SENATE—*Thursday, February 18, 1993*

(Legislative day of Tuesday, January 5, 1993)

The Senate met at 8:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. BYRD].

The PRESIDENT pro tempore. Seeking wisdom and guidance from the Creator of life and life eternal, the Senate will be led in prayer by the Senate Chaplain, Rev. Dr. Richard C. Halverson.

Doctor Halverson.

PRAYER

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

Let us pray:

Almighty God, Your word declares, "* * * the powers that be are ordained of God." (Romans 13:1) Gathered on the Senate side of Capitol Hill are 100 of the most powerful people in the world. They are a chosen people. Not only have they chosen to be here; they have been chosen by the people, and they have been chosen by God.

Gracious Father, the magnitude of problems which converge upon this place and upon Your servants is imponderable. Tens of thousands of agendas meet here, and in the vortex of the storm are the Senators. Economic and social problems cry for attention, not to mention state and world affairs. Apart from divine intervention, their task is impossible.

Grant, dear Lord, midst this whirlwind of issues, that the Senators may recognize the availability of divine help and give them grace to call upon Thee.

In the name of Jesus, the way, the truth, and the life. Amen.

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the order previously entered, the leadership time will be reserved.

TRIBUTE TO THE SENATE CHAPLAIN—RICHARD C. HALVERSON

Mr. NICKLES. Mr. President, before we begin today, I wish to pay tribute to the Chaplain of the Senate, Dr. Halverson, for not only his prayer this morning, but also for his service to this body for the last 12-plus years. He really has been an inspiration, not only to myself, but I think to all Members of this body and to countless others throughout the country.

I compliment him for his service, for his leadership, and for his compassion. I thank him for his prayers and for his pastorship of this institution. He certainly has been a remarkable leader and an inspiration, I think, to all of us.

I thank him again for his prayer today. As most of my colleagues are aware, his health is not good. But he has shown great courage and great conviction and leadership.

I compliment him for his service to this body.

NATIONAL INSTITUTES OF HEALTH REVITALIZATION ACT OF 1993

The PRESIDENT pro tempore. Under the previous order, there will now be 30 minutes of debate on the two amendments to run concurrently with the time to be equally divided and controlled in the usual form.

The clerk will again report the bill.

The assistant legislative clerk read as follows:

A bill (S. 1) to amend the Public Health Service Act to revise and extend the programs of the National Institutes of Health, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Nickles Amendment No. 37, relating to the admission to the United States of aliens infected with the AIDS virus.

Kennedy Modified Amendment No. 38 (to Amendment No. 37), to provide that the current list of communicable diseases of public health significance remain in place for a 90-day period and to require that a careful review of potential costs to the United States health care system take place before any change in the list.

The PRESIDENT pro tempore. Under the previous order, the two amendments are withdrawn and must be reentered.

The NICKLES amendment No. 37 and KENNEDY modified amendment No. 38 to amendment No. 37 were withdrawn.

Mr. NICKLES addressed the Chair.

The PRESIDENT pro tempore. The Senator from Oklahoma.

AMENDMENT NO. 39

Mr. NICKLES. On behalf of myself and Senator Kennedy, we have amendments at the desk. I ask for their immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES], for himself, Mr. DOLE, Mrs. KASSEBAUM, Mr. HELMS, Mr. SHELBY, Mr. GRAMM, Mr. LOTT, Mr. COATS, Mr. MACK, Mr. CRAIG, Mr. BOND, Mr. COVERDELL, Mr. ROTH, Mr. MURKOWSKI, Mr. THURMOND, Mr. SMITH, Mr. SIMPSON, Mr. GREGG, and Mr. KEMPTHORNE, proposes an amendment numbered 39.

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

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

The amendment is as follows:

At the appropriate place, add the following:

SECTION 1. ADMISSION TO THE UNITED STATES OF ALIENS INFECTED WITH THE AIDS VIRUS.

(a) Notwithstanding any other provision of law, regulations or directives concerning the exclusion of aliens on health related grounds, infection with HIV, the human immunodeficiency virus, shall constitute a communicable disease of public health significance for purposes of section 212(a)(1)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(1)(A)(i)).

(b) REPORT REQUIRED—

The President shall submit a report by September 1, 1993 containing—

(1) an assessment of the anticipated costs of the admission to the United States of persons with HIV to public health care programs, including such costs as will be borne by States and municipalities, and private insurers and health care providers;

(2) an estimate of the number and origins of persons infected with HIV likely to seek entry into the United States before December 31, 2003;

(3) an assessment of the effectiveness of the Immigration and Nationality Act in preventing persons entering the United States likely to become a public charge, as well as the ability to enforce this Act with regard to persons infected with potentially costly health conditions including, but not limited to, HIV;

(4) the cost implications of refugees entering or likely to enter the United States, who carry the HIV virus; and

(5) a comparison of the anticipated public and private health care costs associated with aliens infected with HIV with the costs attributable to the entry of aliens suffering from other health conditions.

(c) HIV TESTING—

Except as otherwise provided in subsection (d) the Attorney General, in consultation with the Secretary of HHS, shall provide for the testing of aliens for infection with HIV in accordance with the policy in effect on January 1, 1993.

(d) WAIVER AUTHORITY—

Subsection (c) may be waived by the Attorney General, in consultation with the Secretary of HHS for non-immigrants who, except for the provisions of this act, would be admissible to the United States, and who seek admission for 30 days or less for the purpose of:

(1) attending educational or medical conferences;

(2) receiving medical treatment;

(3) visiting close family members;

(4) conducting temporary business activities; or

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

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(5) visiting for pleasure (tourism);

and in addition such non-immigrants may be admitted without questions as to whether they are carriers of the HIV virus, at the discretion of the Attorney General.

(e) RULE OF CONSTRUCTION—

Nothing in this section shall be construed to limit the authority of the Secretary of HHS to prescribe regulations concerning communicable diseases of public health significance, other than infection with the human immunodeficiency virus in accordance with section 212(a)(1)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(1)(A)(i)).

AMENDMENT NO. 40

(Purpose: To provide that the current list of communicable diseases of public health significance remain in place for a 90-day period and to require that a careful review of potential costs to the United States health care system take place before any change in the list)

The PRESIDENT pro tempore. The clerk will report the second amendment.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] proposes an amendment numbered 40.

Mr. NICKLES. Mr. President, I ask that further reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place in the bill, insert the following:

SEC. . STUDY OF THE COST IMPLICATIONS OF ALTERING THE PUBLIC HEALTH EXCLUSION LIST.

(a) RETENTION OF EXCLUSION.—The current list of communicable diseases of public health significance as in effect on February 17, 1993, shall remain in effect for a period of at least 90 days after the date of enactment of this Act for purposes of section 212(a)(1)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(1)(A)(i)).

(b) REPORT REQUIRED.—If the Secretary of Health and Human Services alters the list described in subsection (a) after the expiration of the 90-day period described in that subsection, then the Secretary shall submit to Congress a report containing—

(1) an assessment of—

(A) the anticipated effect of such action on costs to United States public health care programs and entities, as well as to those operated by States and municipalities; and

(B) the anticipated costs to private insurance and health care providers of such action;

(2) any findings regarding current immigration law submitted by the Attorney General under subsection (c);

(3) a comparison of the anticipated health care costs associated with immigrants infected with HIV with the costs attributable to the entry of immigrants suffering from other serious health conditions which significantly impair the individual's ability to earn a living; and

(4) an estimate of the costs associated with retention of the list described in subsection (a).

(c) STUDY AND REPORT.—(1) The Attorney General shall conduct a study of the following:

(A) The effectiveness of current provisions of the Immigration and Nationality Act in guarding against entry into the United States of persons likely to become a public charge and in deporting, during a 5-year period after such entry, those immigrants who do become public charges.

(B) The ability of the Immigration and Naturalization Service to apply and enforce such Act with regard to immigrants infected with potentially costly health conditions including, but not limited to, HIV.

(2) The Attorney General shall submit to the President, the Secretary of Health and Human Services, and the Congress a report setting forth the findings of the study conducted under paragraph (1) and including such recommendations as the Attorney General determines may be necessary for revision of current immigration law to ensure that immigrants with costly health conditions who are likely to become public charges will be excluded.

Mr. NICKLES. Mr. President, we actually have two amendments pending, and we will vote on both. I thank Senator KENNEDY for arranging it so that we have up or down votes on both amendments.

The amendment that I offered yesterday and resubmitted this morning is offered on behalf of myself and Senator KASSEBAUM, Senator DOLE, Senator HELMS, and countless other Senators that I will name in just a moment.

Those are Senators SIMPSON, GRAMM, LOTT, THURMOND, SHELBY, COATS, MACK, CRAIG, BOND, ROTH, MURKOWSKI, COVERDELL, GREGG, and KEMPTHORNE.

Mr. President, the amendment that we offer this morning would prohibit permanent admission into this country of immigrants that are infected with the AIDS virus. We do this not because we want to. We do it because the administration has proposed changing the policy that basically has been in effect since 1987.

I am afraid that this change in policy is a very serious mistake that would cost lives. It is not all the time, in many of the issues that we debate on the floor of the Senate, that we are actually talking about a life and death issue. But there is no question that if we change this policy and we allow immigrants to come into the country that are HIV positive, if they do not change their social behavior, they will infect others and those others will die.

This is a deadly disease. It is a communicable disease. It is spread by sexual contact. It is spread by IV drug users. Those are facts. Frankly, if they come into this country, and they do not change their behavior, it will cost lives. It will also cost dollars, big dollars, because the cost of the programs are exploding. The cost of Medicaid—I mentioned this to the chairman of the Appropriations Committee, and he can recite more figures than almost anybody—but Medicaid alone, last year, compounded at 29 percent. The year before, it was 28 percent. The year before that, it was 18.8 percent. It is an exploding program. If we allow many others to come into this country that are HIV positive, they will ultimately, in many cases, end up on the rolls of Medicaid.

As a matter of fact, all refugees are Medicaid eligible. So if we allow not just the 217 Haitians that are HIV positive that are waiting to come into the country to come, but if we allow others, that will also add to an already overburdened, overtaxed, and overwhelmed health care system, which President Clinton addressed last night. He said we need to contain the cost. I will promise you, if we change this policy and allow countless HIV positive people to immigrate to this country, that health care costs will move higher and higher.

As to the cost per individual, I have estimates ranging from $100,000 to $200,000 to $250,000. It is enormous, and it is growing.

So I mention this today. This amendment is not gay bashing. This amendment is about trying to protect the health of Americans. We now restrict foodstuffs coming into this country that might be diseased. We do not even allow fruits and vegetables to come in from other countries because we think they might be diseased, or carry an insect.

Let us protect American health and lives, and let us protect the taxpayers.

I reserve the remainder of my time.

Mr. KENNEDY. Mr. President, I yield 4 minutes to the Senator from California.

The PRESIDENT pro tempore. The Senator from California is recognized for 2 minutes.

Mrs. FEINSTEIN. Thank you very much, Mr. President.

Mr. President, I rise in opposition to the Nickles amendment and in support of the Kennedy second-degree amendment.

Mr. President, I have always believed that public health decisions belong in the hands of public health officials. I concur with the position of the American Medical Association, the World Health Organization, the Centers for Disease Control, the American Public Health Association, the former Secretary of Health and Human Services, Louis W. Sullivan, and the current Secretary Donna Shalala, all of whom agree that there is no public health purpose served by the immigration exclusion of people who are HIV positive.

I also concur with the reasoning offered by the distinguished Senator from Massachusetts that public health decisions are best made by the officials charged with protecting the public health, not by the legislative branch of Government. And the policy which is now under debate should not, in my opinion, be statutory.

Mr. President, for too long, politics have dominated the discussion around the AIDS epidemic. And while the debate has gone on, the public health has often suffered and lives have been lost. It is time to end the debate, and get on

with the task at hand which, I maintain, is to protect the public health.

Mr. President, as a former mayor, I have some experience with this disease, and one thing I know for sure is that if you drive a disease like AIDS underground, you do not protect the public health, you endanger it. That is the position of virtually every public health official in the country. What is important is educating people with the real facts.

And the facts are, Mr. President, that hundreds of thousands of immigrants are permitted to enter this country, any of whom may suffer with terminal diseases, such as cancer or heart disease which cost just as much as AIDS to treat, but there is no discussion of those people becoming public charges. The facts are that the vast majority of the people subject to the exclusion under discussion qualify for immigrant status to be reunited with their families. And the facts are that most of the people who are subject to this exclusion are already in the country. If these people are driven underground, and not allowed to work or receive health insurance, they will not obtain the preventive health care they may need now. And eventually, they will very likely end up in the already overburdened emergency rooms of our county hospitals.

But let us be clear. Cost is not a factor in this debate. The law gives the Attorney General the authority to deport any immigrant, for up to 5 years, who becomes a public charge, and this authority exists irrespective of the immigrant's HIV status.

Mr. President, when I came to the U.S. Senate, I never believed that I would find myself, standing on the floor, debating a policy which would keep in existence a detention camp, where people, who would otherwise be free, are kept behind barbed wire, quarantined without adequate health care until they die, solely because they have an incurable disease, which is not casually transmitted. Mr. President, one of the darkest memories in my State's history is the memory of detention camps where innocent Americans of Japanese descent were interned during World War II, simply on the basis of their ethnic background.

Former Secretary Sullivan was right in communicating the opinion of the Centers for Disease Control to President Bush and recommending that this policy, which serves no public health benefit, be ended. And President Clinton is right to implement Secretary Sullivan's recommendation.

Mr. President, I hope that we can move beyond the fear, and deal with the facts around AIDS. Time is wasting. The virus which causes AIDS knows no boundaries. Our attention should be turned to the more than 1 million Americans who are already infected with HIV.

Apart from South Africa, the United States has been the only industrialized country to have such a ban, and this has caused us to be the subject of criticism around the world. It is time to join the family of nations and send a message to the world that discrimination against people with AIDS must not be tolerated.

The PRESIDENT pro tempore. The time has expired.

Mrs. FEINSTEIN. Thank you very much.

Mr. KENNEDY. Mr. President, I yield myself 5 minutes.

The PRESIDENT pro tempore. The Senator is recognized for up to 5 minutes.

Mr. KENNEDY. Mr. President, I just want to clarify for the record exactly what are facts and what are not facts in terms of this debate and this discussion.

Fact No. 1: On issues of public health and entry into the United States, since 1961 under Republicans and Democrats alike, the decision has rested with the Public Health Service, and wisely so. Wisely so. This ensures that the decision will be made on a solid scientific and public health basis.

Fact No. 2: In 1987 the Senate of the United States put HIV on the list of communicable diseases that permitted the Immigration Service and consular officers to exclude individuals from coming to the United States if they had HIV infection. Public Health Service doctors recommended it at that time.

Fact No. 3: In 1990, with the support of the Republican administration and Public Health Service doctors, many of whom are Republicans—and not members of any special interest group—we voted to return to what has been national policy since 1961. And why? Because it was in the interest of protecting the American people that these decisions be made on a scientific basis by the Secretary of Health. That is what we did in 1990 with bipartisan support.

Now, legitimate questions have been raised on the issue of the cost burden to local communities, to States, and to municipalities if we have this alternation or change. We believe that cost concerns are an issue that should be addressed and, therefore, in our amendment we have provided for a freeze of the current list for 90 days so that we can collect the various facts on this issue and on other issues affecting immigrants that may come to the United States.

There have been examples where children—members of the family—have been excluded because consular officers thought they would be public wards of local public health services that we should deal with.

We are prepared, however, to leave in place the existing law, the existing condition in terms of HIV, until we find out what the costs are going to be and what effect the Attorney General has had and continues to have in exercising the power he or she has to exclude those individuals that are determined likely to become a public charge. That power to exclude public charges is there for the Attorney General to use not only at the time of an immigrant's entry into the United States, but also can be used to deport those who become public charges at any time during the 5 years after they enter. We are prepared to study all of this and leave HIV on the list until we have the reports required under our amendment.

Now, I believe that that is a fair way to proceed.

What does not make a lot of sense, Mr. President, is for us to go out of this Chamber and believe that by passing the Nickles amendment we have really done something about HIV infection when we know that three-quarters of the immigrants that come here legally are already in the United States at the time they apply for immigration. Out of 700,000 immigrant visas issued each year, hundreds of thousands are for people who are already here. Many of those have contracted HIV while they have been here in the United States. We say to them, when they come to claim their visas that they are going to be deported. What are they going to do? What they are going to do is go underground without treatment or education and risk the public health of the American people.

Second, we have all of those who come here on visitors visas. If you believe that HIV is a health risk, then they endanger the public health of the American people every bit as much as immigrants. The 300,000 to 400,000 that comes here illegally endanger the public health, too.

What we are saying is let us have a program which the Public Health Service believes can be the most effective in protecting the American people. That is what we are basically supporting. Under our amendment, we are giving time to address the issues of cost and enforcement.

Finally, Mr. President, this authority to determine which medical conditions exclude immigrants was granted in 1990 at a time when we had a Republican President and we see very little reason to deny that possibility or authority at a time when we have a Democratic President. The fact of the matter is the Public Health Service is made up of professionals and they ought to be charged with defining what is in the public health interest.

Mr. President, for that reason and other reasons, I would hope that we would support the amendment which I have introduced along with the majority leader, and others, that will address the issue of cost and the public health and give this body the information needed for making judgments and deci-

sions on the basis of sound public health policy and not on ideology.

I reserve the remainder of my time.

The PRESIDENT pro tempore. The Senator from Oklahoma.

Mr. NICKLES. How much time do I have remaining?

The PRESIDENT pro tempore. The Senator has 7 minutes and 40 seconds.

Mr. NICKLES. Mr. President, just a couple of quick comments. In regards to Senator KENNEDY'S position on his amendment, his amendment calls for a 90-day delay in changing the policy. In that time we can have hearings or we can learn something about assessing the cost.

I agree we should assess the cost. Basically his amendment is just a 90-day postponement of President Clinton's change in policy.

He has already stated he is going to change this policy. His Secretary of Health and Human Services said we are going to change this policy without having the hearings. So it would postpone it, but it does not change it because the President has already said it is going to change.

I might tell my friend and colleague from Massachusetts that current policy says before people emigrate to this country they must have blood tests and they are not allowed in except under a waiver provision if they test positive for HIV. Under my proposal, that was also cosponsored by Senator KASSEBAUM—and we worked together in formulating this amendment—we allow a waiver so people can come to this country for health conferences, they can come to the country for medical treatment, or to visit family members, or to visit the country. They will not become permanent immigrants. So there is a big difference.

The amendment by Senator KENNEDY allows, basically, the Clinton administration to go forward with their policy regardless of what the facts are.

Let me just tell you a couple of facts. There are right now in this country over 1 million people who are HIV positive. They are going to die from this disease if they do not die from something else in the interim. It is a deadly disease. We do not have a cure for it. The difference, I might tell my friend and colleague from California, between this and cancer or this and heart disease, this is a communicable disease—it is spread. I do not know of a cancer that someone can give to somebody else, or a heart disease—I do not believe it is contagious. But this disease, if people have multiple sexual partners they are going to spread the disease. Or if they share needles they are going to spread the disease. They are going to kill people. This is a deadly disease.

That is the reason why our country for decades has had policies prohibiting people coming into this country carrying contagious infectious diseases.

That is the reason we agreed to this amendment in 1987. It made sense. We were trying to protect the health of the American people. That is what we are trying to do today.

So in the amendment I have offered that is cosponsored by countless Senators, Democrats and Republicans, it says yes, let us get the information. But let us not change the policy.

I will just tell my colleagues, if you have not been to your States, I had the opportunity last week to travel around my State and I had town meetings. I will tell you Americans will be outraged at this change in policy if it takes place. They are already bothered by the fact these deficits are so high, and President Clinton made a good speech last night talking about the need to get deficits down.

As the Presiding Officer in the Senate knows, deficits are exploding because entitlements are exploding and Medicaid is one entitlement program that is more than exploding. There was a 29 percent increase last year—those are the facts; 27 percent the year before; 18 percent the year before this. This is compounding at a rate that we cannot continue. If we change the policy as proposed under the Kennedy amendment or under President Clinton's proposed change, this figure can only grow because countless people will be coming into this country.

I might mention, somebody said we are just talking about a few hundred people per year who want to come into the United States who test HIV positive. If we change this policy, that figure will multiply many-fold.

Today we have blood tests before immigrants come into this country. If they test positive they come in, but on a short waiver, for a short period of time. If we change this policy we are going to have countless thousands of people who will want to emigrate to the United States, knowing we have quality health care and knowing we will take care of them. Uncle Sam will take care of them, the taxpayers will take care of them at enormous expense, in my opinion, to health care for countless thousands who do not have health insurance, countless people who are right now struggling to pay their health care bills. This will only overburden that system as well.

