicaid expansion requires a number of waivers from the federal government, and implementation of the play-or-pay requirement cannot proceed unless the state obtains the waivers needed to carry out the Medicaid plan. A decision on the waiver request is expected in June 1992.

New reform efforts in Minnesota, Florida, and Vermont

Proposals to achieve universal access continue to be developed in the states. Recently, Minnesota, Florida, and Vermont enacted comprehensive reform packages. Minnesota's initiative includes a provider tax to finance subsidized health insurance for low-income uninsured residents and measures to contain costs. Minnesota and Florida may seek ERISA exemptions to give them more flexibility.

Programs for low-income populations expand access incrementally

Instead of adopting comprehensive plans, some states have opted for programs targeted to specific uninsured groups, such as children. One in five American children lives in poverty, and one-third of poor children lack health insurance. Several states have created programs to assist these children. Access for low-income children is expanded through state-subsidized private health insurance, such as Minnesota's Children's Health Plan, or expanded Medicaid eligibility, such as Vermont's Dr. Dynasaur program. Both approaches successfully expanded access to some uninsured children, but there remain many uninsured children in both states who do not qualify for assistance.

Low-income adults, many of whom fall into the category of the working poor, are another population states have targeted with insurance and Medicaid expansion initiatives. Washington's Basic Health Plan (BHP) provides subsidized health insurance, and the Maine Health Program expands Medicaid eligibility. Budget constraints limit the extent to which these programs reach the target population: BHP enrolls fewer than 20,000 of the estimated 450,000 eligible, and Maine's programs have never covered more than 11,400 of its 113,000 uninsured.

States try to expand access to private insurance

Most states have also adopted measures to make it easier for people with high-cost health conditions and small business owners and employees to obtain affordable health insurance in the private market. Almost half the states have created high-risk pools to make insurance available to the medically uninsurable—people who cannot obtain conventional insurance because of their medical conditions—and to spread the risk of covering them among all insurers in the state. The funding base for the pools is limited because, as a result of ERISA constraints, the insurance assessments that supplement individual premiums do not apply to self-insured companies.

To address problems in the small business insurance market, states have adopted a broad range of initiatives, including subsidies and regulatory reforms, that attempt to make insurance more affordable and accessible. Thus far, most of these efforts have had only a modest effect on the number of small firms newly offering health insurance to their employees.[1]

[1] For a more detailed discussion of state efforts to modify the health insurance market for small businesses, see Access to Health Insurance: State Efforts to Assist Small Businesses (GAO/HRD-92-90, May 1992).

Payment reform helps control costs

While most states have focused their attention on expanding access to coverage, some have made efforts to control increasing costs. Through changes in methods for reimbursing providers, these states attempt to limit the health care system's cost growth and administrative burden. Since 1972, Maryland has operated a hospital rate-setting system that provides for nearly uniform payments by all insurers. During this period, Maryland hospital costs per admission fell from 25 percent above the national average to 10 percent below.

In an attempt to reduce administrative costs, New York State is now implementing a system to coordinate health care billing and payment procedures. The Single Payer Demonstration Project is expected to reduce claims-processing costs for participating hospitals.

MATTERS FOR CONGRESSIONAL CONSIDERATION

States are hampered by the ERISA preemption provision, which makes it difficult to design and implement innovative health care reforms. If the Congress wants to give states more flexibility to develop comprehensive reforms, it should consider whether to amend ERISA so that the Department of Labor can give states a limited waiver from ERISA's preemption clause in order to develop innovative approaches to employer-based health insurance. The Congress could define minimum standards—governing such factors as benefits packages, extent of coverage, and terms under which the waiver might be revoked—that a state must meet to receive and maintain such a waiver.

AGENCY COMMENTS

As requested, GAO did not obtain written agency comments on this report. GAO discussed the report with Department of Labor officials, who did not agree with our suggestion that the Congress consider amending ERISA to give states greater flexibility in developing comprehensive health care reforms. They believe that it is important (1) to maintain a voluntary approach to employee benefits and (2) to preserve the ability of employee benefit plans to serve employees in many jurisdictions without becoming subject to differing state laws. Because the comprehensive reform efforts of states are a response to perceived shortcomings in the voluntary system, GAO continues to believe that the Congress should consider giving states more flexibility.

THE REASONS WHY MANY IN OUR SOCIETY OPPOSE NAFTA

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. FRANK of Massachusetts. Mr. Speaker, at the height of the debate over NAFTA, the New Bedford Standard Times ran an extremely thoughtful piece expressing the reasons why many in our society oppose NAFTA as vigorously as they did. One fact which was underlined during this debate was the extent to which class divisions remain in our society, and to which people in different social and economic classes fail to understand each others real needs and fears. This editorial by the Standard Times is an articulate, thoughtful and rational discussion of the concerns that many anti-NAFTA opponents have, and it is presented in the way in which fundamental policy debates ought to be conducted: forcefully, but in a manner respectful of the opposition. Because I think it does make an extraordinarily useful contribution to a debate that has not ended with NAFTA, but will continue over the next few years until we resolve the underlying issues, I ask that this editorial be printed here.