And maybe even more important than the cost side is the fact it threatens the health and safety of countless Americans. It might introduce the HIV-2 virus. This is a virus spreading through many underdeveloped countries today that is very prevalent in the heterosexual community. It is not really in the United States today. If that happens we will see the number of AIDS-infected people multiply significantly in this country. I hope and pray this will not happen.

Mr. President, I reserve the remainder of my time.

Mr. KENNEDY. Mr. President, how much time remains on each side?

The PRESIDENT pro tempore. The Senator from Massachusetts has 3½ minutes remaining.

Mr. KENNEDY. And how much remains on the other side?

The PRESIDENT pro tempore. Two minutes and 15 seconds remain to the opposition.

Mr. KENNEDY. I yield the remainder of the time to the majority leader.

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. MITCHELL. Mr. President, I rise as a cosponsor of the amendment. I would like, if I might, to correct what I believe to be an inadvertent mischaracterization of this amendment by the Senator from Oklahoma. He twice said, "If we change this policy as proposed by the pending Kennedy-Mitchell amendment." Mr. President, the explicit purpose and the words of this amendment are to prevent the change in the policy. It freezes the policy in place for a 90-day period. It does not change the policy.

It is the amendment of the Senator from Oklahoma that seeks to change the existing policy. That is what this amendment does. This amendment says let us not do anything for 90 days. Let us keep in place what exists.

At issue here is a list of diseases of public health significance used to deny immigrants and nonimmigrants visas. In the 1990 Immigration and Nationality Act, Congress gave responsibility to the Secretary of Health and Human Services to review and revise the list of diseases used as grounds to deny immigrant and nonimmigrant visas. The determination was, pursuant to that law, to be based on scientific principles and current medical knowledge—not on political considerations.

This Senate has had far too much in the past decade of political considerations dominating medical factors.

The 1990 conference report stated that the "exclusion would apply only to those diseases for which admission of aliens with such diseases would pose a public health risk to the United States." And that is the proper standard.

The department undertook a review of the diseases and determined that HIV and AIDS should not be on the list. Organizations such as the American Public Health Association, the Association of State and Territorial Health Officials, the American Red Cross, and 85 of the Nation's leading public health experts concur with that finding. The Senate should not undermine the authority it recently gave to the Secretary of Health and Human Services.

The cost of HIV-infected aliens has been raised as an argument against removing HIV infection from the list. We have seen the specter presented here by the table. Provisions in the act require applicants for visas to prove that they will not require public assistance or

become a "public charge." But the medical considerations portion of this provision have become even more stringent this year. In June of 1991, for example, the Public Health Service instructed physicians examining visa applicants to determine whether "the applicant is likely to require extensive medical care or institutionalization after arrival in the United States."

The Kennedy-Mitchell amendment addresses cost concerns, and at the same time leaves the public health decisions with the medical experts in the Department of Health and Human Services. The amendment prevents the administration from changing the list for 90 days.

The PRESIDENT pro tempore. The time of the majority leader has expired.

Mr. MITCHELL. Mr. President, I will use a portion of my leader time to complete my statement.

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

Mr. MITCHELL. It requires the Department of Health and Human Services and the Attorney General to review the cost to the health care system of changes to the list.

The Health and Human Services review would include the cost to U.S. public health programs and entities; the anticipated costs to private insurers and health care providers; and a comparison of the costs of HIV to other health conditions that immigrants may have.

The Attorney General would review the effectiveness of the public charge provisions of the Immigration Act and be required to make recommendations to ensure exclusion of immigrants that are likely to become public charges.

I repeat that: This amendment would require the Attorney General to make recommendations to ensure exclusion of immigrants likely to become public charges.

Mr. President, we have had over and over again in the past few years political considerations injected into the debate, the fear of 30-second ads being made: Oh, someone supports AIDS, someone supports certain types of sex practices. This is not what the Senate should be doing. This is a medical judgment. We have already given the authority to the Secretary of Health and Human Services. The medical community is in agreement on this, and we should stand by that earlier decision.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. WOFFORD). The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I would like to respond to the majority leader. I do see Senator KENNEDY's amendment as a change in policy. It may leave in effect the prohibition from immigrants coming in that are HIV positive for 90 days and then it says we are going to change it. The amendment may not say it, but President Clinton has said he is going to change it. Those are the facts. He is going to change the policy that we have had since 1987 that has prohibited permanent immigrants who are HIV positive from coming into this country. Senator KENNEDY's amendment would delay that for 90 days and have some studies, but then the change is going to happen.

The amendment that I am offering, along with Senator DOLE, Senator KASSEBAUM, Senator SHELBY, and many others, says no, we are going to keep the policy in effect that we have had for some time. We are not going to allow permanent immigrants to come into the country who are HIV positive, for a couple of reasons: Because it is an imminent threat to public health; because it is a communicable disease that will cost lives; because it will drive up the cost of health care.

My good friend, Senator MITCHELL, said we put in a provision that says the Attorney General can deny somebody access into a country if they are going to be a public charge. What about refugees? They are automatically eligible for Medicaid—automatically. The cost of Medicaid has exploded, as I have already shown. And yet they would just love to see this program grow even more and overburden an already overburdened health care system.

Mr. President, if we make this change, if the Kennedy amendment is adopted and if the Nickles amendment is not adopted, and President Clinton goes forward with his change in policy, Americans will lose their lives. This is a deadly disease. When somebody says this is political if it is political, it is because President Clinton made it political by making speeches in San Francisco and other areas making promises to certain special interest groups.

I am only offering this amendment to stop a change in policy that President Clinton has proposed. It was his timetable, his Secretary of Health and Human Services who said they want a change of policy. We are trying to stop this change. The only way we can stop that change is to pass the Nickles-Dole-Kassebaum amendment.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HATCH. Mr. President, after a good deal of deliberation, weighing the merits of both alternatives, I have concluded that the amendment of the Senator from Oklahoma is the approach I must support.

To echo the words of our distinguished Republican leader, this is not a question of compassion. If it were, I do not think we would be having this debate today. It is a question of the need to evaluate properly the economic impact of immigration and AIDS.

This issue has been debated a number of times in this body. We have voted—and unanimously I might add—to add AIDS to the list the Immigration and Naturalization Service uses to determine communicable diseases of public health significance. And, we have voted to give HHS the discretion to decide what is on the list and what is not on the list.

HHS has advocated putting HIV on the list. And they have advocated removing it.

It is time we either resolve the matter, or get the information we need to resolve it. That is the intent of the Senator's amendment as I understand it.

We need to make certain that our hospitals and health care providers are not unfairly burdened by aliens with HIV who enter the country and become public charges.

I know that my colleague, the Senator from Massachusetts, is concerned about the potential this amendment sets up for Congress second-guessing the judgments of our medical experts. I appreciate his concerns, but I do not believe this is the real issue here.

I think we have to look at it in a larger context, that of the cost to our health care providers if aliens with HIV are allowed to become public charges. One thing that was not emphasized enough in previous year's debate is the possible cost of such a change to the U.S. health care system, and especially costs to States, municipalities, and health care providers.

As I read Senator NICKLE's amendment, it codifies the current situation and calls for a thorough review of the policy on admitting to the United States aliens infected with the HIV virus. There is no question about the need for such a review.

If, after assessing the effect of any changes, the President chooses to recommend changes in the current policy, Congress can then act on those changes. And I would hope that if there are any proposed changes, we give them all due consideration.

With this amendment, we will have a study of the effectiveness of current provisions of law. If there are loopholes in the current system, then we can look at recommendations for change. But we have all heard cases of the system allowing entry into the United States of persons with potentially costly health conditions, persons who are likely to become a public charge.

We just can't let that happen. It could bankrupt our providers.

One important feature of the Senator's amendment is that, for the first time, it allows the Attorney General to waive application of the immigration law to nonimmigrants who may be HIV positive and who wish to enter the country for 30 days or less. This could improve upon the current policy, since at present no one who is HIV positive may enter the country for any period of time.

Let me emphasize again and I think we should look at any future recommendations the administration chooses to make. But let us incorporate economic reality into that evaluation as well as the findings of the study that will be conducted.

Mr. MACK. Mr. President, I support the amendment offered by the Senator from Oklahoma. This amendment codifies the existing policy, which prohibits individuals who test HIV-positive from obtaining permanent immigration status in the United States, until a Presidential report can be completed in September.

I support this amendment because, if the current policy is changed, my home State of Florida will be forced to bear a disproportionate portion of the burden. Florida already has the third highest AIDS population in the United States. Florida hospitals, and specifically institutions in the greater Miami-Fort Lauderdale area, are already overburdened trying to care for Florida residents living with AIDS. They simply do not have the beds, doctors, nurses, facilities, and financial resources to care for a new wave of additional AIDS patients.

The Washington Times estimates that approximately 274 people who test HIV-positive are currently at Guantanamo Bay, Cuba, awaiting permanent resident status. Where will these people go once they achieve permanent resident status? According to the Congressional Research Service, some 64 percent of all Haitians who received permanent resident status in fiscal year 1991 expressed the intent to live in Florida.

And, once the new immigrants arrive in Florida, where will they go for health care? Many, if not most, will go to Jackson Memorial Hospital in Miami. I have been to Jackson Memorial several times. I know the financial and emotional strain under which the hospital is operating. In order to keep up with the ever-growing demands already being placed upon Jackson Memorial, Dade County residents recently passed a one-half percent sales tax just to keep the doors open.

Jackson Memorial Hospital already has among the highest intake of AIDS patients in the United States. It provides tens of millions of dollars of indigent care each year to people living with AIDS. It is picking up the patients who would normally utilize Homestead Air Force Base Hospital, which was destroyed by Hurricane Andrew. How can the Federal Government possibly ask Jackson Memorial to do more? And that is only one hospital in one Florida city. When Jackson Memorial fills, other hospitals around Florida will continue to pick up the overflow. Mr. President, it is simply not fair to ask the people of Florida to bear the brunt of what amounts to an unfunded Federal mandate.

Mr. President, the amendment before the Senate offers a commonsense approach to a very serious matter. It simply codifies the existing policy until the necessary research can be performed to evaluate the health and economic implications of changing the policy. It sets a definite time in which the research must be completed—September 1, 1993. I believe it is a reasonable approach to take, and urge my colleagues to support the amendment.

Mr. KOHL. Mr. President, I rise in strong support of the amendment to prohibit the administration from removing HIV from the list of immigrant conditions at this time.

The amendment before us does three important things.

First, it prohibits for 90 days the Secretary of Health and Human Services from removing HIV from the list of contagious diseases for which persons can be denied entry into the United States.

Second, it requires the Secretary of HHS to assess the impact that lifting the HIV ban would have on Federal, State, local and private insurance health care costs. More importantly, it also requests a comparison of the anticipated health care costs associated with entry of HIV-infected immigrants and those costs associated with immigrants suffering from other serious health conditions—diabetes, cancer, heart disease, end stage renal disease, and so forth.

Finally, it requires the Attorney General to evaluate and report to Congress the effectiveness and enforcement of existing laws which supposedly prevent persons who are likely to become public charges from entering or remaining in the United States.

I am not a public health expert, and I don't agree with some of my colleagues that Congress is the best place in which to decide epidemiology. That is best left to our public health officials and medical experts. Unanimously our public health experts—under Presidents Reagan, Bush and now President Clinton—have agreed that HIV does not belong on the list of contagious diseases. They have reached that conclusion because AIDS is significantly different than the other diseases on the list: unlike tuberculosis, for example, HIV is not transmitted casually through the air. Scientists are our best public health safeguards, not politicians.

Having said that, I believe that we are facing a different public health crisis. It is not about the contagiousness of a disease, how it is transmitted, nor who has it. Rather, this public health crisis is about our increasing inability to pay for the health care of ourselves, our families and our unemployed neighbors. The vast majority of constituents who have called this Senator have asked, "How can we possibly afford to pay for the care of these people, if we can't even pay for our own?" It is a legitimate and important question. The question is not, nor should not, be limited to persons who are HIV-infected. According to the Congressional Research Service, approximately 200 to 300 persons with HIV seek immigration to the United States each year. But hundreds, if not thousands, of people enter this country, with other expensive illnesses. To the best of my knowledge, we have never tested them for those illnesses, although certainly our medical scientists will tell us that they can calculate such risks. I believe we should look at those questions, calculate those costs, and debate the real issue here: do we want to let people into this country who have illnesses that are prohibitively costly to our health care system—whether covered by medical assistance programs, or employer provided insurance? We are struggling to provide long-term care for our older and disabled Americans, humane care and treatment of U.S. citizens who have AIDS, access for 37 million Americans, prenatal care to pregnant women and immunizations to young children. It is fair to ask these questions. The amendment before us will get us some of the answers, and foster a broader debate. We may be surprised with the conclusions that are reached as a result, but I certainly support having the debate.

Finally, this debate has spotlighted another concern—one that I hope will be addressed by hearings in the Senate Judiciary Committee. The Attorney General currently has the authority to not only exclude aliens seeking immigration who cannot cover their health care costs, but to also deport individuals who, within 5 years of immigration, become public charges. Is that law being enforced? Can it be enforced? Do we want it enforced? The amendment before us requires the Attorney General to look at that and to give us the answers.

So I commend my colleague for his amendment and I urge its adoption.

Mr. KENNEDY. Mr. President, parliamentary inquiry. What is the matter before the Senate?

The PRESIDING OFFICER. Under the previous order, the hour of 9 o'clock having arrived, the Senate will vote on or in relation to the Kennedy amendment.

Mr. KENNEDY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

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

Mr. NICKLES. Mr. President, we ask for the yeas and nays on the Nickles amendment, too.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON AMENDMENT NO. 40

The PRESIDING OFFICER. The question is on agreeing to the Kennedy amendment, amendment No. 40. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Michigan [Mr. RIEGLE], and the Senator from West Virginia [Mr. ROCKEFELLER] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 42, nays 56, as follows:

[Rollcall Vote No. 12 Leg.]

YEAS—42

Akaka	Glenn	Mikulski
Baucus	Harkin	Mitchell
Biden	Hatfield	Moseley-Braun
Boren	Inouye	Moynihan
Boxer	Jeffords	Murray
Bradley	Kennedy	Packwood
Bumpers	Kerrey	Pell
Chafee	Kerry	Pryor
Daschle	Kohl	Robb
Dodd	Lautenberg	Sarbanes
Dorgan	Leahy	Simon
Durenberger	Levin	Specter
Feingold	Lieberman	Wellstone
Feinstein	Metzenbaum	Wofford

NAYS—56

Bennett	Domenici	Mack
Bingaman	Exon	Mathews
Bond	Faircloth	McCain
Breaux	Ford	McConnell
Brown	Gorton	Murkowski
Bryan	Graham	Nickles
Burns	Gramm	Nunn
Byrd	Grassley	Pressler
Campbell	Gregg	Reid
Coats	Hatch	Roth
Cochran	Heflin	Sasser
Cohen	Helms	Shelby
Conrad	Hollings	Simpson
Coverdell	Johnston	Smith
Craig	Kassebaum	Stevens
D'Amato	Kempthorne	Thurmond
Danforth	Krueger	Wallop
DeConcini	Lott	Warner
Dole	Lugar	

NOT VOTING—2

Riegle	Rockefeller

So the amendment (No. 40) was rejected.

VOTE ON AMENDMENT NO. 39

The PRESIDING OFFICER. Under the previous order, the Senate will now vote on or in relation to the Nickles amendment. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Michigan [Mr. RIEGLE], is necessarily absent.

The PRESIDING OFFICER (Mr. BREAUX). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 76, nays 23, as follows:

[Rollcall Vote No. 13 Leg.]

YEAS—76

Bennett	Bond	Brown
Biden	Boren	Bryan
Bingaman	Breaux	Bumpers
Burns	Graham	McCain
Byrd	Gramm	McConnell
Campbell	Grassley	Murkowski
Chafee	Gregg	Nickles
Coats	Harkin	Nunn
Cochran	Hatch	Packwood
Cohen	Heflin	Pell
Conrad	Helms	Pressler
Coverdell	Hollings	Pryor
Craig	Jeffords	Reid
D'Amato	Johnston	Rockefeller
Danforth	Kassebaum	Roth
Daschle	Kempthorne	Sasser
DeConcini	Kerrey	Shelby
Dole	Kerry	Simpson
Domenici	Kohl	Smith
Dorgan	Krueger	Specter
Durenberger	Levin	Stevens
Exon	Lieberman	Thurmond
Faircloth	Lott	Wallop
Ford	Lugar	Warner
Glenn	Mack	
Gorton	Mathews	

NAYS—23

Akaka	Inouye	Moynihan
Baucus	Kennedy	Murray
Boxer	Lautenberg	Robb
Bradley	Leahy	Sarbanes
Dodd	Metzenbaum	Simon
Feingold	Mikulski	Wellstone
Feinstein	Mitchell	Wofford
Hatfield	Moseley-Braun	

NOT VOTING—1

Riegle

So, the amendment (No. 39) was agreed to.

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

Mrs. KASSEBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, today the Senate voted to reclassify HIV as a communicable disease of public significance for purposes of retaining it as a medical exclusion to immigration.

I supported the Kennedy amendment which would have retained the current exclusion list for a period of 90 days and would have required that the Secretary of Health and Human Services file a report assessing the anticipated health costs associated with removing HIV from the excludable list. I supported this amendment because I felt the proper official to make this important health decision is our primary health officer, the Secretary of Health and Human Services.

As you know, our former Secretary of Health and Human Services, Louis Sullivan, made the decision in 1991 to remove HIV from the excludable list. Furthermore, Congress in 1990 gave the authority to the Secretary to make this decision in the Immigration and Nationality Act of 1990.

I voted to oppose the Nickles amendment today because I felt it attempted to make a medical decision for economic reasons. I do not believe Congress is the proper authority for making medically and scientifically based decisions of this nature. The current public charge exclusions more appropriately address the economic concerns and provide immigration officials with the basis for excluding those they believe will become public charges due to their medical conditions.

If Congress is truly concerned with the economic costs associated with new immigrants, I feel it would be more appropriate to take a closer look at the public charge exclusions, rather than making medical decisions for political reasons.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, with the agreement that was made last night and also with the various negotiations that took place last evening, we are moving closer and closer to final disposition. Therefore, we are hopeful that those Members who have indicated that they may or may not offer amendments will come forward so that we can consider their various proposals, and there are only probably three or four Members. We will be contacting their officers, but I would hope very much that we will be able to move this legislation along.

ORDER OF PROCEDURE

Mr. KENNEDY. Mr. President, I ask unanimous consent that the first four hours of morning business be controlled as follows: The first hour under the control of the majority leader or his designee, the next 2 hours under the control of Senator SIMPSON or his designee, and the next hour under the control of the majority leader or his designee.

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

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

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

AMENDMENT NO. 41

(Purpose: To provide for the conduct of a study concerning the use and production of radioisotopes in the United States)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Idaho [Mr. CRAIG] proposes an amendment numbered 41.

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

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

The amendment is as follows:

At the appropriate place in title XIX, insert the following new section:

SEC. 19 . STUDY CONCERNING RADIOISOTOPES.

(a) STUDY.—The Secretary of Health and Human Services in collaboration with the Secretary of Energy, shall, subject to the availability of funds, conduct a study con-

cerning the use and availability of radioisotopes in the United States for medical (both diagnostic and therapeutic) uses in relationship to other uses.

(b) SUBJECT OF STUDY.—In carrying out the study under subsection (a), the Secretary shall

(A) analyze the domestic isotope availability and production in the United States as it relates to medical (both diagnostic and therapeutic) needs

(B) make recommendations concerning—

(i) isotope availability and production meet domestic demand

(ii) the need for additional production capacity.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives, a report concerning the results of the study conducted under this section together with the recommendations developed in such study.

Mr. CRAIG. Mr. President, I have offered an amendment to the NIH bill that I think deals with a most critical area in our Nation, especially as it relates to the use of radioisotopes for medical diagnostics and therapeutic treatment. This is an increasingly important component in American health care. Modern medicine is dependent on radioisotopes for research and development of clinical applications. Some astounding figures, Mr. President: 36,000 diagnostic procedures are conducted each day in this country, as well as approximately 50,000 therapies and 100 million laboratory tests each year.

What we are talking about are radioisotopes in the treatment of cancer. One of the great concerns I have is that there is now no domestic supply of this critical medical element. It is produced and supplied to us through a Canadian company and I am also told that there is a fledgling company beginning to gear up in Russia to supply this most important component.

So, in other words, we are dependent upon foreign suppliers for what is now a very important part of medical treatment in this country. Just a week and a half ago, in a subcommittee on which I serve in the Senate Agriculture Committee, we spoke to the issue of E. coli bacteria in meat. And one of the applications our new Secretary of Energy spoke to—and other scientists who were asked to testify—was the irradiation of food that would immediately kill that bacteria.