TRADE PACT DEBATE OPENS NEW TERRITORY FOR AMERICAN POLITICS

Politics in America may never be the same after the debate over the North American Free Trade Agreement. Weeks of intense arguing forced into the open some issues that economists knew were out there, and many people at the local level in "Rust Belt" cities have been dealing with for years.

But the NAFTA debate was more than talk, more than speculation. People had to sort out their priorities and decide whether their old political allegiances made sense anymore. When Bill Clinton pushes for a trade deal forged by Republicans and backed by big business, he made a serious breach with organized labor—but not all of it. The service and government unions didn't get their backs up about NAFTA as much as the industrial and farm unions did. "Big Labor" will take some redefinition in the future, depending on the subject involved. And Democrats can't necessarily count on it.

Rep. Barney Frank noticed something significant about the NAFTA debate that others have sensed as well: That this is a class issue. For about a generation, people with relatively little education but a good work ethic and skilled hands could make a reliable, respectable living in American industry. Today, though, the American dream is slowly slipping away from them as the jobs disappear and any new growth appears in areas where better-educated people pursue careers in areas that the older, less-skilled group can't hope to match.

This is the problem facing such places as Greater New Bedford, as it tries to make the transition into a new world economy. What are we going to do with all the people who depended on the old one? Are they simply disposable?

NAFTA didn't address that problem, and so far neither does the Clinton administration, although as a candidate Bill Clinton made some noises in that direction. Labor Secretary Robert Reich expresses understanding of the problem, but offers little in the way of real hope. Commentators such as Russell Baker of The New York Times phrase it in dramatic ways, pointing with dismay to the ruins left behind when capitalism moves on. Some economists dryly insist that this is the way the world has always worked, that nothing is going to change it, and we might as well get used to it. Screenwriter Paddy Chayevsky's cynical monologues about capitalism in the 1974 movie "Network" are replayed today and ring truer than ever.

But this is The United States of America, not just any country. Are we helpless to help ourselves? Aren't we supposed to be a bit beyond the idea that we are carried wherever the currents take us? The natural currents of capitalism didn't accidentally build this great country, did they? Doesn't some of our fate rest in our own hands? And isn't NAFTA a conscious decision to row with the current, to accelerate the inevitable, to stand out of the way of what we cannot stop?

If that's the case, and we are making conscious decisions to discard the opportunities and the dreams of perhaps millions of Americans because others will profit even more in

the end, shouldn't this great country offer the economic outcasts anything more than a gold-plated watch and a map to the door?

When this newspaper looked closely at the economy of this area, we saw on a small scale many of the same issues that confront much of the nation. To their great credit, many creative, optimistic and intelligent people have rededicated themselves to building a new local economy. One of the jobs they will face is the plight of those who are being left behind as the old economy migrates. It's a perplexing problem with few clues to the answer.

But at least we're trying.

If President Clinton wants to keep his job in the next election, and if the two political parties want to maintain any credibility with a rightfully scared segment of the population, they had better get to work on breaking the fall for those who will pay the price for their world-conscious trade decisions. If doing so isn't the American way, we may begin to question the American way itself.

OPPOSING UNFAIR TOBACCO TAX

HON. THOMAS J. BARLOW III

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, November 22, 1993

Mr. BARLOW. Mr. Speaker, I am unalterably opposed to the exorbitant excise tax increases the administration has proposed on tobacco products. The cigarette tax will drastically reduce quotas and punish the farmers of western and southern Kentucky who have made their living growing burley tobacco since the State was first settled. The effect this tax will have on the rural communities in my district cannot be overstated. In Kentucky, pensioners pay their bills, students pay their tuition, and farmers pay their taxes with money earned through backbreaking labor on tobacco—the number one cash crop in my State. These communities would be devastated by the proposed cigarette tax.

The proposed taxes on smokeless tobacco products will be even more damaging. The proposal increases taxes on the two main smokeless products—chew and snuff—10,000 and 3,000 percent respectively. Mr. Speaker, I do not recall ever before having heard a proposal to increase any tax by 10,000 percent. It is unreasonable and unfair.

The dark tobacco used in smokeless products is grown predominantly in western Kentucky and Tennessee. The farmers of these counties are being asked to absorb reductions of 10 to 30 percent of their incomes as a result of these taxes. No farmer can absorb that kind of loss, and the towns and industries that rely on these farmers for revenue and business cannot either. Tobacco is the lifeblood of Kentucky agriculture and many of the communities of western and southern Kentucky. I support the hard-working tobacco farmers and workers of our country, and I will work hard to defeat these outrageous tax proposals.

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 23, 1993, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

DECEMBER 2

9:30 a.m.

Governmental Affairs

Regulation and Government Information Subcommittee

To hold hearings to examine the use of new technologies to improve Government service and reduce costs.

SD–342

DECEMBER 15

9:30 a.m.

Indian Affairs

To hold hearings on S. 1216, to resolve the 107th Meridian boundary dispute between the Crow Indian Tribe, the Northern Cheyenne Indian Tribe, and the United States and various other issues pertaining to the Crow Indian Reservation.

SR–485

JANUARY 27

2:00 p.m.

Indian Affairs

To hold hearings on H.R. 734, to amend the Act entitled "An Act to provide for the extension of certain Federal benefits, services, and assistance to the Pascua Yaqui Indians of Arizona."

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