Last year the Department of Agriculture licensed irradiation for purposes of certain vegetable applications in the food chain, as food supply. And yet we are still dependent upon foreign suppliers of radioisotopes for this purpose. In fact, I am now being told that in the private sector of our country we are actually having to cut back on potential applications because there is not a reliable supply. Last year the reactor company in Canada for a time was on strike and the supply was in question.

So what I am asking in my amendment is that the Secretary of Health and Human Services in cooperation with the National Institutes of Health and the Secretary of Energy shall conduct a study to look at the use and the availability of radioisotopes in this country for the purposes I have just mentioned, including industrial use. I think it is very important that we understand what I believe is a quiet but potential problem in this country. I think we would hear immediately if the supply were not available or was discontinued for some reason that would be out of our control as a Nation.

Another application that is now coming to the forefront is the examination of the structural integrity of certain roads, bridges and other structures built in our country. Radioisotopes are used in the examination of these structures.

So I am proposing this amendment for the purpose of the conduct of a study that would then be reported back to us as it relates to production; to the availability, reliability of the supply.

I think it is very important that as this study goes forward, the three entities involved, the Health and Human Services Secretary, the National Institutes of Health, and the Department of Energy, speak to our universities and our private sector and develop a credible consultant approach, understanding that industry and academia have the real experience in the use of radioisotopes in the marketplace.

I hope with the acceptance of this amendment all of the entities involved would rely very heavily on the expertise that exists in the private sector to accommodate them in developing a critical report that we would have to look at, and a better understanding of what I believe to be a developing critical situation in this country.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, the amendment of the Senator from Idaho is agreed to by both sides. I would like to say I think Senator CRAIG has brought forward a very important issue. I myself have learned just in the context of looking at this amendment about some of the concerns. I think raising that and requiring this study will be very beneficial and I would like to express my appreciation for this. There were some language difficulties that had to be worked out. I am appreciative of staff on all sides working that out.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Let me thank the ranking member of the committee and the chairman and the effort of the staffs working with us to correct the language to allow the amendment to be accepted.

I yield the remainder of my time.

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

The amendment (No. 41) was agreed to.

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

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

ORDER OF PROCEDURE

Mr. PRESSLER. Mr. President, I ask unanimous consent to speak for a few minutes as if in morning business.

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

NORMALIZATION OF UNITED STATES RELATIONS WITH VIETNAM

Mr. PRESSLER. Mr. President, I rise today to discuss United States policy toward Vietnam. I believe it is time to establish diplomatic relations with Vietnam. It is time that an American Ambassador be sent to Vietnam.

In March 1988 I traveled to Vietnam. It was a return visit. My first sojourn in 1967–68 was not as a Senator, but as a soldier, serving my country as an Army lieutenant. And like many of my fellow Vietnam veterans and Senators who have traveled to Indochina, my return trip was a very dramatic and emotional journey. The remains of 27 of my fallen comrades were returned to U.S. authorities during my visit, which was the largest number of American MIA remains released by the Hanoi government.

I returned home from my 1988 visit with a different view of American policy toward Vietnam. I concluded that the diplomatic and economic isolation pursued by our Government in the 13 years since the Saigon airlift had become outdated. Indeed, complete isolation had reached a point of diminishing returns for America's strategic, humanitarian, and international trade interests. Therefore, I called for a new and historic chapter in United States-Vietnam relations, one of regular official contacts, increased tourism, and growing economic and humanitarian cooperation.

That was 5 years ago. Since then, President Bush chipped away at isolationism, albeit cautiously. The President rightfully recognized that it's not easy to reverse 13 years of isolation with the stroke of a pen or handshake. This is particularly true given the emotional feelings millions of Americans have toward this remote region, whether they are veterans, family and friends of fallen or missing veterans, or refugees from Vietnam.

To his credit, President Bush made great strides in advancing United States-Vietnam relations. But the fact remains: there is still no regular American economic and diplomatic presence in Hanoi.

Last week, I had the opportunity to discuss current policies as a participant in a United States-Vietnam conference, which included official Vietnamese participants, businessmen, journalists and experts on Southeast Asia. These discussions of current events and their future implications once again have prompted me to reexamine American policy toward Vietnam.

It is time to usher in the next historic step in United States-Vietnam relations. We have had isolation. We have had a guarded transition. The time has come for normalization of relations. The time has come to send an American Ambassador to Vietnam.

Mr. President, let me briefly summarize the developments that have brought our Nation to the doorstep of normalization, and the more recent events that make it imperative for President Clinton to establish diplomatic and economic ties with Vietnam.

As my colleagues know, since our evacuation of South Vietnam in 1975, the United States consistently has maintained a policy of diplomatic and economic isolation of Vietnam. When viewed from the larger context of the cold war, this represented a textbook application of containment—to stop the spread of communism in economically volatile regions of the world. This policy escalated in 1978, when Vietnam invaded Cambodia, deposed the Chinese Communist-backed Khmer Rouge regime, and installed a Soviet-backed puppet regime.

Vietnam's alliance with the Soviets was evident when I visited Vietnam in 1988. Soviet personnel were stationed in facilities once used by the United States in Saigon and the harbor at Cam Ranh Bay. At that time, annual Soviet economic and military assistance exceeded $1.6 billion.

All this changed with the collapse of the Soviet Union in 1991. Like her sister states in the Soviet Empire, Vietnam is cut off from its once consistent supply of foreign aid. Yet, unlike Poland, Hungary, or East Germany, communism remains intact in Vietnam. The hard realities brought by the Soviet Union's demise and the effects of a United States-imposed trade embargo have compelled Vietnam to institute market-oriented economic reforms.

And indeed the Vietnamese do talk of privatization. However, I am not satisfied with the fact that there is still a Communist government in Hanoi.

Since 1978, United States policy toward Vietnam was simple: Normal relations would not occur until Vietnam withdrew its forces from Cambodia, and cooperated with the United States in obtaining the fullest possible accounting of the more than 2,200 United States personnel listed as prisoners of war or missing in action (POW/MIA's). The fall of the Soviet Union did not change this general policy. Instead, it heightened the prospects of success.

First, with respect to Cambodia, Vietnam has insisted that Vietnamese personnel were withdrawn as early as 1989. In October 1991, after 2 years of negotiations, the United States and Vietnam joined in a 17-nation peace settlement for Cambodia.

With the October 1991 peace agreement, the Bush administration announced the formal implementation of a plan to gradually tear down nearly 17 years of economic and political isolation. This plan, or roadmap as it is known, consisted of four phases toward normalization. Moving through each phase was contingent on continued Vietnamese cooperation in enforcing the terms of the Cambodian peace accords. However, the pace of this change would be dictated by Vietnamese cooperation on POW/MIA matters.

Again, the Vietnamese Government has taken action designed to hasten the pace toward normalization. Since 1987, Vietnam has returned hundreds of remains of United States MIA's. In 1991, Vietnam agreed to host a United States office in Hanoi to handle POW/MIA affairs.

In March 1992, a United States delegation headed by Assistant Secretary of State Richard Solomon visited Hanoi, and gained constructive breakthroughs on United States POW/MIA investigations, including agreements to: allow greater United States access to central records, archives, museums, and specific individuals with POW/MIA information; implement a rapid-response mechanism for live-sighting investigations; work on trilateral cooperation with Laotian and Cambodian authorities; and reaffirm Vietnam's intention to search for and rapidly repatriate remains of American MIA's.

Since then, Vietnam has demonstrated its intent to follow through on these goals. The Vietnamese have permitted short-notice investigations of alleged live-sightings. It provided a private researcher with more than 4,600 photographs of live American POW's and dead soldiers. In October 1992, U.S. officials obtained additional archives on U.S. MIA's, and gained expanded access to archival information.

Pursuant to the Bush roadmap, a number of reciprocal concessions have been granted to the Vietnamese Government. The United States pledged $4 million in humanitarian aid, mainly for prosthetics and aid to abandoned or orphaned children. Direct communications to Vietnam have been restored, and United States commercial sales now can be made to meet basic human needs in Vietnam.

Finally, with 1 month remaining in his administration, President Bush permitted United States business to open offices and sign contracts in Vietnam, but these contracts cannot be implemented unless the trade embargo is lifted. Today, the United States and Vietnam literally are on the doorstep of normalization.

President Clinton has inherited a policy in transition. He can opt for a continuation of the Bush roadmap, or chart a new course of his own. If he chooses the former, the trade embargo would not be lifted fully until a Cambodian settlement is well in place, and Hanoi has resolved the last of the known discrepancy cases and repatriated all United States remains. Full diplomatic recognition would not come until after a United Nations-certified free election takes place in Cambodia, and a Cambodian National Assembly is formed and writing a new constitution.

Though the roadmap has worked to achieve progress in United States-Vietnam relations, much has changed. First, recent instability in Cambodia makes prospects for a free and fair election there uncertain. That being the case, can the United States afford to postpone indefinitely diplomatic recognition of Vietnam?

Second, and most important, Vietnam is making the effort to privatize. I believe Vietnam will privatize, but not without help. Other Western nations already have committed millions of dollars in humanitarian and economic support to Vietnam. That being the case, can the United States afford to take a back seat or play a distant participant in the privatization and trade expansion now occurring in Vietnam?

The answer to both questions should be, "No."

When it was first devised in 1991, the premise behind the Bush roadmap of isolation to normalization represented the ultimate leverage to push Hanoi to make concessions on two key issues: POW/MIA's, and Cambodian autonomy. I believe we have made the most of the Bush roadmap. It's time to change course. Today, if the United States is to retain leverage over Vietnam and achieve United States policy goals, President Clinton must plot a new course on the roadmap, with the first steps being the lifting of the trade embargo, and diplomatic recognition.

Mr. President, as I've stated, the trade embargo has been used to punish and contain the Communists in Vietnam, and more recently, through the Bush roadmap, to extract concessions from Vietnam on Cambodia and the POW/MIA's. It's safe to say that the carrot-and-stick approach of the Bush roadmap has been a success. As a result, we've made progress in Cambodia, and we're moving toward the fullest accounting possible for POW/MIA's in Indochina. With these diplomatic gains, American business is poised for new markets and new opportunities in Vietnam.

However, we must not view the application and results of our policies in a vacuum. In recent weeks, Western nations have opted to invest heavily in Vietnam's adolescent economy. Taiwan, Hong Kong, Australia, Holland, and Britain have invested hundreds of millions of dollars in capital for Vietnam. Last week, the Japanese Federation of Economic Organizations held a joint conference with Vietnamese authorities, with representatives of more than 100 Japanese firms in attendance. And French President Francois Mitterand became the first Western leader to visit Communist Vietnam. With him was a guarantee of $65 million in aid and an entourage of 200 government ministers and leaders of business and finance.

Meanwhile, American business remains in the dugout, and off the playing field. As other nations seize the initiative to invest in Vietnam, the potential for strong United States involvement in economic reform and expansion declines. If President Clinton sticks to the Bush roadmap, the U.S. trade embargo loses its current value as a leveraging tool. More important, the embargo will reduce our future ability to influence Vietnam's economic, political, and human rights development.

For these and other reasons, I have written a letter to President Clinton, urging him to lift the trade embargo and establish diplomatic relations with the Vietnamese. An American Ambassador is needed to build diplomatic relations between the United States and Vietnam. American know-how is needed to privatize Vietnam, open markets for American exports, and lift the Vietnamese from the repressive weight of communism. More American tourists are needed to bridge our cultures and histories, which will enhance our cooperative diplomatic efforts.

Let me emphasize that I'm not advocating the abandonment of our progress in Cambodia or our gains with POW/MIA identification and repatriation. On the contrary, I am arguing that the best way to continue our progress in these areas is to exercise new tools of leverage as a full economic partner, not a potential one. We stand a better chance to further our gains, particularly with the POW/MIA issue, with a strong American presence in Vietnam. This American presence can come from many sources. It can come from our Ambassador in Hanoi, our businessmen, our tourists, our Peace Corps, or our fellow Americans who simply want answers from the Vietnamese Government on the status of loved ones who did not return from the Vietnam war. Together, this American presence applies a different kind of leverage, which I believe will yield positive results to further American interests on the POW/MIA issue, as well as regional peace, and human rights gains in Southeast Asia.

We must not lose sight of Vietnam's potential importance in international trade policy. At present, Japan is Vietnam's leading trade partner, with $1.2 billion in total volume in 1992. The continued absence of American investment affords more time for Japan to increase its economic and investment ties with Vietnam, enabling it to establish economic and political dominance in Southeast Asia.

Mr. President, the issue is timing. The economic, diplomatic, and political costs of delaying normalization will continue to mount. The United States is poised to establish normalized relations with Vietnam. The question is when to do it. I say the time is now. Now is the time to close the chapter on the Vietnam war, and start a new chapter of cooperation and participation. Now is the time to move past isolation and establish normal relations with Vietnam.

Opponents will argue that rushing to normalization sacrifices our ability to leverage Vietnam on long-term peace in Cambodia, accountability of POW/MIA data, and human rights guarantees for political dissidents.

I disagree. The carrot and stick of normalization is losing its value as a leveraging tool, and is hurting this Nation's ability to be a steady participant in Vietnam's growth toward privatization.

Further, normalization is not the last card in the U.S. diplomatic deck. The Vietnamese Government has called on the United States for direct foreign aid assistance, which I am not calling for here today. Vietnam and American business will want most-favored-nation trade status. Both issues will require further discussion and debate, providing plenty of real leverage for Washington to extract concessions in issues of concern to the United States, whether it be POW/MIA's, Cambodia, or human rights. And as I stated earlier, the steady presence of Americans in Vietnam, on the ground, from the trade official to the casual tourist will open new diplomatic and cultural doors.

Mr. President, in conclusion, let me say that I feel very strongly that it is time to normalize relations with Vietnam. As other countries go into Vietnam with business, they are taking away the strength of our trade embargo. If we are to find any POW/MIA's, if there are any left there, they would better be found by having tourists, businessmen, and others present. As I stated earlier, I had the pleasure of attending a conference in the state of the present presiding officer of the Senate and talked directly with several Vietnamese there. I found an eagerness on their part to privatize. They used the word privatize frequently in our meetings last week. They are looking for free enterprise. They want good relations with the United States. Therefore, I think the time has come to recognize Vietnam—to give full diplomatic recognition. I urge the President to pursue this course of action.

NATIONAL INSTITUTES OF HEALTH REVITALIZATION ACT OF 1993

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I shall just take a minute on the legislation pending. I ask unanimous consent to speak on the bill that is on the floor.

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

Mr. DORGAN. Mr. President, in 1991 I held a hearing in Fargo, ND, on the subject of breast cancer, and recall a young woman named Danae who spoke of her struggle against this disease. There was hardly a dry eye in the hearing room at the end of her testimony.

I rise today to say that the bill pending on the floor before us does some important things to respond to the issue of breast cancer and related women's health issues. In North Dakota, for reasons that are unexplained, women have breast cancer at about 10 percent above the normal rate, and that is true of most of the Northern States in this country. We do not quite understand why, but there is about a 10-percent increase in the incidence of breast cancer in many of our Northern States.

One in nine women will suffer from breast cancer during her lifetime. It is an extraordinarily common form of cancer, and the interesting thing about it is we do not know what causes it, but we do know that early detection can lead to a cure for breast cancer. We have survival rates of about 90 percent after 5 years for women when there is early detection of breast cancer.

This piece of legislation before us finally starts to put all the spotlights on the same spot and provides some focus on some very important issues dealing with women's health and especially breast cancer. This legislation establishes an office of research on women's health.

It is interesting that much of the cancer research at the NIH has been conducted with men, even breast cancer research. Yet the statistics are as follows: In 1992, 46,000 women in this country died of breast cancer; 300 men died of breast cancer; and yet most of the previous research on even breast cancer has been done with men.

Well, we are changing a lot of that and this legislation moves in the direction of constructive change. It ensures increased participation by women in clinical studies. It requires the NIH to expand the number of women scientists at the National Institutes of Health. It provides for additional funding for research on breast cancer. But more than that it will fund research for ovarian

cancer, cervical cancer, osteoporosis, and other areas of reproductive health, and it most importantly establishes a data system on women's health research to avoid the duplication of efforts and hopefully permit scientists to compare and combine research results.

The point of all of this, Mr. President, is that we are a country with an enormous problem in health care. We spend an enormous amount of money on a health care system that really does not work very well. If you have a lot of money, you can seek out the best care and the best care is very good. If you take a look at the amount of money we spend per capita on health care and measure the results, the results are not the best in the world, but we spend the most in the world.

The question is: How can we do better? One of the things we can do better in health care that relates, yes, to breast cancer and the other disease I have mentioned that especially affect women, one of the ways we can do better is to understand that early detection and the promotion of wellness and a whole series of steps like that which spend at the front end to save an enormous amount of money at the back end not only saves lives but helps us deal with skyrocketing costs in the health care business.

On this area of breast cancer, I specifically came today to talk about breast cancer and what we are doing in this bill that I want to laud and I want to commend the chairman and the committee. This business of breast cancer is a real frightening prospect to women in this country. One out of nine will suffer from breast cancer. Think of that. One in nine women in America will suffer from breast cancer and yet we know if you detect it early, and there are ways to detect it early, most women can be saved.

This bill moves down the road to finally providing focus and effort to accomplish for women what they should expect us to accomplish in helping conduct more research on the cause, more money for the diagnosis, and help save women's lives.

I simply came over today to commend the chairman of the committee, the entire committee, and the Senate for passing what I think is a constructive step in dealing with the frightening disease that affects women.

The PRESIDING OFFICER. The Senator from New York [Mr. MOYNIHAN] is recognized.

Mr. MOYNIHAN. Mr. President, may I just take the liberty to congratulate the Senator from North Dakota on those careful, factual, and hopeful comments. It is a joy to welcome him into our Chamber, and this is the first occasion I have had to hear extended remarks by him, someone of such experience, balance, and understanding of these matters.

That is a startling figure—one in nine. And the fact that there is a variation by region is something that scientists would just love to learn the reason.

There are many variations about North Dakota, as I am sure you know. In educational scores in the country if Minnesota is not the first, North Dakota is, and vice versa.

Last year, just for the pleasure of running correlations between ninth grade mathematics scores in our State and in our country, we found the distance of the State capital from the Canadian border was a major factor and we were able to show with some statistical force if you wanted to raise the math scores, move the State capital closer to Canada. But there are differences, and it is out of those differences that the clues on origins begin, and I think it is important what the Senator said, and I wish to congratulate the Senator for saying it.

Mr. DORGAN. I thank the Senator from New York and look forward to serving and working with him on these issues.

(Mr. ROBB assumed the chair.)

DRUG ABUSE

Mr. MOYNIHAN. Mr. President, I would like to continue again briefly, and I know I cannot speak as eloquently as the Senator from North Dakota on the subject of health and variations in health-risk experience as between population groups.

And I do so with specific reference to the problem of drug abuse. This is a very old problem in our society, and it is at some level what doctors call iatrogenic in a sense that, with one reasonable dramatic exception, all the major drugs that have plagued American society for a century and a half began as medicines and were first prescribed by doctors.

I am standing on the floor with no great expectation that I will be heard outside this Chamber, but with some hope that I might be, to say to the medical profession that it has a problem dealing with drug abuse. I do not go so far to suggest that the problem is denial, but there is a pattern of avoidance which the profession really should look at.

At some level, you may be talking about as simple or complex, if you will, a matter as prestige in science. There is prestige in science. There is prestige in most activities in life—ranking. Some sports are more glamorous than other sports; some professions ought to be more important than others, occupations, and so forth.

The human Homo sapiens is a ranking organism. It is always making distinctions of one kind or another. And in science, there are subjects that have prestige and not in others.

Just now, for example, I think in physiology, the whole issue of the structure in chemistry, the brain is the most rapidly evolving and most prestigious area of scientific inquiry.

In medicine, the most urgent one is the general syndrome we call AIDS. And you may be sure that there is a cabinet full of Nobel Prize statues—I guess it would be a medal—in Stockholm awaiting the first team of physicians who break the AIDS virus code.

You may be equally sure, Mr. President, that there is no such medal awaiting anyone who learns anything about crack cocaine. It has no prestige in science. To the contrary, if I may use that term, the whole problem of drug abuse is, in one sense, iatrogenic, which is a term meaning an illness caused by doctors. And the whole of the 19th century was an effort to ease the extent to which patients suffered from physicians' care, but with the specific problem that drug use began as prescribed medicine.

This whole area could be put under the general heading of the impact of technology on society. With the advent of organic chemistry in German universities, in the main, in about the third decade—I do not want to be held to that—of the 19th century, you began to get events such as the development of morphine out of a natural product, opium.

About the same time, the hypodermic needle was developed. And during the American Civil War, morphine, applied through the hypodermic needle, was the most widely used. It was the first such battlefield treatment of wounded combatants, such that after the Civil War, morphine being an unrestricted drug, persons using it were said to have the "soldiers' disease," and I expect a lot of soldiers were accustomed to use—the word "addiction," I think, is a fuzzy word; typically, a fuzzy word the medical profession uses a lot.

The use of morphine in childbirth became widely prescribed by doctors. One of our great passages in American literature is Eugene O'Neill's play, "A Long Day's Journey Into Night," in which the mother in the drama became habituated to the use of morphine at birth and continued well into the maturity of her children.

The morphine was followed by a further extension from an opium base of heroin, Heroin being a trade name. It was the Bayer aspirin people that tested it on their employees, and it made them feel heroish—hence, heroin, as you can see as aspirin, the trade name. I have seen advertisements for heroin in the Yale Alumni Journals, from about 1910.

Then came cocaine, a derivative of the natural occurring coca leaf. Cocaine was widely used to treat morphine addiction. Sigmund Freud's first publication about cocaine, described—I do not want to be too specific—but it discussed the use of cocaine to treat other addictions, and, as I believe the case is, Freud came to think he had induced a psychosis by overuse of cocaine.

In any event, the society had to deal with this, and it decided to do in 1914 by prohibition. The legislation was not any better than it should have been. If I am not mistaken, it described Heroin as a stimulant when, to the contrary, it is a narcoleptic.

But we opted for a prohibition model. And when we did that, we knew pretty much, although not at the level of science inquiry, we knew that the incidence of narcotic abuse was not uniform. It was an imbalance by race, and there was an imbalance by gender—in this case males, much more than females.

We also thought that this would put an end to the problem. It did not, any more than prohibition of alcohol put an end to the problem. But it did do one thing. Our Nation has never understood this, I do not believe. Certainly the Senate has never dealt with it.

Just as with the decision to prohibit the manufacture and sale of alcohol, the same prohibition in drug use was a social exchange. We chose what we thought to be the lesser of two evils—not very consciously but not without some awareness. We could have a widespread, possibly low to medium level problem, of the use of these new forms of ingestible chemicals that organic chemistry produced—a lot of people use them—or, through prohibition, we would confine the use to certain populations—urban, minority, with whatever shifting uses of the term minority—and induce in the process very violent forms of crime—criminal organization and crime.

Not many people have written about this. I do not want to speak beyond my knowledge. But when you choose prohibition, you do choose crime. And then you will find yourself standing up on the floor of the U.S. Senate denouncing the crime you, in fact, have chosen and proposing to put an end to it by forms of severity that accomplish nothing. They do not change it. And you do expose the society to extraordinary episodes of violence and brutality.

For example, on February 14, 1929, in Chicago, in the period of Prohibition, Al Capone, as it is understood—I do not believe the matter was ever resolved—decided he would send a valentine to Bugs Moran. Whatever the case, four people arrived in Chicago in police uniforms, and they found seven men in a garage, and they suggested they were going through a routine police raid and no doubt take $100 when they left. It was just one of those normal events in Chicago at the time. And they asked these people to line up against the wall. And then instead of just frisking them and making their collection for the day, they machinegunned them to death. It was called the Saint Valentine's Day massacre. It has entered into the folk memory. There is scarcely a year goes by there is not a movie that portrays it in some way or another. It has two entries in the World Book Encyclopedia. It shocked the Nation and led in part, I argue, to the repeal-of-Prohibition amendment to the Constitution.

But the prohibition on drug use continued. And the actual use had phases. It went into a recessive phase in the twenties, thirties, and forties. It began to break out again in the fifties and became subepidemic in the 1960's. And crime, organized or unorganized, appeared with it.

Heroin was the first form in which it appeared in this subepidemic form. And by the late 1960's, Presidents had to respond to this. The Presidential responses took various forms, of which the first was to try to cut off the supply of drugs coming into the country.

This was a futile effort. It fell to me, as it happens, to commence the negotiations with Turkey and France that led to breaking up what was called the French connection, opium making its way from the Province of Afuin in Turkey—which is, incidentally, Turkic for opium—to Marseilles and thence to New York and down to Washington.

This disturbed the market, but the iron law that where there is a demand, there will be a supply, immediately went into effect. May I say, none of us involved at that time had any illusions that we were doing anything more than disturbing this market. But we did and it moved around to Mexico and places like that.

Then in the later 1970's cocaine appears once again. It appears in the manner of upper class use, which it always had somewhat, and then made its way down, an event that would have been familiar. Cocaine use was widespread at the beginning of the century.

Then in 1985 an event occurs. In the Bahamas at the Sandilands Rehabilitation Hospital, which is the one psychiatric hospital on the island, a patient appears—the chief psychiatrist, Dr. David F. Allen, records this—who the previous day had cut off his dog's head and drunk its blood and then stabbed his brother-in-law to death. You do not know what to make of it. I do not know how these clinical interviews go, but you can imagine Dr. Allen saying, "Well, now, does this happen often?" and the patient saying, "No," and then saying, "Well, is there anything happening, behavior you have had lately, that is different?"

And before the interview was over, or before this period was over, crack cocaine had appeared in the world—freebase cocaine. There are other forms as well, but this particular form was so—this was not a bearded German organic chemist; this was done in a kitchen in Freeport, perhaps.

Allen tried to warn us. He said there is an epidemic coming your way. His statement got into an Atlanta publication. But did anybody at the Centers for Disease Control, our epidemic center in Atlanta, hear that? No, Mr. President; evidently they did not. The medical profession just does not hear this subject very well.

I first learned of crack from Detective Charles J. Bennett, in the New York Police Department, who told me in the spring of 1986, as I recall, that people were standing around on street corners going like that (gesturing), which is a gesture, we later learned, like snapping or cracking a whip. This was announcing, in the street cries of the period, that you had crack for sale.

In no time it had become a ferociously costly and destructive experience. Apparently it is the strongest stimulant known to pharmacology, and it produces incredibly brutal behaviors.

In this morning's Washington Post, there is a column by Mr. Richard Cohen, the distinguished contributor to the op-ed page, called "The Valentine's Day Massacre." But it was referring not to Chicago in 1929 but to New York City in 1993 on Saint Valentine's Day.

On St. Valentine's Day in the Bronx, six persons were made to lie face down on a floor and were executed with one bullet in the back of the head of each, the exception being a young girl who apparently turned to see what was happening and she was shot through the eye.

This was so routine an event. It was 12 hours before the neighbors in this apartment building reported to the police there had been a lot of shooting. As Mr. Cohen, in a very able article states, this was reported on page A10 of our local, most distinguished journal—he uses a nice image—"which gave it all the prominence of a bus plunge in Bangladesh."

There is no way to avoid this, the events are so common. The New York Times that I saw put it on the first page, but well below the fold, as is said. It happens all the time.

The morning after the Democratic Convention, my wife was driving us back to upstate New York where we live. As I was going by this area, I found on page B12 of the Times another such execution. This had a curious twist, though, that made it newsworthy. There was an execution of an adult man, a woman and a teenager who were tied up with duct tape and executed. But the woman had a baby and, thinking that it might survive, stuffed it under a bed. A day later when the police arrived, they found the baby still alive. This was just enough of an event to make the execution newsworthy, but no one has ever found out who did it, no one ever will and the event is now forgotten.

The point is Mr. President, in the face of a brutal health emergency and one which goes over to have aspects of a social emergency as well, the medical profession has almost nothing to show by way of research or even of research intensity into this issue. My purpose in

these perhaps overextended remarks is to say, does the medical profession understand that it has a problem here? Dr. Vincent Dole and Marie Nyswander developed the methadone treatment for heroin use in the 1950's and 1960's. It is openly understood that theirs was not a happy experience with their profession. It was suggested that they were creating addictions, substituting one for the other. This subject is avoided.

In 1988, this body produced a not inconsiderable piece of legislation, the Anti-Drug Abuse Act of 1988. Then majority leader, the beloved President pro tempore, Senator BYRD, asked that Senator NUNN and I be cochair of a group to work on this matter and, as a division of labor, Senator NUNN took the problem of interdiction of supply and I took the problem of demand reduction. We wrote a pretty good statute. No one was going to insist it would do any good to try to interdict drugs of this kind coming into the country. Maybe there would be a small change in price, but nothing of any consequence. Oh, there would be pictures of busts and statutes about hanging them and things like that, but it does not change. But we did do this. We said half of our effort should be allocated to demand. That never had happened before. We wrote into the statute that the purpose was "to increase to the greatest extent possible the availability and quality of treatment services so that treatment on request may be provided to all individuals desiring to rid themselves of their substance abuse problem."

I wrote that passage, Mr. President. I did not say treatment on demand, which seemed to be a little too imperious, but treatment on request. As a matter of fact, in the experience of drug use, after brief periods, as in the case of cocaine base, people will seek treatment. They want out of what they got into. It is a little longer period for heroin use, apparently. There are no old addicts. People phase out or die.

We created the Office of National Drug Control Policy, the so-called czar, an unhappy image. Why czardom is a symbol of someone who gets things done, I do not know, but such is the case. We created a deputy director for demand reduction and a deputy director for supply reduction. I will say this on the floor with all the immunity provided by the Constitution in the hope that no one will take offense. I learned that Dr. Herbert Kleber, then at the Yale Medical School, was a Republican. He being one of the few persons working in this field, we managed to recommend him to the White House and he was appointed deputy director for demand reduction. I cannot speak for him, but it cannot have been a happy experience because he left after a certain period and has gone to Columbia University where he has resumed his very creative work in this field, singular because there is so little of it.

What happened to the position of deputy director for demand reduction in the war on drugs? Nothing. It was left empty. The war on drugs is a symbolic statement that we do not like something. It does not represent an effort to deal with a medical problem, a problem that begins with the abuse of what was once medicine; in any event, a substance abuse problem. It was never filled.

We said we were going to have treatment on request. That assumed someone would develop treatment. If anyone at the National Institutes of Health has done so, they surely never told this Senator, and if there is any Senator on the floor who does know of such development, I would be happy to be interrupted.

It is 5 years since we passed that bill. In 5 years, with the exception of one effort I made, I have never heard a word from the National Institutes of Health about this subject. They do not think it will go away, but at some level it may be they do not want to get involved.

I can recall back in 1961, I published an article on organized crime in which I noted in the Reporter magazine, that the FBI had been singularly careful not ever to get involved with organized crime, which came out of prohibition, because it will corrupt you. They left it to the Treasury Department. J. Edgar Hoover knew very well his job was to look out for people in the Depression, stop bank robberies, catch car thieves, prevent communism, but do not go after organized crime.

This article annoyed Mr. Hoover a very great deal, I assure you, and he did his best to see I disappeared from Washington. Thanks to the great grace, courage, and incomparable integrity of Arthur Goldberg, I did not disappear. But the FBI stayed away from organized crime.

I wonder, does the National Institutes of Health stay away from drug abuse? There has to be an explanation, an organizational explanation. It was rational for the FBI to stay away from organized crime as long as nobody knew it. Then they did not get the problems that come if you involve yourself with such matters.

Nothing happened to treatment on request. The profession avoids this issue. If you were to ask what portion of the energies of the National Institutes of Health go to it, it would be trivial compared to the attention the subject has in our national politics, in our press. A St. Valentine's Day Massacre is a very big thing. I will guarantee you, sir, or I will be happy to learn, that after those six people were executed in New York on Sunday there was no meeting in Bethesda on Monday to say, "Now, we have to do something about this."

I am going to close now, as I do not want to seem angry; I am not. Disappointed, I am.

The bill before us is entitled "The National Institutes of Health Revitalization Act". Would it be possible, Mr. President, to hope that under the heading of "revitalization" someone at the National Institutes will form a professional committee, asking, "Do we have a problem addressing issues of drug use? Do we actually think that it is iatrogenic? Does our history as a profession want to make us stay away from the subject?"

Open up the question. There might be some remarkably productive answers to follow.

Mr. President, I would now then ask in closing that Mr. Cohen's remarkable essay in this morning's Washington Post be printed in the RECORD.

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

[From the Washington Post, Feb. 18, 1993]

VALENTINE'S DAY MASSACRE

(By Richard Cohen)

NEW YORK.—On Feb. 14, 1929, several of Al Capone's gang, some of them disguised as cops, wheeled into the Chicago garage used as the headquarters of the rival Bugs Moran organization, simulated a police raid and gunned down seven men with sub-machine guns as they faced the wall waiting to be frisked. "I'm gonna send Moran a Valentine he will never forget," Capone had said. Never mind Moran, it was America that did not forget. The Saint Valentine's Day Massacre remains a staple of gangster lore.

But precisely 64 years later—on yet another Valentine's Day—six people in the Bronx, all Hispanics, were lined up face down on the floor and shot once in the head, execution style. Three of the dead were adults, three were teenagers. In a way, this most recent Saint Valentine's Day massacre was even more horrible than its Chicago predecessor. It appears that the motive was drugs. It appears also that only one of the victims was involved in the drug business. The others were innocent bystanders.

"They probably just didn't want to leave any witnesses," the brother of one victim told the New York Times.

Maybe my knowledge of American gangsters has been romanticized by Hollywood, but I doubt even Capone, a sociopath if there ever was one, would have killed five innocent bystanders, including the teenager girlfriend of one of the murder victims. Yet, this particular massacre was hardly New York's worst. In 1984, 10 people were slain in Brooklyn's East New York section. It was another holiday: Palm Sunday.

The repeal of Prohibition largely put an end to bootlegging and the inter-gang warfare for its profits—an estimated $50 million a year to Capone alone. Now, the lucrative contraband is drugs, and America has made the same mess of it that it once made of illegal alcohol—by treating it as mostly a criminal problem. If anything, though, the profits now are even greater, and the weaponry is both more lethal and more easily available. The consequences of such a policy are all around us: an incredible toll in lives lost and the corruption of our youth as they have become inured to violence.

From time to time, someone or some organization questions the logic of such a policy, and for a moment or two the nation discussed de-criminalizing what are now illegal drugs. Either that, or someone wonders if we

are not placing too much emphasis on law enforcement and interdiction and not enough on rehabilitation. Almost always, though, the debate is brief, and the critics are dismissed as either kooks or cranks. But whether the proposed prescription is decriminalization (at least, say, of marijuana) or whether it's changing the funding mix so that education and rehabilitation get more money, the debate is always short-lived. By framing drug usage mostly in moral terms and invoking martial metaphors—War on Drugs, for instance—we have produced a debacle.

It's certainly not a success. The availability and usage of drugs fluctuate—and not, it seems, in relation to any government policy. Worse, the American system of justice has been corrupted by a national panic about drugs. Laws have been strengthened to the point where they do violence to the spirit of the Constitution; Draconian mandatory sentences are handed down for what, sometimes, are petty offenses; property is seized before trial, as if the guilt of the suspect was already determined, and politicians casually propose the death penalty for drug-related crimes—as if drug pushers were not already operating in an environment where capital punishment, unencumbered by lengthy appeals, is commonplace.

But maybe the most pernicious aspect of our national drug policy can be gleaned from two newspapers. The Times played the story of the Bronx massacre on the front page. But it was a local story and on a slow news day at that. The Washington Post, by contrast, gave it all the prominence of a bus plunge in Bangladesh, six paragraphs on page A10. The conclusion is inescapable: We have become so accustomed to a truly horrific level of violence—especially in the inner city—that we pay scant attention. (Imagine, though, if six white suburbanites had been massacred.)

In comparison, the Saint Valentine's Day Massacre outraged the nation. The federal government, spurred by President Hoover, ultimately got Capone on tax evasion charges, and shortly thereafter Prohibition was repealed. Since Prohibition, we have tolerated a substantial alcohol-abuse problem, however most of us see it as a health, not a moral or criminal, problem.

But the most recent Saint Valentine's Day massacre has stirred little interest and no real outrage—certainly no calls from politicians to reconsider our national drug policy or even to wonder whether it has contributed to the incredible violence of our inner cities. Instead, to the tune of about $12 billion a year, the federal government wages a so-called war on drugs in which, as the Bronx massacre shows, the victims too often are innocent bystanders and the greatest damage has been done to our capacity for indignation.

Mr. MOYNIHAN. I thank the Chair and I thank the Senate for its indulgence in what was a lengthy statement.

The PRESIDING OFFICER. Who seeks recognition?

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Delaware, Senator ROTH.

AMENDMENT NO. 42

(Purpose: To provide for the conduct of a study concerning health care technology)

Mr. ROTH. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Delaware [Mr. ROTH], for himself and Mr. COCHRAN, proposes an amendment numbered 42.

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

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

The amendment is as follows:

At the appropriate place in title XIX, insert the following new section:

SEC. 19 . MEDICAL TECHNOLOGIES PRODUCTIVITY STUDY.

(a) FINDINGS.—Congress finds that—

(1)(A) the Congressional Budget Office, the General Accounting Office, and the Office of Technology Assessment have cited health care technology as a primary source of medical inflation; and

(B) data from the Office of Technology Assessment suggest that no more than one quarter of the 12 to 13 percent annual increase in health care expenditures, or an estimated 3 percent increase in such expenditures, is attributable to health care technology;

(2)(A) the 3 percent increase represents the maximum increase in such expenditures, because the Office of Technology Assessment arrives at the estimate by exclusion; and

(B) the increase attributable to health care technology may nevertheless amount to a direct increase of as much as $27,000,000,000 in health care costs in 1993 and an even greater indirect increase in such health care costs;

(3) one reason for the high increase in health care costs attributable to health care technology is that few incentives exist in the national research institutes of the National Institutes of Health to encourage the development of technology that improves the productivity of health care delivery; and

(4) since the National Institutes of Health is a major engine determining the direction of medical technology as well as basic biomedical research, it is appropriate, in the process of directing the medical research and development resources of the National Institutes of Health, to provide incentives that encourage the development of technology to improve the productivity of health care delivery.

(b) STUDY.—The Secretary of Health and Human Services shall conduct a study concerning—

(1) methods by which to encourage the development of medical technologies that improve the productivity, and thereby reduce the cost, of health care delivery through changes in the scientific peer review process; and

(2) methods by which to reduce the costs of the production of new medical technologies and increase the availability of such technologies through changes in the scientific peer review process.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives, a report concerning the study conducted under subsection (b). Such report shall contain the findings of the Secretary with respect to the study and the recommendations of the Secretary for the implementation of measures to encourage enhanced productivity of medical technologies and increase the availability of such technologies through changes in the scientific peer review process. Such report shall also contain the steps that the Secretary proposes to implement the recommendations.

Mr. ROTH. Mr. President, initially I had intended to offer an amendment to modify the National Institutes of Health peer review process so that NIH technology based on grants and contracts were also scrutinized on the basis of their effect on the cost of our national health care. I have modified my amendment, and I am pleased that the managers of the pending legislation have agreed to accept my modified amendment. The modified amendment I now offer requires that the NIH Director study the matter, making findings and recommendations and report back to Congress within 12 months.

Specifically, the Director would be charged with defining how to improve productivity, reduce the cost, and increase the availability of health care technology. After the Director's report is received by Congress, I have been assured by the bill managers that the Committee on Labor and Human Resources will hold hearings on the findings of the Director's report.

I rise today, Mr. President, with Senator COCHRAN to offer an amendment to S. 1, the National Institutes of Health Revitalization Act of 1993, which will alter the Federal Government's role in the Nation's medical arms race. Technology has been cited as a major contributor to health care cost increases in reports by the Office of Technology Assessment, the General Accounting Office, and the Congressional Budget Office. Research sponsored by the NIH has contributed to this arms race.

I believe technology is an often misunderstood aspect of the health care system. As the lead Federal agency for research and development of health care science and technology, the NIH plays a fundamental role in implementation of Federal spending directives. The health and welfare of millions of Americans have benefited from thousands of medical discoveries made over the years under NIH sponsored research projects. One of the NIH missions is to maintain the precompetitive base of knowledge needed to improve the health of the Nation. This role has many faces that range from basic research to large-scale clinical trials for the evaluation of developed technologies in both drugs and devices.

The NIH is unique in the world as the preeminent engine for technology-based improvements to health. Pertinent examples of NIH leadership in successful research and development to advance the state-of-the-art in health care technology in a way which favorably impacts the productivity of health care delivery are numerous. I will mention only a few such examples: screening to detect neonatal hypothyroidism; improved indications for medical management of uncomplicated angina pectoris; and laser photocoagulation in

the treatment of diabetic retinopathy. Yet, I note that no review criterion to assess the potential impact of research proposals on the productivity of the health care system is included in the review process. Indeed, it may be appropriate for some basic research programs of the NIH to not take productivity into account when awarding funding for projects; yet, there are many grant and contract programs where such an evaluation could influence medical research and development which would ultimately materially improve the productivity of the health care system.

Let me diverge for a moment to clarify my intentions when speaking of improved productivity in this context: Productivity is an expression of health care outcome in terms of resources consumed. Health care should be subject to the same economic discipline as any other sector of the economy—namely, national goals require continuous quality improvement and this is mirrored by increased productivity. The aim is to achieve the same or better health care quality with less resource consumption—not simply to reduce cost by loss of service. This is an activity of continuous quality improvement, a major precept of managed competition, that has implications for the more general problem of health care system analysis.

Other sectors of the economy find that technology improves productivity and thereby reduces cost. In health care, however, the goal of improved productivity often appears to not be mediated by technological innovation. Part of this perception is founded in the unique nature of medical markets. In ordinary commodity markets, the commodity is fixed. The role of price in commodity markets is clear as a signpost to direct the flow of resources as supply and demand are mirrored by price. Medical markets are different to the extent that the commodity is not fixed. In medical markets, prices relate as much to changes in the commodity as to changes in supply or demand. This and other complexities have led some to suggest that market forces have failed in health care.

I offer three examples to illustrate that market forces still work in health care, but the result is often more a reflection of the regulatory environment and counterproductive financial incentives. The Health Insurance Experiment reported by the Rand Corp. over a decade ago found that subscribers with first-dollar coverage consumed 50 percent more resources than those with a large deductible. There was no reason to believe that the 50 percent greater utilization resulted in better health care; instead, demand increased as the apparent cost decreased.

Second, economists argued for many years that artificial constraints on the supply of physicians resulted in too few doctors thereby stimulating higher prices. In response to this analysis, the Federal Government instituted capitation grants to increase the number of medical students in existing medical schools and to encourage the construction of new medical schools. The result over the next 10 years was a 30-percent increase in the number of new medical schools and a 76-percent increase in the number of medical students. The consequence of that action is more doctors in practice, indeed the rate at which doctors are added to the economy has more than doubled the rate of growth of the economy. Health economists are now unhappy on the grounds that there may be too many physicians; thus, to drive demand for their own services.

Third, I would recall recent experience with the enactment and later repeal of the Medicare Catastrophic Coverage Act of 1988 where the elderly were required to pay a tax surcharge for duplicative benefits. The result was the greatest flood of constituent mail in opposition to a major health care public law in history. When the intended beneficiaries realized cost exceeded benefit from catastrophic insurance, the will of the people was loud and clear to repeal the law. Clearly, market forces are operative even in the web of regulation and contradiction that characterize the state of health care policy as it currently exists.

I believe the dynamism of market forces and technological innovation can have a positive influence on health care productivity just as in other market sectors. We must devise incentives to increase efficiency of health care by encouraging the development of technologies that increase productivity. This task is particularly suited for the NIH in its role to direct development of health care technology.

The incentive is at once simple and effective: Require the NIH to take a closer look at the ultimate effect the medical technology developed under each of the Institutes will have on the productivity and cost of our health care system. This amendment will charge the NIH Director to examine and perhaps broaden the current practice of evaluating and approving grant and contract proposals exclusively on the basis of present criteria such as scientific merit, investigator competence, suitability of facilities, requested budget, protection of research subjects, practical uses for the anticipated results of the research, and so forth. This amendment will study a new concept in the field of medical technology fostering a discussion of potential productivity enhancement over the present practice.

I envision that as cost and productivity of technology enters into the discussion of federally sponsored grants and contracts, that proposers will develop innovative ideas for health care productivity enhancement just as they now compete on scientific merit. As the funding priority improves in this case, it is predictable that more output from the medical R&D pipeline will be available to favorably impact the productivity of health care; thus, cost is reduced and quality is improved. In this way innovation from our biomedical R&D community will be applied to the pressing problem of productivity in the health care sector of our economy. The existing incentives often favor technological innovation without regard to its economic impact on health care.

In summary, Mr. President, I believe that this amendment to S. 1 will add an incentive to the medical research and development community to devote attention to the pressing national problem of health care cost escalation. Technology to enhance productivity will get the attention it deserves.

Mr. DURENBERGER addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota, Mr. DURENBERGER, is recognized.

Mr. DURENBERGER. Mr. President, in the absence of the ranking member, I have been asked to report that the original amendment by our colleague from Delaware has been modified, as he has indicated, and it is certainly more than acceptable on this side of the aisle.

I add a few comments of my own, briefly:

First, to compliment my colleague who serves with me on the Finance Committee for his commitment not only to productivity but to the issue of health care reform;

Second, this study could not be more timely or more appropriate in the context of health care reform. I hope that it is taken seriously. I know that the ranking member and the chairman of the committee take this study seriously.

Third, just to clarify the need for this study in the context of health care reform, not to confuse it in any way with some of the things we are doing in the NIH reauthorization which are critically important, it is pretty clear that the Nation wants—in terms of access to health care and health care reform—the Nation wants equal access for everybody in this country to high quality health care, through some kind of system of universal coverage, which means compared to what we have today, we all want more.

We have 36 to 37 million uninsured today. We have variable quality. If you want equal access to everybody for high quality care, we want a lot more than we have now. But our problem in getting to it is that everything costs too much, as the President indicated several times last night. So the bottom line is we all want more, but we cannot get it unless we are willing to pay less.

As the senior Senator from Delaware has pointed out to us, there is only one

answer to getting everything you want and have it better, and pay less, and it is a one-word answer. It is called productivity. We do it everywhere else in America when we want more, better, and we want to pay less for it. We find a way to be more productive, except in medicine.

So I hope we keep in mind as we are talking about health care reform that only a sound market, only consumer choice, competition, and the things that go into productivity are going to get this to us.

So I think our colleague has put his finger on the right word. He put it in the right place. If you look at the one area where we try to deal with productivity in medicine, it is in the new Agency on Health Care Policy Analysis and Review. The reauthorization for that I think went through here at the end of last year.

But the problem is that we spend a pittance on the evaluation of the productivity of the practice of medicine and technology in America today, compared to what we are spending on original research.

So again, my colleague from Delaware has put his fingers on the pulse of the problem. We need to look at outcomes. We need to look at what all of this money is doing for us, and while we are spending billions and billions of dollars on research, my colleague is going to help us answer the question: Research on what? And what is the relationship between the benefit of all of this and the cost to our society in relationship to all the other things that we want in this society?

Mr. KENNEDY. Mr. President, I support this amendment as it has been revised. I think one of the important aspects of the development of our excellence in research, particularly in basic research, has been the peer review process. There are aspects of the peer review process that are of concern to many of us, but day in and day out it has been really the best process that has been devised.

This study will also give some opportunity to evaluate the increased emphasis on clinical research. I think that is a worthwhile review for the NIH to give some additional kind of attention to review.

As previously constructed, I had very, very strong reservations in terms of substituting the clinical aspects of research, as important as they are, and substituting that for the kind of peer review on basic research. If we had done that looking over the recent past, there are a number of breakthroughs, for example AZT, other very, very important medical developments that I doubt very much that would have been developed.

I think it is worthwhile having a study. I think this has been constructed in a positive way. I think it will be helpful to us and valuable to the Congress as we look down the road to the future. I think it is a useful and positive contribution to the legislation.

So I certainly urge my colleagues to support it.

Mr. DURENBERGER. Mr. President, I am led to understand that the commitment has also been made to the proponent of this amendment, that when the study is completed that there will be hearings conducted as well on that study. I know the ranking member has made that commitment to our colleague from Delaware.

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the question is on agreeing to the amendment.

The amendment (No. 42) was agreed to.

Mr. ROTH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, the Congress and the President are under great pressure to pass and sign into law a comprehensive health care program. During the campaign, Americans were told that health care reform ranks among the top three of the most important issues facing our country. Yet, Mr. President, when the distinguished majority and minority leaders introduced the top 10 bills of the 103d Congress, health care was not among them. Why? Not because of any lack of commitment, rather a lack of consensus on a solution in either party.

The facts are well-known. More than 37 million Americans lack access to health care, even more are under ensured. Health care costs are rising out of control as the President indicated in his State of the Union Message last night. Americans spent more than $800 million on health care in 1992, nearly 14 percent of the GNP.

In the meantime, States are struggling to provide health-care coverage for poor Americans through Medicaid. As State and Federal budgets continue to shrink, the number of individuals covered under Medicaid is quickly being reduced. So the States are moving forward to fill the health-care gap. Perhaps the seeds to the solution in health-care reform are found in the States.

The problem facing Clinton is determining how to balance the desire of States to move forward on their own reform proposals, and the desire of many Americans to see comprehensive reform occur only on the national level. It has been suggested that allowing States to implement their own plans will derail efforts toward a national reform plan. I disagree. Rather, it may bring us much closer to the answer in this complex arena.

It is my strong belief that we can only develop comprehensive national reform after we test our ideas in the States. We must build our national data base to determine what works and what does not work. This is the essence of federalism. Our Nation's health is too important to test unproven proposals on a nationwide basis. Our mistakes are costly.

Mr. President, without going through a complete history, we made this mistake in the very instance of initiating and legislating Medicare. We had what was the Kerr-Mills proposal out here in the Congress, passed the Congress. Oregon was one of the first States to start undertaking a data-base gathering activity. But, oh, no. The nationalists had to ram through the King-Anderson bill, before the first bill was ever really tested or the data base gathered.

And we were told at that time that Medicare would never cost more than $10 billion. That was the lack of data base. We should have stayed with the Kerr-Mills until we unscrambled that. We cannot unscramble the egg or the history. Our mistake is costly.

While we cannot continue to afford our rapidly rising health care bill—and do not get me wrong, comprehensive reform is necessary—we cannot afford to make the same mistake again.

To date, eight States, including my own State of Oregon, have passed comprehensive health-care reform legislation. More than 20 others have passed or are considering reform legislation to expand access to health care or to contain health-care costs.

During a recent meeting with members of the National Governors Association [NGA], President Clinton gave his assurances that States would be allowed the flexibility to proceed with their reform efforts. He promised to simplify the waiver application process to allow for the prompt consideration of Medicaid waivers. And, during the course of the NGA conference, our Nation's Governors unanimously passed a resolution supporting prompt approval of the Oregon Medicaid waiver.

I am pleased to come to the floor today, to commend Secretary Shalala for the commitment she made yesterday, to render a decision on the Oregon waiver application by March 19, 1993. It is reassuring to me, the members of the Oregon delegation, the Oregon Governor, members of the Oregon Legislature, and the people of Oregon to know that they can expect a quick decision, and one way or another move forward in addressing the health needs of Oregonians.

Her assurance to act by March 19 does not guarantee approval of the plan. It would not be appropriate for me at this time to require that she approve the plan.

I do believe, however, that it is appropriate for me to ask for a timeline for her decision—for Oregon has waited for a decision for over a year and a half.

Oregon submitted its original application to undertake a Medicaid demonstration project on August 16, 1991. Oregon's plan would provide basic health coverage to all Oregonians with an income level below the Federal poverty line. More than a year later, then-Secretary of HHS, Dr. Sullivan, asked Oregon to revise and resubmit its application. Concerns were raised over the legality of Oregon's prioritized ranking of conditions and treatments under the Americans With Disabilities Act. Upon the advice of HHS attorneys, the Oregon Health Services Commission met and revised the ranking list, removing all references to quality of life. A revised waiver application was submitted to the Secretary on November 13, 1992.

Mr. President, Oregon took a bold step and addressed a very difficult problem openly and with much consideration. I am not here to argue the merits of Oregon's approach. Rather, the plan that emerged and passed the Oregon Legislature after many years of hard work represents a broad consensus and I am here to support the will of my State—just as my colleagues would do if it was their State. From providers to consumers, public entities to employers, this plan has the support of Oregonians. It is laden with community values obtained from community meetings across the State of Oregon.

Mr. President, I ask unanimous consent that a copy of an article written by Barbara Coombs which appeared in Monday's Washington Post be included in the RECORD immediately following my remarks.

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

(See exhibit 1.)

Mr. HATFIELD. This well-written article emphasizes the importance of community involvement in health care, and the courage Oregonians had to undertake this project for the best of their community and those without access to health care.

This approach is not guaranteed to work—no one can say that. What I am saying is that Oregon must be allowed the opportunity to try its plan.

Yes, it is controversial. Yes, it contains some things I do not like. Yes, there are problems that may need to be resolved later. But, is that not why we allow demonstration projects? How can we obtain the information we need, and the American people have come to expect, to move forward on national reform, if we fail to allow States to test different approaches?

Oregon is the only State with an application for comprehensive reform of the State's Medicaid system pending before HHS. But other States are formulating proposals and will be seeking waivers of their own. Florida, Vermont, Arizona, Minnesota, Colorado, and New Mexico—to name a few—are watching Oregon closely. For they, too, will be fighting this battle.

Timing is critical. Two years ago, the Oregon Legislature, upon passage of the Oregon plan, set aside the funds necessary out of general funds to implement the program. Now, our legislature is meeting again. Again, they will need to set aside additional funds. In a very difficult budget situation, the legislature will have to commit an additional $100 million in general funds. If the Clinton administration continues to delay in its consideration of the Oregon waiver, it will be impossible for the Oregon Legislature to justify this extra funding. Oregon must have an answer by March 19, 1993. An innovative State approach will go by the wayside due to a lack of courage on the Federal level to act.

Make no mistake, I am encouraged by the statements of the new administration in favor of the Oregon waiver and do not mean to be unjustly critical of their treatment of the waiver application. They have promised to act quickly.

Again, I am pleased by the commitments made to me by Secretary Shalala to act on the waiver by March 19, 1993. I have a great deal of respect for our new Secretary and wish her luck as she struggles with the difficult issues facing her. But, I feel strongly that Oregon needs an answer and we can't afford to wait any longer. Therefore, the sense of the Senate that I put forward today, reflects my strong feelings that the Congress should act to commend and concur with the Secretary's commitment, realizing the budgetary timeframe the Oregon Legislature faces.

AMENDMENT NO. 43

(Purpose: To express the sense of the Congress that it concurs with the commitment of the Secretary of Health and Human Services to take action on a request made for certain waivers under the Medicaid Program, and for other purposes)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oregon [Mr. HATFIELD], for himself, Mr. PACKWOOD, and Mr. MCCAIN, proposes an amendment numbered 43.

At the appropriate place in title XX, insert the following new section:

SEC. . SENSE OF THE CONGRESS REGARDING ACTION ON A REQUEST FOR CERTAIN WAIVERS UNDER THE MEDICAID PROGRAM.

It is the sense of the Congress that—

(1) the Secretary of Health and Human Services should be commended for her commitment to either approve or deny the application for waivers to conduct a demonstration project under section 1115(a) of the Social Security Act submitted by the Oregon Department of Human Services on November 13, 1992, (hereafter referred to in this section as the "application") by March 19, 1993, and

(2) because the application for waivers has been pending for one and a half years and the Oregon State legislature faces a biennium budget currently under consideration, a decision must be reached by March 19, 1993, in order for the legislature to appropriate the funds necessary to implement the Oregon plan.

Mr. HATFIELD. I believe this amendment has been cleared by both sides. I thank, at this time, the bill's managers, Senator KENNEDY and Senator KASSEBAUM, for their patience and assistance in securing this assurance for Oregon. I also want to thank Senator MOYNIHAN of New York and Senator PACKWOOD, my colleague, for their roles on the Finance Committee and for having incorporated this into the budget reconciliation resolution and given support today for this action.

EXHIBIT 1

COMMUNITY VALUES AND HEALTH CARE COSTS

(By Barbara J. Coombs)

PORTLAND, ORE.—During the campaign, both Bill Clinton and Al Gore invoked themes of community values. "We need more than new laws," Clinton declared. "We need a new sense of community." Al Gore asserted it was time for our rights as individual people to be justly balanced with our responsibilities as citizens. They talked about respect toward others and an attitude of restraint in human affairs.

One way they can put these ideas to work is by accepting the Oregon Plan for health care, a controversial proposal that was put aside by the Bush administration but is now back on the table. In the past Al Gore has called discussion of the Oregon Plan the single most important health care debate in the United States. It is important in part because it raises the question of what role community should play in individual health care decisions.

The Oregon plan stands for the infusion of community values into those decisions and into the processes of problem-solving and resource allocation. The new administration might look to Oregon to discover how the sense of community it seeks can guide the work of dedicated people to create health care solutions.

I submit that the Oregon Plan, and specifically its process of ranking health services, embodies the first cure for a profound imbalance in American thinking about individual choice and the utilization of resources. It is a call to inject a sense of community obligation into decisions we make in our private lives. It would have us examine how we use medical resources—and by extension all resources—in the larger context of society's needs and priorities. It is a courageous and intelligent effort to achieve a more just balance between the needs of the community and the rights of the individual.

The struggle to secure individual rights has been crucial to American democracy, but we now need new covenants between individuals and community to guide us in the '90s and beyond. The Oregon plan is one such covenant.

Voices across the political spectrum decry the diminished moral character of the country, but it is increasingly apparent that our social ills are much more malignant than platitudes about "family values" can de-

scribe. Writing in the New York Times, Cornel West, professor of religion at Princeton, lays blame for the Los Angeles riots on societal trends that have created a "rootless, dangling people with little links to the supportive networks—family, friends, school—that sustain some sense of purpose in life." He asserts that the collapse of communities has left us lacking the forces that have always helped a people face despair, disease and death and carried virtues such as dignity, decency and excellence across generations. One of his prescriptions for recovery is a focus on the common good to shape and sustain our national destiny.

Oregon's list of health services, with its setting of priorities, would be one step in this direction. Crafted from societal ethics revealed in community meetings throughout the state, it is based on the principle that effective treatment, offering the greatest good, should have the highest priority. It is the first open repudiation of the questionable assumption that all health care services are equally valuable and desirable and that no expense should be spared if there is any chance a particular service could enhance the wellbeing of a patient. It weighs the value of a service by the magnitude of the good it will likely do. Does the treatment actually make a significant difference in the course of recovery? Is the cost of the treatment proportional to its effectiveness?

The plan emphasizes services that are valued by Oregonians, such as health education and relief of suffering during the process of dying. It deems less important those services that neither cure disease nor relieve suffering, such as treatment for the common cold and other self-limiting illnesses. The plan embodies the obligation we all have—insured, uninsured, rich and poor—to avoid squandering resources on ineffective, futile and unnecessary treatments.

By setting priorities, the plan accepts the fact that no service delivery takes place in a vacuum, that each dollar spent on ineffective or unnecessary treatment is one less dollar for care that would strengthen the community, build hope, effect a cure or relieve suffering. Under the Oregon Plan, businesses, taxpayers and other purchasers are not asked to provide every imaginable medical service with any possible benefit, but rather a basic benefit package of essential services. The community has volunteered to extend services to those who are without access to care, and it would receive in return the assurance that pooled resources will be spent in a manner affecting the greatest good for the greatest number of people.

Resources are finite, everyone dies, and disease is not fair. Those fortunate enough to live in community can accept these truths with courage and grace. It is the compassion in a human face that comforts us, the toil of human hands that brings us hope, and the sound of human voices raised in prayer and song that bears witness to the spiritual peace we seek.

But in order for the community to do all these things, it must be nurtured and honored and its limits respected. We cannot doggedly pursue only our self-interest and expect a compassionate community to sustain us when sickness, sorrow and pain come to us.

I urge my colleagues to join in my support of this amendment, because many of their States will be following the pathways very shortly.

The PRESIDING OFFICER. The Chair recognizes the Senator from Massachusetts [Mr. KENNEDY].

69-059 O—97 Vol. 139 (Pt. 3) 3

Mr. KENNEDY. Mr. President, I urge the Senate to accept the sense-of-the-Senate resolution. I admire the perseverance and doggedness of my friend and colleague, Senator HATFIELD of Oregon, as well as Senator PACKWOOD, in pursuing this extremely important public policy issue and question.

I join in commending Secretary Shalala for her commitment to make a judgment decision. The issues are complex and involve a variety of different health policy issues.

I want to make it clear that our commendation of the Secretary is in here making her commitment to make a judgment on this issue, and we clearly do not want to commit our other colleagues to one of making a decision one way or another on this particular measure, but we do applaud the fact that the Secretary will give a clear signal, and the reasons for that signal, to the people of Oregon. I think that that is important for them and I think to commend the Secretary for her willingness to take a position on it is entirely appropriate for this body.

The PRESIDING OFFICER. Is there further debate?

The Chair recognizes the Senator from Oregon [Mr. PACKWOOD].

Mr. PACKWOOD. I thank the Chair.

Mr. President, let me put in further perspective what my good colleague from Oregon, Senator HATFIELD, said as to what Oregon is trying to do, because it is unique in this Nation.

Oregon, at the moment, under its Medicaid Program has an economic limitation of about 50 percent of the poverty level, but if you are above a percent of the poverty level in income you are ineligible for Medicaid. Other States have a similar threshold, some higher, some lower. I do not know of any State that treats 100 percent of the poverty level under Medicaid.

So indeed for the poor we are rationing care. If you are above a certain level, you do not get any public care, period.

In 1989, the Oregon Legislature passed three bills, not one.

The first relates to what is now called the Medicaid waiver. Oregon said, we will be willing to cover everybody to 100 percent of the poverty level. We will even cover people that Medicaid does not require us to cover, but in exchange, we cannot cover everybody up to 100 percent of the level with everything that we used to cover those up to 50 percent of the poverty level. We do not have enough money. So we said, we will cover everybody, but we will rank medical procedures from the most valuable to the least valuable, and there is going to be a cut off, and below a certain line we will not fund them.

We passed a second bill. The second bill was an employer mandate bill to require employers to require health coverage for employees, and the benefit level that had to be provided was the same level as Oregon would provide for Medicaid patients.

There was a third bill, basically an assigned risk pool. If people were not employed or self-employed, or for some reason were not covered either by Medicaid or employers, the State would have a risk pool to collect money and buy insurance themselves so everybody would be covered. The key was the Medicaid level, because the employer coverage does not go into effect until Oregon gets to try the Medicaid plan.

So this passes in 1989, and we have a citizens commission that met and held hearings all over the State with dozens and dozens of hearings getting input on how to rank the procedures.

Currently, there are 688 procedures ranked from the most valuable to the least valuable. The most valuable one at the top of the list is bacterial pneumonia. The reason it is at the top is that it is relatively easy to treat by antibiotics, and once treated, you are cured and not likely to die or ever again suffer from bacterial pneumonia. It is a high cost-benefit ratio.

Close to the bottom of the list is cosmetic surgery for purely cosmetic purposes. If you are injured in an accident that is a different matter. If you have lived for 45 or 50 years and do not like your face, we are not going to pay, at public expense, to change it. That is below the cutoff line.

Then the legislature came up with as much money as they could. They said below a certain level we will not cover.

We first asked the Federal Government to give us a waiver 1½ years ago because we are not going to cover some people that we would otherwise think we should cover. We are going to cover a lot more people than they require us to cover, but we are going to give everybody a basic level of medical care and some very expensive procedures that benefit only a very few people may get dropped. It is 1½ years later and we have not yet gotten the waiver.

Senator HATFIELD referred to other States asking for waivers. None of them have a plan like this, where for the first time in the history of this country we say eventually what the whole country will come to. We cannot afford to pay at public expense for the kind of medical care that a Henry Ford or John Rockefeller, if alive, could pay for themselves. We just cannot afford it. Eventually the U.S. Government and its Medicare and Medicaid Programs will come to that same conclusion—that there has to be some rational listing of benefits.

First, the Bush administration said there was a budget problem. I worked for some period of time with the Budget Director, Dick Darman, and got over the budget problem. Then the argument was there was an abortion problem. The laws of the Federal Government prohibit Medicaid funding of

abortion except in very unusual cases, and the argument was Oregon would use this waiver to fund abortions.

The Secretary of Health and Human Services has the right to issue a waiver for certain things. You cannot waive Federal law. So, Oregon could not fund the abortions whether we got the waiver or not. We got over that hurdle.

The next hurdle was the Americans with Disabilities Act which was passed in midstream. This act was not in full effect when Oregon passed its bill and there was an argument that violated the Americans with Disabilities Act, and the Department of Justice had a problem with it.

I find the Department of Justice analysis without good foundation, but that is neither here nor there. That was their argument. We never got a waiver from the Bush administration.

When President Clinton was campaigning in Oregon, he said if he were President, he would grant no waiver. That was last May.

When I met with the Secretary of Health and Human Services, Donna Shalala in her courtesy calls, I asked her about this. She looked with favor upon it. She thought the administration looked with favor. That is not a promise of granting it, but it looks with favor.

Now we have a letter from the Secretary that by March 19 a decision will be reached. As Senator KENNEDY said, it is not a guarantee we will get the waiver but at least we get a decision.

The Oregon Legislature is now in session. They will meet for 6 or 7 months. They have to have an answer. The legislature needs to know how much money it has to come up with if it is not going to be granted.

I emphasize again in concluding what Oregon is trying to do. Oregon is saying we only have so much money to spend on health, on education, on highways, on environment, on airports. We only have so much money, and if we spend more on health, then we have to spend less on education, less on airports, or less on highways. And in terms of priorities, we think that some priorities are higher in nonhealth areas, some priorities are higher than very expensive health procedures that benefit very few people and especially for procedures that are not very likely to prolong your life very much more.

So that is what we are asking, and one day, this country will come to this and I will tell you why. The President last night said he wants to use Congressional Budget Office figures so I will use just one. In 10 years—these are Congressional Budget Office figures—69 percent of all of the money that the Federal Government spends will either be for retirement—this is Social Security, Federal, civilian, and military retirements, or health, public money, Medicare-Medicaid, Indian Health, Public Health Service, interest on the debt—those five, 69 percent.

If we do not restrain those, then everything else the Federal Government spends will have to be reduced and restricted unless we want to raise taxes to do it. So Oregon is trying to lead the way in saying in terms of priorities with a limited amount of money, how much do you want to spend on health, how much within health do you want to spend on certain procedures? We beg for the chance to try this.

I take my hat off to the Legislature of Oregon and those who pushed it. It took courage. We beg for the chance to try it. It is about the best pilot program the Federal Government can have, because the Federal Government is going to have to come to a similar conclusion sooner or later.

I thank the Chair.

The PRESIDING OFFICER (Mr. SHELBY). The Senator from Minnesota.

Mr. DURENBERGER. Mr. President, I rise in support of the Hatfield-Packwood amendment.

Enough has been said about the waiver process and how burdensome it is, but enough has never been said about permitting States to operate as laboratories of experimentation. I think that is what the testimony here from both of the Members from Oregon has demonstrated to us.

The story of the efforts of the State of Oregon and its people to receive the waiver it needed to institute its Medicaid reform plan illustrates the fact that we have to change the waiver process if we are going to continue to allow the Oregonians of this world to give us the benefit of their willingness to change.

Oregon's approach was very controversial—as both our colleagues from that State have indicated—and I do not necessarily agree with all of the methodology that they employed. But I must tell my colleagues, I went out to Oregon in October 1991, and spent 3 days with Oregonians talking about this process, and came away with the feeling that has already been expressed better than I could by the Senators from that State.

The State has come in with a plan with extensive community involvement and debate. It is to be praised for having the courage and the commitment to wrestle with the very difficult issues of access to care, and costs of care, that many of the rest of the States have tried to avoid.

I do not know whether the ADA was really a major reason for the denial. I do not know how much partisan politics in an election year played a part in the denial. I think it would have been a lot better policy if the Bush administration had embraced the efforts of the State of Oregon and worked with them to improve the plan. But, as it now stands, Oregon has been denied the right to its bold experiment.

And Oregon is not alone. My own State of Minnesota, the States of Vermont, Florida, and others are subject to similar denials of their plans. I hope that the new Secretary's commitment to act promptly on Oregon means she is going to act equally promptly on the others.

Our newly-elected President served for 12 years as Governor of a State. He understands the burdens on States that are imposed by the waiver process. He has openly criticized the present situation and has promised flexible and rapid responses to State requests.

I believe that a rational waiver process is essential, and I believe we should move forward with all deliberate speed to attain it. However, my support for waivers does not mean that I think the States should allow the Federal Government to opt out of the process of health care reform.

I believe the problem highlights a deeper and more fundamental issue of intergovernmental relations. It is essential that we untangle the complex and interlocking web of Federal and State activities in health care, or we will never reform this system.

We need to return to the fundamentals of federalism—to determine what areas of reform should be a national responsibility. We need to decide what role the States should play to assure that the American people have an opportunity for good health.

My experience teaches me that States have much to offer in terms of creativity, innovation, and sensitivity to people's needs. The kind of things we cannot do nationally, Oregonians are willing to do in their State, and that is to test our values and our priorities for the first time in generations.

We can also test our sensitivity to cost. In my own State of Minnesota, 10 years ago, the prices for its health plans were 10 percent above the national average. Because Minnesotans were committed to reduce the cost of health care in the State of Minnesota, today the prices of health plans in our State are 18 percent below the national average. And in just a matter of a couple of years, with a little help from national policy change, we can be 30 percent below the national average.

Those are two things that States can do—cost containment and assessment of societal values.

It is also my experience that only a national government can guarantee the income security of all of its citizens. When a doctor's home visit cost $5, and a birth cost $20, medical care access was not an income security problem for this country. But at $350 to $500 a month for health insurance and an average per-capita expenditure of $3,500 per year in this State, this is a national income security challenge. It cannot be accomplished by States alone.

So I strongly support a waiver policy in which the States and the Federal Government are partners, not adver-

saries, in this effort, and strongly recommend the adoption of the amendment of our colleagues from Oregon.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. McCAIN. Mr. President, I rise as a cosponsor and strong supporter of the sense of the Senate resolution offered by my good friend and able colleague from the State of Oregon.

This resolution expresses the sense of the Senate that the Secretary of Health and Human Services should either approve or deny the Oregon Medicaid waivers by March 19, 1993.

Mr. President, for the past several years, the people of Oregon, like those of so many other States, have undertaken the very difficult task of developing a proposal to reform their health care delivery system.

Oregon, however, is the only State to have a systemwide demonstration project pending before HHS. While other States are working at models for comprehensive reform, Oregon is ready to move to the implementation phase. I, for one, believe that we ought to let them proceed.

Mr. President, we are just beginning the Federal debate over how best to reform our Nation's health care delivery system. While we are working on the broad outlines of health reform at the Federal level, we are not ready to act. There are many questions and issues that loom large in this debate.

One of these difficult questions is how to best prioritize the utilization of high-cost services and technology, so that all Americans have access to a basic level of care if America is to live under a global budget cap for health care. In spite of the public perception that all we have to do to control the level America spends on health care is eliminate fraud, waste, and abuse, or further limit payment to medical providers, the reality is it is going to require some very difficult choices.

Mr. President, the Oregon plan is largely about trying to address this very difficult question. While I am not prepared to impose this program on other States, I believe we will do ourselves a great disservice if we fail to let the people of Oregon test this question for our Nation.

Nearly 10 years ago, the Federal Government provided the State of Arizona with the necessary waivers to explore the application of managed care within the Medicaid environment—a significant question in the health reform debate at that time. The Arizona Health Care Cost Containment System, or AHCCCS, as it has come to be known, has been an enormous success.

It has demonstrated that managed care can be very effective in holding down costs and providing access to quality services for Medicaid beneficiaries. It would never have been possible to explore these questions if the Federal Government would have denied the State of Arizona the necessary waivers to conduct this demonstration program.

In my view, we should grant the State of Oregon the necessary waivers to begin exploring the important questions involved in their reform proposal.

Mr. President, the process of achieving comprehensive, systemic health reform is going to take years, not months. And, I believe at least initial reform at the Federal level will involve making macro changes and leave States with the flexibility to define many of the details. While we continue our work toward comprehensive, systemic reform, it is imperative that we let those States that are ready and willing to begin moving forward, to do so. Oregon is ready. In fact, it is the only State, to date, that has a comprehensive plan. And we should let them implement and test their plan.

Several weeks ago, President Clinton told the Governors that States were having to wait far too long for answers on their waiver requests—a situation which he would remedy. He was right, States need a prompt response to their waiver requests, and now is the time for his administration to act on the Oregon waiver package.

I, too, am encouraged at the fact that the Secretary has promised to act on the waiver request by March 19. This is far too important an issue to let it slide any further. It is my hope that the Secretary will end up approving the Oregon waivers.

To not allow the State of Oregon to move forward with this health reform demonstration would be a travesty, both to Oregonians and the American people. Accordingly, I hope that all of our colleagues will give this amendment their strong support.

Mr. KEMPTHORNE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. KEMPTHORNE. Mr. President, I rise in support of the Hatfield-Packwood amendment.

As I contemplate the significance of the issue of health care reform and realize the magnitude of what some of these possible changes may bring about, I think it strongly suggests we should encourage innovation. I will not discuss the specifics of the Oregon Plan, however, I think the philosophy of allowing States to undertake pilot projects is an absolutely essential key component as this Nation finds solutions to its health care problems.

I have met with the Idaho Hospital Association and they have indicated that they are more than willing to test new concepts, if allowed—the key is "if allowed."

I believe that we need to encourage innovation. The lessons we will learn from these different states, as they undertake these significant approaches, will be invaluable to us, both in learning what does work, and also in learning what does not work. Those who try should be applauded. In those areas where they are not successful, they should not be in any way punished for taking that risk, but again applauded. We need to support those States that are willing to actively seek solutions.

Therefore, I believe pilot projects, as suggested in Oregon, are key, and I strongly support us moving in that direction.

Thank you, Mr. President.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, before the termination on this amendment, I would like to thank again the leadership of the committee. From the early beginnings of this issue, we have had the support of Senator KENNEDY and Senator KASSEBAUM, Senator DURENBERGER and others on the committee, for which we are very grateful. Senator PACKWOOD has labored long on this issue. Congressman WYDEN of the State of Oregon has certainly been the spearhead on the House side; again, a bipartisan effort of the Republican and Democratic Members of the House representing Oregon, our Democratic Governor, our Republican Speaker of the House, and our Democratic president of the State senate. It is a total, broad-based support.

And I want to thank Senator KEMPTHORNE this morning for his comments which were very helpful.

We are very grateful for this broad base of support in the Congress.

Mr. President, I ask for the vote.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 43) was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, if I could ask the chairman of the committee, I have one other technical amendment, I believe. Could I offer that at this time?

Mr. KENNEDY. Yes.

The PRESIDING OFFICER. The Senator from Oregon.

AMENDMENT NO. 44

Mr. HATFIELD. Mr. President, there is a little place in the southern part of my State in Jackson County, OR, situated on Little Butte Creek, called Brownsboro. Just a few weeks ago, a dramatic accident occurred in my home State which, in effect, resulted in the loss of the town of Brownsboro, OR. A truck driver fell asleep at the wheel of his vehicle and drove into the tavern/post office/store building which

represents this small community near Medford, OR. The driver was critically injured; he is now recuperating in a Medford hospital. Fortunately, no one was in the building and no others were hurt as the truck came to rest in the tavern's dining room. The people of the area, the owners of the building and businesses are now talking about demolishing the building's remains and hopefully rebuilding.

Tragically, this episode illustrates the growing national need for public education and safety programs which could help reduce the anguish and expense incurred by a sleepy society. Sleep disorders are not unusual and sleep deprivation is all too common. In a very recent study, 87 percent of 156 commercial truck drivers were found to have sleep apnea and 46 percent suffered from the disorder at a moderate to severe level. The most frequently cited probable cause of mass transportation accidents was fatigue, accounting for nearly one-third of all fatal-to-the-driver heavy trucking accidents.

Mr. President, I applaud my colleague, Senator KENNEDY, for his leadership in sponsoring S. 1, the National Institutes of Health Revitalization Act of 1993. I would also like to commend Senator KENNEDY for including in this bill S. 104, legislation I introduced on the first day of the 103d Congress to establish a National Center for Sleep Disorders Research at the National Institutes of Health.

This is not another division in the broad sense of the constitution of the National Institutes of Health. This is a center.

The establishment of a National Center for Sleep Disorders Research will have a tremendous effect on the millions of Americans who suffer from the devastating effects of sleep disorders. The Commission on Sleep Disorders Research recently completed a 3-year study into the problem of sleep disorders in this country which found that 40 million Americans are chronically ill with a sleep disorder and that an additional 20 to 30 million experience intermittent sleep related problems.

In addition to this startling personal pain and suffering, the Commission found that sleep disorders are a tremendous drain on the productivity and safety of our country: falling asleep at the wheel is one of the most costly and devastating problems on American highways; accidents in the workplace due to sleep deprivation are commonplace and damaging to industry; and the annual cost to society is over $50 billion.

But just as damaging is society's complete lack of awareness of sleep disorders and their consequences. In addition to finding no component of society adequately aware of sleep disorders and the facts of sleep deprivation, the Commission found serious gaps in medical research and alarmingly few young investigators in the pipeline. It seems highly probable that this "reservoir of ignorance" is a major reason why 95 percent of all individuals afflicted with a sleep disorder remain undiagnosed.

In order to address these problems, the Commission recommended that the Federal Government undertake a series of initiatives. The centerpiece of these recommendations calls for the establishment of a National Center for Sleep Disorders Research within an existing institute of the National Institutes of Health. At a November 4 special hearing of the Senate Appropriations Committee in Oregon, I witnessed firsthand the positive effects a National Center for Sleep Disorders Research can bring to the millions of Americans suffering from sleep disorders. At this hearing patients, scientists, physicians, transportation experts, and government officials all expressed the necessity for the establishment of a National Center for Sleep Disorders Research.

Also supporting the establishment of a National Center for Sleep Disorders Research are a variety of medical, patient, and industry groups, including the American College of Chest Physicians, American Sleep Disorders Association, Sleep Research Society, American Narcolepsy Association, American Sleep Apnea Association, AWAKE Network, Better Sleep Council, Narcolepsy Network, and the National Sleep Foundation.

For these compelling reasons, I introduced S. 104, legislation establishing a National Center for Sleep Disorders Research within the National Institutes of Health. I commend my colleagues, Senators KENNEDY, SIMON, and CHAFEE for their cosponsorship of this historic legislation. I look forward to working with them and my other colleagues in the Senate in ensuring the success of the National Center for Sleep Disorders Research.

At this time, Mr. President, I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oregon [Mr. HATFIELD] proposes an amendment numbered 44.

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

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

The amendment is as follows:

On page 85, after line 22, in section 503, insert before the end quotation marks the following:

"(f)(1) The Director of the Center, in cooperation with the Centers for Disease Control, is authorized to coordinate activities with the Department of Transportation, the Department of Defense, the Department of Education, the Department of Labor, and the Department of Commerce to collect data, conduct studies, and disseminate public information concerning the impact of sleep disorders and sleep deprivation.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, the purpose of this amendment is to specify that the center has a role in coordinating its activities with those Federal agencies that have an interest in sleep deprivation and disorders. For instance, the Department of Transportation has, in the past, looked at sleep deprivation and its impacts on the transportation industry. Just this weekend, unfortunately, an accident occurred in Dunn, NC, which resulted in the loss of three lives, when the driver of a vehicle fell asleep at the wheel. I ask unanimous consent that an article from the News and Observer appear in the RECORD following my remarks.

Mr. President, this amendment has the support of Chairman KENNEDY and Senator KASSEBAUM and I ask for unanimous consent that the Senate adopt this amendment and that the text of the amendment be included in the RECORD.

I also ask unanimous consent that a letter supporting this legislation from the American Sleep Disorders Association, the only professional association exclusively dedicated to sleep disorders and sleep research, be included in the RECORD.

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

COLLISION KILLS 3, SPARKS INFERNO: CAR HITS TANKER HAULING 8,800 GALLONS OF GAS NEAR DUNN

(By Pamela Babcock)

DUNN.—Three people were killed and one injured Saturday when a gasoline tanker collided with a car and exploded on I-95 south of Dunn, sparking a raging inferno fueled by 8,800 gallons of gasoline.

"It was like a big ball of fire that lit up both sides of the road," said N.C. Highway Patrol Sgt. Jimmy Turbeville, one of the first on the scene. "One guy said it looked like the world was on fire."

Steve Blevins, 35, a truck driver from Wendell, was killed in the accident. Also killed were two occupants in the car that collided with the tanker: Josephine McIntyre Richardson, 63, and the driver, Mallory Adrian Rice, 28, of Fayetteville. Rice's mother, Mildred Rice, 60, a passenger in the car, was listed in stable condition Saturday night following surgery at Cape Fear Valley Hospital in Fayetteville.

Department of Transportation supervisor Tom Burchell, who lives two miles away, said he was thrown out of bed by a series of explosions. When he looked out into the morning darkness, the sky was aglow.

"It looked like an early sunrise," Burchell said. "It sounded like a war."

The 5:45 a.m. accident occurred about two miles north of N.C. 82 when Mallory Rice, who was driving a 1988 Dodge Shadow, apparently fell asleep crossing the median into the southbound lane and struck the tanker, troopers said.

The impact severed the front of the car, which was thrown airborne for 29 feet. The

car then flipped over before ripping open and bursting into flames. Both vehicles were traveling about 65 miles per hour when they collided, Highway Patrol Trooper Clinton E. Butler said.

The accident stranded thousands of motorists for hours as the intense heat from the fire turned the roadway into a bubbling brew. Southbound traffic was blocked until about 1 p.m., when the fire was extinguished, while the northbound lane was closed to traffic for much of the day. Traffic was backed up to five miles at one point.

State transportation officials made temporary repairs and reopened the northbound lanes by late Saturday afternoon, but said that work to ensure that the roadbed is stable enough to support traffic will take much of the week.

Burchell, the DOT supervisor, said the fire sent mushroom clouds into the air.

"I've been doing this for 25 years, this was one of the wildest, one of the worst," he said. I've seen dozens of spills.

Witnesses reported hearing a series of explosions, possible up to six or seven. Several fire units responded, but efforts to clear the wreckage were hindered by the heat, and the fire was allowed to burn. The tops of towering pine trees near the accident were singed, indicating that the flames shot up to 75 feet.

The late 1980s model Mack truck Blevins was driving was unrecognizable. Its tires were completely burned off and the steel belts from the radials looked like thread wrapped around spools.

Blevins was employed by Coastal Transportation, a Goldsboro-based hauler of petroleum products. The truck was carrying three grades of fuel in three compartments. Blevins had just picked up a load of fuel in Selma, about 25 miles from the wreck, troopers said.

Tony Holland, a manager for Coastal Transportation, said Blevins was with the firm just over a year and was a good driver.

"He was just in the wrong place at the wrong time," Holland said. The impact apparently severed the front axle of the truck from the steering column, making it impossible for Blevins to control the truck, he said.

"From the looks of it, it damaged the front axles enough that he was just along for the ride," Holland said.

Bexley "B.J." Eatmon, the owner of B.J.'s at 3317 Rolesville Road in Wendell, said he knew Blevins for about six years. Blevins also had worked for Wendell Transport and Variety Wholesale, he said.

"We're going to miss him. You won't find a better person than Steve," Eatmon said. "He was just a good fellow."

Although Blevins enjoyed fishing, Eatmon said, he spent most of his free time with his wife, Carol. "He was everything to her. She will be devastated by it," Eatmon said.

Julia Opinski, a next door neighbor of the Blevinses said, "He was the kind of man who would have done anything for anybody in the world."

Blevins was a skilled woodworker who built furniture for his home and filled the backyard with homemade birdhouses, she said.

Trooper Butler said the passengers in the car were traveling to Washington to visit a relative. He said that because of the extent of damage, it was impossible to determine whether any of the dead or injured were wearing seat belts. Alcohol was not a factor, Butler said.

AMERICAN SLEEP DISORDERS ASSOCIATION,
Washington, DC, January 25, 1993.

Hon. MARK O. HATFIELD,
U.S. Senate,
Washington, DC.

DEAR SENATOR HATFIELD: The American Sleep Disorders Association represents over 2,000 physicians and scientists who have dedicated their careers to the sleep medicine and research fields. We are the largest organization of this type in the world. Further, the ASDA is the only professional society whose mission includes improving medical care for patients with sleep disorders, enhancing sleep research and fostering public awareness about sleep and its disorders. Our organization includes physicians and scientists with many different specialties, including the neurological, psychological, pulmonary, psychiatric, otolaryngological and pediatric aspects of sleep. As the only professional association exclusively dedicated to sleep disorders and sleep research, we feel compelled to offer our views regarding the establishment of a National Center for Sleep Disorders Research.

First, the ASDA wholeheartedly endorses the establishment of a National Center for Sleep Disorders Research. We feel this to be a necessity if the concerns of the National Commission on Sleep Disorders Research are to be adequately addressed. The absence of a specific entity responsible for sleep disorders research and education within the federal biomedical structure has led to a lack of appropriate scientific program direction and major gaps in both basic and clinical research, despite a few excellent sleep-related programs in individual NIH and ADAMHA institutes.

Because of the multidisciplinary aspect of the sleep field, the American Sleep Disorders Association encourages that individuals from a variety of disciplines provide input during the development and ongoing operation of a National Center. Such diverse expertise is deemed essential to foster sleep-related research, education and training. The ASDA recommends that the national advisory board include basic and clinical sleep researchers, sleep medicine specialists and human chronobiologists. In this way, the mission of the Center will accurately represent the multidisciplinary nature of the field.

The ASDA considers the National Heart, Lung and Blood Institute (NHLBI) the optimal place in the NIH to house the National Center for Sleep Disorders Research. This assertion is based on several criteria. First, NHLBI's ongoing commitment and proven track record in establishing and supporting a sleep research program including specialized centers of research covering a wide spectrum of basic, clinical and population-based studies, and training and education activities related to sleep. Second, the NHLBI's demonstrated expertise in establishing national education programs in wide ranging areas such as hypertension, smoking, cholesterol and asthma, an area of significant unmet need that was raised by the National Commission.

Third, the NHLBI has demonstrated the most interest and enthusiasm about housing the Center. Several months before the release of the report of the National Commission on Sleep Disorders Research, leaders from our organization met with the directors of the five institutes supporting the majority of sleep disorders research in order to determine which NIH Institute was the most appropriate location for the establishment of a National Center. Representatives of the NHLBI demonstrated the greatest willingness to have the National Center for Sleep Disorders Research housed within their Institute. This willingness was further reinforced during a House Appropriations Committee hearing when NHLBI Director Dr. Claude Lenfent stated that:

"The NHLBI is not only appropriate; it is, in fact, the only Institute with the capability to provide leadership in establishing a National Center for Sleep Disorders Research. The Institute already has a major research program in this area * * * includ[ing] a full range of activities from basic, clinical and epidemiological research to training in * * * disorders of sleep, and that

Even though the main mission of the NHLBI program focuses on cardiopulmonary disorders of sleep, we are well aware that a comprehensive sleep disorders research program should include a spectrum of research covering the breadth of sleep disorders medicine."

It is based upon these meetings and the demonstrated willingness and commitment on the NHLBI that the ASDA believes that the establishment of a National Center for Sleep Disorders Research should be located within the National Heart, Lung and Blood Institute.

We thank you for your time and consideration. We will be pleased to provide any assistance in this matter.

Sincerely,

MARK MAHOWALD, M.D.,
President.
JAMES K. WALSH, PH.D,
Chair, Government Affairs and Public Policy Committee.

Mr. DURENBERGER. Mr. President, the amendment by our colleague Senator HATFIELD will allow the NIH in accordance with the CDC to coordinate sleep disorder activities among 5 different departments of the Federal Government. It is our hope such activities will ultimately prevent such problems related to sleep disorders and sleep deprivation. For instance, sleep disorders activities at the Department of Transportation may one day decrease traffic accidents involving individuals who fall asleep behind the wheel. For this reason we urge the adoption of the amendment.

Mr. KENNEDY. This is completely consistent with other provisions in the legislation that affect sleep disorders affecting 20 million Americans.

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

The amendment (No. 44) was agreed to.

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

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Minnesota.

EN BLOC AMENDMENTS NO. 45, 46, 47

Mr. DURENBERGER. Mr. President, I send amendments to the desk on behalf of Senators JEFFORDS and GORTON. I ask unanimous consent the amendments be considered and agreed to en

bloc and the motions to reconsider be laid on the table.

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

The amendments considered and agreed to en bloc are as follows:

At the appropriate place in title XIX, insert the following new section:

SEC. 19 . SENTINEL DISEASE CONCEPT STUDY.

(a) IN GENERAL.—The Director of the National Institutes of Health, in cooperation with the Agency for Toxic Substances and Disease Registry and the Centers for Disease Control and Prevention, may design and implement a pilot sentinel disease surveillance and follow-up system.

(b) PURPOSE.—The purpose of the study conducted under subsection (a) shall be to determine the applicability of and the difficulties associated with the implementation of the sentinel disease concept for identifying the relationship between the occupation of household members and the incidence of subsequent conditions or diseases in other members of the household.

(c) REPORT.—Not later than 4 years after the date of enactment of this Act, the Director of the National Institutes of Health shall prepare and submit to the appropriate committees of Congress, a report concerning the results of the study conducted under subsection (a).

Mr. DURENBERGER. The first of these amendments, by Senator JEFFORDS, relates to the sentinel disease surveillance and followup system which this amendment creates, which will prevent future health problems for many Americans.

A good example of such a disease is lead poisoning. Once health providers identify a person with lead poisoning—the sentinel disease—public health officials then investigate the home or work environment to determine if other individuals also face the same health threat. If they do, the public health officials recommend changes in the environment which would prevent further illness and disability.

AMENDMENT NO. 46

At the end of title XX of the Committee amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS.

Section 2602 of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621) is amended—

(1) in the first sentence of subsection (b), by striking "1993 and 1994" and inserting "1993, 1994, and 1995"; and

(2) in subsection (d), by striking "in each of the fiscal years 1993 and 1994" and inserting "for each of the fiscal years 1993, 1994, and 1995".

Mr. JEFFORDS. Mr. President, this amendment simply extends the Low Income Home Energy Assistance Program for one year, from 1994 to 1995. It makes no change in policy.

This simple extension is necessary because of an oversight when the Congress last reauthorized the program in 1990. At that time, subject to approval of the Budget Committee as required by budget rules, the program was put on a forward funded basis.

However, the authorization of the program did not reflect the forward funding. Thus, the authorization for the program expires next year, fiscal year 1994, but the forward funding provision anticipates funds being appropriated this year for fiscal year 1995. Thus, in order to avoid appropriating for an unauthorized program, the authorization needs to be extended for a year.

There was a compelling reason for forward funding the program. In the past, States and localities have begun the heating season before they knew what amount of appropriations for the program would be available. Given that appropriations would not be in place until late September or even mid-October, State and local programs would have little idea what resources would be at their disposal.

By providing forward funding for the program, States and localities will be able to plan ahead and make the best and most equitable use of their funds. This amendment simply corrects an oversight in the 1990 reauthorization, and makes no substantive changes in the program. It is supported by the administration and I know of no objection to it.

NIOSH has considerable expertise in this area, as does the ATSDR. I hope NIH, NIOSH, and ATSDR can work together to develop and implement a sentinel disease study and when completed, let us know if this concept truly represents a cost-saving and effective approach to protecting the American public.

It is my intent with this amendment that these agencies will implement such a study, not merely report on the hypothetical pros and cons. This is to be a case study of the concept in the real world. When completed, we will want to know what problems were encountered, was the concept successful, did it save money, etc. Health experts have told me such a pilot study should not cost more than $500,000 to implement, assuming a State with an existing disease reporting system is selected. I hope the agencies will work together to share the costs, as each will potentially benefit.

Again, Mr. President, I thank my colleagues for their assistance. I look forward to working with them as we move this bill through Congress and to the President.

Mr. DURENBERGER. Mr. President, the second amendment relates to the Low Income Home Energy Assistance Program. This amendment is also sponsored by myself and Senator COHEN, and adds an additional year of authorization to the LIHEAP Program. This change was inadvertently omitted from the reauthorization bill.

This amendment brings the reauthorization period into conformity with other provisions of that bill.

AMENDMENT NO. 47

On page 199, after line 18, add the following new section:

SEC. 1910. CONGRESSIONAL APPROPRIATION OF FEDERALLY SUPPORTED DISEASE RESEARCH.

(a) FINDINGS.—Congress finds that—

(1) it is in the public interest to support necessary and valuable biomedical research on diseases and conditions that harm or kill individuals and that threaten public health;

(2) it is in the public interest to allocate scarce Federal taxpayer money for research that is based on scientific merit and cost-effectiveness; and

(3) it is in the public interest for Members of Congress to have a criteria or methodologies to inform and assist them in the decision making process when allocating Federal taxpayer money for specific biomedical research.

(b) STUDY.—

(1) CONTRACT.—The Secretary of Health and Human Services shall, subject to the availability of appropriations and subject to paragraph (2), enter into a contract with a public or nonprofit private entity to develop criteria or methodologies which Members of Congress may use to assist and inform them during consideration of allocations for biomedical research.

(2) INSTITUTE OF MEDICINE.—The Secretary of Health and Human Services shall request the Institute of Medicine of the National Academy of Sciences to enter into the contract under paragraph (1) to conduct the study described in such paragraph. If such Institute declines to conduct the study, the Secretary shall carry out paragraph (1) through another public or nonprofit private entity.

(3) ITEMS.—Items that may be considered in the development of the criteria of methodologies may include, but are not limited to, the following—

(A) the populations affected by, or potentially affected by diseases and conditions that are targets for research;

(B) the incidence and prevalence rates of disease and conditions;

(C) mortality rates of the diseases and conditions;

(D) rates of morbidity, impairment disability, and health status and functional outcomes of the diseases and conditions;

(E) the economic burden of the diseases and conditions including past and projected expenditures on diagnosis and treatment;

(F) other economic and social burdens; and

(G) potential for medical research on specific diseases to assist basic research efforts.

(c) SUBMISSION TO CONGRESS.—Not later than 1 year after the date on which the contract under subsection (b)(1) is signed, the Institutes of Medicine of the National Academy of Sciences shall prepare and submit to the Secretary of Health and Human Services and the appropriate committees of Congress, a report that includes the recommendations developed under subsection (b). Not later than 90 days after the receipt of such report, the Secretary of Health and Human Services shall submit comments on the recommendations to the appropriate committees of Congress.

(d) COSTS.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for fiscal years 1994 and 1995.

Mr. GORTON. Mr. President, since I began working on the Senate Appropriations Subcommittee on Labor, Health and Human Services, and Education, I have made the funding of biomedical research a top priority. That particular subcommittee serves a vital role in ensuring adequate funding for

desperately needed research to find the answers to cancer, AIDS, Alzheimer's disease, diabetes, and a host of other tragic diseases which strike millions of Americans. Federally sponsored biomedical research is vital to institutions in my State of Washington which are recognized worldwide for their pioneering work. Much of the research performed at the Fred Hutchinson Cancer Research Center and the University of Washington in Seattle represents some of the finest investments that the Federal Government has made in fighting illnesses which threaten our communities and families.

While I consider my position on that subcommittee among the most important duties I have as a U.S. Senator, it is also among my most frustrating and difficult obligations. The reason for the frustration is based in the desirability of so many of the specific biomedical research funding proposals. To the victims and the families living with a chronic illness, the Federal Government cannot spend enough to prevent that disease. When I meet with constituents who are physically, emotionally, and economically devastated by diseases such as breast cancer, I too feel that we could never spend enough to stop their pain.

Unfortunately, there is a limit to how much we can spend. Those limitations, and the subsequent funding decisions, are an agonizing and difficult process for Members of Congress. Ultimately, we cannot base our decisions only on our desirability to end the suffering that a disease inflicts. We must make decisions based on the fairest and wisest utilization of the funds available. I am consistently impressed and amazed with Senator HARKIN and Senator SPECTER, chairman and ranking member of the Labor, Health and Human Services, and Education Subcommittee, and Chairman NATCHER in the House of Representatives, and their ability to make with great care and fairness many excruciating funding decisions. The responsibilities they graciously accept is as burdensome and as difficult as any on Capitol Hill.

Today, I have offered an amendment to the National Institutes of Health Revitalization Act which I hope will help make their task less difficult. Essentially, this amendment, which is the result of lengthy discussions and inquiries over the last year, will improve the process by providing the means for Members to make more informed and fair funding decisions. My amendment requests the Secretary of Health and Human Services to contract with the Institute of Medicine of the National Academy of Sciences to develop criteria or methodologies for Members to use during consideration of funding proposals for biomedical research. Those criteria or methodologies will be developed by an objective group of scientists who will make recommendations to Congress. Items which may be considered in the development of the criteria or methodologies include such factors as: The populations affected by the disease, the mortality rates of the disease, the economic burden of the disease, and potential for specific research to assist basic research efforts.

Those recommendations will not be binding in any way. Members will simply be able to use these criteria or methodologies when considering the difficult and complex issues before them. The criteria and methodologies will be welcome additions to the various factors which influence a Member.

Let me make it clear that in no way do I intend or expect Members to use the recommended criteria to the exclusion of their personal judgment. An objective method by which to measure and questions our priorities will enhance and improve our ultimate judgments and improve the decisionmaking process.

Funding for pediatric AIDS research provides an excellent example of how these objective criteria or methodologies may best serve the victims of pediatric AIDS, the scientific community, and the public good. One only needs to hold a fragile crack baby born HIV positive and clinging to life, to be moved to support any amount of biomedical research to end their suffering. When I am asked as a Member of Congress to support an enormous earmark for specific biomedical research on pediatric AIDS, the decision I must make must be based on more than my emotions and good intentions. I want to make the best possible decision, based on the best possible information, as well as my own desire to end suffering. The criteria or methodologies developed by the Institute of Medicine will help me ask the questions and make the decisions I must make as a representative of the people of Washington. Utilization of more objective standards will increase the confidence of the scientific community as well. Most importantly, the participants in federally sponsored biomedical research programs may benefit by more consistency in Federal support.

In short, Mr. President, this amendment is simply good public policy because it helps Members make more informed and fair decisions. I wish to thank Senator KENNEDY and Senator KASSEBAUM for recognizing that, and assisting me in this effort. Their suggestions were welcome improvements and I look forward to sharing the recommendations of the Institutes of Medicine with them and others. I should note as well that the Institute of Medicine does support this measure and has been especially helpful in assisting me. Finally, Mr. President, I look forward to working again with Senators HARKIN and SPECTER this year as we renew our efforts to support biomedical research.

Mr. DURENBERGER. Mr. President, the Gorton amendment authorizes a study by the Institute of Medicine to determine criteria which Members of Congress may use as they decide to allocate scarce Federal resources for specific biomedical research programs at NIH.

In general, I am troubled by the earmarking of funds for specific research programs at NIH by Members of this body. For instance, the NIH reauthorization bill we are considering today has many of these provisions. I believe Congress should let the biomedical research experts at NIH decide which specific research programs they wish to fund. In general, Members of this body should leave science—and the creation of a specific research agenda—in the hands of the NIH scientists. The intent of the Gorton amendment is to remind Members of Congress about this important issue.

Mr. KENNEDY. Mr. President, Senator DURENBERGER has appropriately described the substance of these matters. They are all worthwhile and valuable. We welcome their addition to the legislation. I express our appreciation to the Members working with us on particular language to ensure it was consistent with the other provisions of the legislation.

Mr. President, just to give the information to the membership, we have disposed of all amendments with the exception of an amendment to be offered by the Senator from North Carolina [Mr. HELMS], and a later technical amendment which will be offered by myself and Senator KASSEBAUM, dealing with the extension of the jurisdiction of the Federal courts to be able to consider vaccine challenges. At this time I know of no other amendments. We have notified the Senator from North Carolina that this is the situation.

I see the Senator from North Carolina is on his feet at the present time.

AMENDMENT NO. 48

(Purpose: To eliminate requirement that President appoint an Ethics Advisory Board as a condition of withholding funding for research proposals)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 48.

Strike all beginning on page 7, line 25, through the last period on page 13, line 10.

Mr. HELMS. I thank the distinguished clerk.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I hope both managers of the bill will find the provision to which this amendment applies so I may ask questions about it.

Mr. President, I see the manager of the bill has arrived. I have just sent an amendment to the desk to strike a provision which I think is almost irrelevant. Perhaps you can persuade me to the contrary though.

Mr. President, section 101 of the pending bill creates what is called an Ethics Advisory Board, charged with passing judgment as to whether the President of the United States, by way of the Secretary of Health and Human Services, should be allowed to withhold taxpayer funds from human research, et cetera, et cetera, at the National Institutes of Health.

It seems to me this provision on its face is unconstitutional. As I said, perhaps the best that can be said for this provision is that it is irrelevant. It is certainly my belief, based on every constitutional scholar with whom I have consulted, an unconstitutional intrusion into a President's power to run the executive branch of Government. It matters not that the incumbent President is not of my party, and I do not agree with him, but it is the principle of the thing.

So, let me ask a few questions about the boards and commissions of the Federal Government, all of which cost money to operate, and maybe one or two somewhere along the line serve some useful purpose.

May I ask if either manager of the bill has any idea how many Federal advisory boards we already have?

Mrs. KASSEBAUM. Mr. President, in responding to the Senator from North Carolina, I do not know the total number of advisory boards authorized by Congress. But if I may just ask the Senator a question. Bringing me up to date, is he recommending that this Advisory Board be terminated?

Mr. HELMS. Until hearings are held on it.

Mrs. KASSEBAUM. Does the Senator know——

Mr. HELMS. Excuse me.

Mrs. KASSEBAUM. I was just going to review the history of this Board. It is my recollection that the Ethics Advisory Board provision was in last year's bill with the strong support of some of our own colleagues on this side of the aisle. This was something that the Republicans had strongly supported, I believe, last year and the provision was left in this year. I am not a strong supporter of unnecessary commissions, and if it would be the Senator's desire to eliminate the Commission, perhaps this is something we should discuss.

Mr. HELMS. I thank the Senator. We have established that there are at least 5,408 Federal commissions, most of which are of dubious worth.

I believe I am correct, am I not, that no hearings were held on authorizing this particular Advisory Board?

Mrs. KASSEBAUM. Not on that particular subject but was mentioned in the hearings on fetal tissue transplantation research. The Board was strongly supported by some Republican Senators when this legislation was originally introduced.

Mr. HELMS. Let me say that I have been in the Senate a good while. I know of no overture by anybody saying we ought to look at this. Maybe it is an oversight on my part. Maybe it happened last year or the year before last. The point is, that I believe it is fair to say that no hearings have been held.

Now for another question. Who will appoint the members of this Board?

Mrs. KASSEBAUM. The President.

Mr. HELMS. How many Board members will there be?

Mrs. KASSEBAUM. I do not have that number in front of me at this point. Does Senator KENNEDY know how many Board members?

Mr. KENNEDY. Yes. Mr. President, what was the question? I would like to respond generally to the amendment. Eleven members, 14 members, excuse me, 14 appointed.

Mr. HELMS. I believe the correct answer, according to the copy of the committee substitute I have before me, is 14 to 20 members. Now, is the President under this proposed provision obligated to appoint this Board?

Mr. KENNEDY. Yes.

Mr. HELMS. Is the President obligated to abide by the dictates of the Board?

Mr. KENNEDY. As prescribed in the legislation.

Mr. HELMS. The answer is yes, then.

Mr. KENNEDY. As prescribed in the legislation. There are conditions. If the Senator had made the amendment available earlier I would be able to identify at this moment the particular lines. There will be abiding conditions which are specified in the legislation.

Mr. HELMS. The answer is that the President will not be able to withhold funding unless a majority of this Board also agrees that the funding should be withheld. Will Congress have any oversight authority over this Board?

Mr. KENNEDY. No.

Mr. HELMS. So, is it fair to say that the Senator proposes in this bill to create an unselected Board with no oversight, and which has the authority to overrule the President of the United States, whomever he may be; is that correct?

Mr. KENNEDY. That is not the way I would interpret it.

Mr. HELMS. How would you characterize it?

Mr. KENNEDY. I would interpret it the way it is described in the legislation, not as the Senator described it.

Mr. HELMS. I can stand here and you may look at it.

Mr. KENNEDY. I can stand here and you can look at it.

Mr. HELMS. I have looked at it.

Mr. KENNEDY. I have looked at it.

Mr. HELMS. Tell me what you think about it.

Mr. KENNEDY. I think it is good.

Mr. HELMS. You do not want to answer my question.

Mr. KENNEDY. I am sorry if the Senator does not understand what this Board does and why it was developed.

Mr. HELMS. This Senator understands, no question about that. I am just trying to get you to say for the record what it does and where you stand on it.

Mr. KENNEDY. I am in strong support of the program for very justified reasons. When I have my own time on it, I will explain those reasons.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina has the floor.

Mrs. KASSEBAUM. Mr. President, I wonder if I might respond to the Senator from North Carolina.

Mr. HELMS. I yield for a question or comment by the Senator.

Mrs. KASSEBAUM. We were debating the Ethnics Advisory Board, am I correct?

Mr. HELMS. I am sorry.

Mrs. KASSEBAUM. We were debating the Ethics Advisory Board and whether it should be eliminated.

Mr. HELMS. Yes.

Mrs. KASSEBAUM. I understand that the Board was included last year in the bill, because of concerns about balancing the pursuit of science and the ethical issues involved—to make sure those ethical considerations are taken into account. Issues such as fetal tissue transplantation is very sensitive, as the Senator knows very well and has expressed his strong feelings. I am appreciative of that. But the very reasons there are such strong feelings on this issue, wanting to make sure that the safeguards are there for every ethical consideration that might come up, is the reason this Board was included in last year's bill. It has just been maintained in this year's bill.

I share the Senator's concern about additional commissions, but it does seem to me that there are some important ethical questions. I understand, Mr. President, the concerns of the Senator from North Carolina that the Commission may be stacked one way or the other. I personally do not believe that will be the case, and I think the Ethics Board is a safeguard that may answer everyone's concerns regarding ethical questions, and the sensitivity of this issue.

Mr. HELMS. Let me say as politely and affectionately as I can to my dear friend from Kansas, and I think she knows how much I admire her, but it is sophistry, it seems to me, for anyone to suggest that the President of the United States—having been obliged to appoint members to the Commission and being obliged once they are appointed to be dedicated to by them—is highly unlikely to have had any notion of putting people on such a Commis-

sion who might possibly disagree with him. Is that a fair statement?

Mrs. KASSEBAUM. Mr. President, I will just respond to the Senator from North Carolina that I have greater faith in the desire to make sure that there are thoughtful people serving on this Board. Members who will bring to the Board a broad sensitivity to the issue. I do not think it will be dictated by one President or another.

We have to assume good faith in some instances, and I guess I would in this instance.

Mr. HELMS. Where does it say—and please do not let me appear disparaging.

Mrs. KASSEBAUM. I understand.

Mr. HELMS. If I appear to be, correct me on it. But where does it say anywhere in this provision that the President's appointees shall have some sense of ideological or political balance? It does not say anything about Republican or Democrat, conservative or liberal or anything else. It is whomever he wants to appoint.

It is whomever he wants to appoint, and a President would be out of his mind, under this proposed legislation, to appoint anyone likely to oppose him on something of importance to him. Is that not a fair statement?

Mrs. KASSEBAUM. In response to the Senator from North Carolina, no I do not really believe that is a fair statement. Whether a Republican or Democrat President makes appointments to the Ethics Advisory Board. The selection will be broad-based. For instance, the bill requires the appointment of individuals with specific expertise who are ethicists, theologians, scientists with substantial accomplishments in bioresearch, and lawyers. Obviously, if the President feels one way or the other, that is going to be of some influence, but I do not think predominantly so. I guess I do not share the Senator's worry that it would be unnecessarily slanted one way or the other. But I am sensitive to his concerns. That is what this board was, as a matter of fact, supposed to be serving.

Mr. HELMS. I thank the Senator.

As I mentioned earlier, Mr. President, there are currently 5,408 Federal advisory boards—at a minimum. There are probably 1,000 more than that, but that is all I currently know about.

I wonder if anybody—Senator KENNEDY, Senator KASSEBAUM, or anybody else—knows how much these advisory boards cost the taxpayers every year. I doubt it. I do not know myself. But I do know that when you pay the travel expenses, the per diem, and all the rest of it for 5,408 advisory boards—this one would make it 5,409—you have a pile of money that the taxpayers have to pay for people to come to Washington and perhaps serve some useful purpose, or maybe just carry out some perfunctory duty.

Whichever it is, it is costing the taxpayers a bundle. I do not know any of these boards which actually perform any substantial or absolutely necessary service. And here we are about to add yet another one to the list.

Let me inquire further of one of the managers of the bill. I read a statement by an individual not long ago who said: "It is time for government to demonstrate, in the condition we are in, that we can be as frugal as any household in America." Is that statement familiar to anybody? It was the President of the United States. And he said it just last night.

Yet this bill, the very next day, sets out to create yet another government commission. I just wonder.

But, cutting wasteful government spending was one of the things I agreed with the President about last night. I thought his address in the main was eloquent. It was a mile wide and an inch thick, but it was quite an eloquent presentation.

Now, are the managers saying that they are not willing to have a hearing on this thing and offer it as a separate piece of legislation after some of us have had an opportunity to testify?

Mrs. KASSEBAUM. Mr. President, if I may just respond for a moment to the Senator from North Carolina. Going back in the history of this again for a moment, in 1988 President Reagan appointed a fetal tissue transplantation panel, which did not make the recommendations that President Reagan would have proposed. Again going back to my own observation, I think the President is not necessarily going to find that any commission he appoints is going to be dictated to by his own desires. He will pick people that he believes will serve well on that commission, but he cannot predetermine their findings. For example, the commission appointed by President Reagan made a recommendation that was overwhelmingly to lift any ban on fetal tissue transplantation.

Let me just also add, the Ethics Advisory Board is only a one-time appointment; it will not require ongoing funding. It seems to me the Advisory Board concept has been around for some time. I guess I am not sure that a hearing would help us resolve the question of whether a President is or is not going to appoint members to the commission with the necessary—expertise is not the word—the necessary bent—that the Senator from North Carolina would like to have. I do not know that any of us can prejudge what direction the panel is going to go.

It would be our desire that any members of an advisory board or commission—I am sure the Senator from North Carolina would agree—whether it is the National Endowment for the Arts or any of the other commissions and boards we have, would be appointed and serve at the discretion of the President to the greatest of their ability to exercise judgment based on their expertise. We hope that will be the case with the advisory panel authorized in the bill before us.

Mr. HELMS. I wish I could have debated the Senator from Massachusetts. I would feel more comfortable. But when the Senator from Kansas smiles at me——

Mr. KENNEDY. The Senator is delighted to enter into the debate when he has an opportunity to respond to the amendment. Then I would be glad to respond to any kind of questions.

Mr. HELMS. Let me turn up my hearing aid.

Mr. KENNEDY. You can turn it up if you would like to.

Mr. HELMS. I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President; I would like to take a few moments to review the merits of ethic advisory boards. But I am delighted to have an opportunity to debate why I hope this amendment should not be accepted.

The idea of looking into biomedical ethical issues is something that has been before this body over a very considerable period of time. It developed as the result of the sterilization of some young women on public assistance some 45 years ago. Sterilization was a required condition for governmental assistance in order for individuals to qualify for welfare.

Then we witnessed the use of diprovera in Tennessee prisons that was used to make women infertile with lack of medical supervision. Serious ethical issues were raised there.

We saw the Public Health Service conduct a study on Tuskegee syphilisic on unsuspecting individuals for 35 years. None of the participants were provided with informal consent options, nor the dangers of the progression of the disease nor was the option of antibiotic treatment made available to those individuals so that they could be free from the disease.

We have warned of the testing of psychedelic drugs by the Central Intelligence Agency on their own agents unbeknownst to those individuals, and the tragic result is that one of those individuals felt that he had betrayed secrets and threw himself off a building and killed himself.

It was in the wake of these outrageous incidents that prompted congressional action and a bioethics commission was created about 20 years ago. The bioethics commission reviewed the activities of various governmental agencies. It had no enforcement authorities. All they could do was make a review of their various policies, rules, and regulations which were published in the Federal Register. Upon review of those rules and regulations, it was revealed that there was no consistency among the various agencies.

The bioethics commission was abandoned in the 1980's because the Reagan administration politicized scientific investigation by catering to the right to life.

Other ethical issues have come up over the period of time. And the past administration placed a moratorium on Federal funding of fetal tissue transplantation research and invitro fertilization research. They were always reluctant to refer the cases to the bioethics Commission. The way we had proceeded over a period of time that had not been contested.

After the decision was made to ban Federal funding of fetal transplantation, the NIH decided to establish a panel to review the ethical issues associated with fetal tissue transplantation. The NIH Fetal Tissue Transplantation Research Panel was appointed by President Reagan. By a vote of 18 to 3, the panel concluded that the use of human fetal tissue for transplantation research is acceptable public policy. The panel's report and recommendations were accepted by unanimous vote of the advisory committee who recommended lifting the ban.

Nonetheless, the recommendations of that panel were abandoned and we saw the imposition of a ban of any research on fetal tissue transplantation. There are millions of Americans whose lives have been diminished, because of the ban on this research. People with Parkinson's disease, Alzheimer's disease, diabetes, and in many other illnesses, have lost the opportunity for improvement in their health because their disease was progressed during the moratorium.

We now have a President of the United States who has lifted that ban. We have now supported fetal tissue transplant research and ensured that protection as recommended by the NIH Task Force is in place to prevent any potential abuses of the research.

Continued progress in health research is seriously threatened if we allow administrative action that undermines the peer review process. Unreasonable prohibitions have been imposed in an arbitrary manner on exceptional and promising research that had received approval by NIH's vigorous scientific and ethical review system. An ethic advisory board, appointed like the Reagan board, would ensure that meritorious research projects would be fairly evaluated and not rejected because of politics.

This concept of the establishment of this bioethics panel is consistent with what was done by the previous administration. I know my friend and colleague has complaints about 5,000 various advisory committees. Many of them were established during Republican administrations. I wonder what Senator in here wants to abolish advisory committees that are made up of the distinguished Nobel laureates that advise the Cancer Institute. Maybe the Senator from North Carolina does. Or the Advisory Council to National Heart, Lung and Blood Institute. Maybe the Senator from North Carolina does. Or whether we want to abolish peer review panels which have approved funding to over 90 Nobel laureates. Maybe the Senator from North Carolina wants to abolish peer review.

Maybe not all advisory committees are perfect, but we defend the process and procedure which was used to consider bioethical issues and questions.

The ethics advisory board will be composed of experts including bioethicists, theologians, lawyers, scientists, and members of the general public, all appointed by the President.

So now we have the circumstance where there is, on the basis of scientific and peer review, a finding and justification that a particular program ought to be investigated. Now, on the basis of ethical issues, the Secretary or the President decides they will not go ahead on that basis, on the basis of the science, not in terms of funding, but on the basis of the science.

Then what happens? This particular panel is established, appointed by the President of the United States. The panel has to make a judgment on the basis of whether the action that has been taken by the Secretary acting in behalf of the President has been reasonable or unreasonable. If they find that it is unreasonable, then the scientific basis research should go forward. If they find otherwise, then it will not. The Secretary has the right to overrule the board recommendations if there is a reasonable basis for rejecting the board's finding.

Effectively, what we are trying to do is avoid ideology and avoid the politicization of ethical and scientific issues and questions and to try to utilize a procedure which has been successfully used at other times in terms of protecting the American public's interest in bioethical issues.

Now, I know that is not acceptable to the Senator from North Carolina. But it did seem to me to be important to put into some kind of historical perspective the reasons for the development, how the basic membership of these panels has been included and recommended, and how the panel itself would proceed.

I would be glad to respond to any of the questions of the Senator from North Carolina, having made those comments.

Mr. HELMS. Well, I think I am more confused—Mr. President.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. KENNEDY. Mr. President, if the Senator had questions he wanted to ask me on my time, then I am quite prepared to yield to him on that basis. If he does not, I think that clears up any confusion there might have been earlier during the debate.

Not having been asked to address any of the questions, then I would yield the floor and expect to respond to any other questions when I am able to regain the floor in my own right.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I do not believe I want to ask the Senator another question because I am more confused than I was before.

The fact remains that this legislation contains a provision on which there has been not 1 minute of hearings. Second, Congress will have no oversight on it. The President alone will appoint the members of this board.

I cannot believe anybody is naive enough to assume that under the proposed scenario, any President would appoint someone to the board that he was not reasonably satisfied would support the President's own viewpoint, because this unelected and politically insulated board will be able to overrule the President of the United States—no question about it.

And no one can answer the question about how much this provision will cost. I guess the cost of things does not amount to anything. But I heard the President last night say we had to tighten our belts and we had to do this, that, and the other to reduce the deficit.

I just think that this board should not be created until there have been hearings by the relevant committee, and then, if the resulting piece of legislation gains the approval of the committee, let it be reported out as a freestanding piece of legislation. Then we will all have had our say.

The previous administration, contrary to what the Senator from Massachusetts has indicated, was not compelled to appoint a board, as is the case with the provision proposed in this bill.

Now, as far as Ronald Reagan is concerned, I think I was the first sitting Senator to endorse Ronald Reagan for President. But I am not predisposed to say that he was right in every decision he made.

He may have made a decision on this or that I do not know anything about, that I would not have agreed with. But what he did is not relevant at all. I doubt that he came up and asked anyone in Congress to please give him a commission that would have to approve every decision he made. The Ronald Reagan that I know; or, for that matter, the George Bush that I know, would have resented being second-guessed or overruled by some Government advisory board in making executive branch decisions.

So this is something new. This proposed board can overrule the President of the United States. It is unelected and unaccountable to the people.

Mr. President, it is an undeniable fact that we have too many Govern-

ment boards already. I have here at my desk a book from the Library of Congress identifying how many Federal boards and commissions we have already. Unfortunately, it does not tell how much it costs to operate these 5,408 Government boards.

Mr. President, I am also perfectly willing to acknowledge that everybody listed in this book is distinguished, as my friend from Massachusetts says. But the fact remains that we have a bunch of superfluous Government commissions, boards, or whatever, and they cost a lot of money each and every year to operate. And I certainly agree with President Clinton that we ought to crack down and stop wasting the taxpayers' money.

So, Mr. President, I feel obliged to ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. KENNEDY. Mr. President, I want to address the issues and the questions, but not so much the advisory committees. I think all of us can find areas of advisory committees which have been wasteful, but certainly a number have been enormously valuable. These advisory committees advise our 21 great institutes and centers of research, and they also do the peer review evaluations of the research.

It is true, Mr. President, that matters of basic scientific merit have been overruled on the basis of ideology in the NIH in recent times.

What we are trying to achieve in this legislation is to recognize the importance of science and scientific research that is consistent with bioethical standards. If it is going to be consistent with bioethical standards, and it has scientific merit, and a decision has been made by peer review groups that it ought to be funded, we do not think that because it violates someone's political agenda, that scientific opportunity ought to be denied and that the health of the children, or disabled, or the elderly be threatened, because of some politically correct viewpoint or standard.

If the Senate has a different view on what is correct, then they will be able to make a judgment and they will not hesitate to do so. But that is the question: Are we going to hold hostage the opportunity for meaningful breakthroughs in a whole range of different areas affecting the quality of health of Americans because we have a politically correct position?

This legislation states that if the particular application merits, on the basis of science, funding, and support and conforms with basic bioethical issues, it will be funded. If a Secretary is going to say, "No. I do not like the direction of this particular project", we say, "all right, in that case, you are working for the President." The President will set up the commission, including ethicists, theologians, medical personnel, and they will make a judgment. If the judgment again affirms the scientific value and it conforms with bioethics, that program will go forward. If the action of the Secretary is judged arbitrary and capricious, then the panel will let the research go forward. That is the judgment, Mr. President, that we have to make a decision on.

We must move forward. The delays have caused many missed opportunities and the delays have been years. The delays have been years. Legislation which permitted biomedical progress to go forward was filibustered in this body, and tens of thousands of families have been affected by that action.

So, Mr. President, the issue is, if the Senator from North Carolina wants to join that issue, we will make a judgment and decision. This is not just about how many advisory panels there are going to be. Everyone in this body understands that this is about fetal tissue transplantation. That is the issue. And as I pointed out earlier in the debate, in the discussions, the protections which have been included in this legislation to ensure that the recommendations the NIH task force and what others have recommended have been so included. There are those who just are so opposed to fetal transplantation that they just do not want that opportunity for progress to go forward. I hope that we will recognize the importance of good science in the areas of research that can make such an important difference and not permit the NIH to be politicized any more than it has been.

Mr. BIDEN. Mr. President, it is the responsibility of the Congress to debate priorities and establish funding levels for the entire range of Government programs and activities—including the biomedical research priorities at the National Institutes of Health. But, in the area of medical research, once those priorities are set, the political process has spoken, the political decision has been made, and the political games should stop.

Once Congress has set the priorities of the NIH, the decision on which specific research projects to undertake should in general be left to those who are capable and qualified of making such decisions—based on what is medically and scientifically appropriate. In general, decisions about medical research—and what research the Federal Government helps to fund—should be made for medical and scientific reasons, not for political purposes. That is the philosophy behind the existing peer review efforts at the NIH.

But, medical and scientific criteria do not address and cannot resolve ethical considerations. Ethical dilemmas in medical science abound, and I have occasionally raised some ethical questions of my own. These questions should and must be addressed. Therefore, separate review of ethical issues is important before proceeding with some medical research efforts. That is the basis for the creation of the ethics advisory board process in this bill. And, that is why I will vote against the Helms amendment, which would strike the ethics board provision of the legislation.

But, Mr. President, while I will vote against the amendment, I do so cautiously and with some concern. The problem arises not with the board itself but with the authority the board will have. Although it is called an ethics advisory board, it is not really advisory at all. The truth is that the decision of any ethics panel would be final and mandatory.

Under the legislation, if a medical research project is approved for funding for an NIH scientific peer review panel, and if the President of the United States—through the Secretary of Health and Human Services—wants to stop it on ethical grounds, a specially convened ethics panel must first review the matter. So far, so good: Before a final decision is made, ethical review is appropriate. But, according to the bill, if the ethics board disagrees with the President, it is the appointed ethics board—not the elected President—that prevails. Thus, the ethics panel will not advise the President and the Secretary of HHS—the panel will dictate. This sort of precedent gives me great concern.

During the previous two administrations, several controversies erupted regarding medical research activities funded by the NIH. Those projects were canceled—even in one case where an ethical review panel approved the research. The decisions were often based on politics, not medical priorities or ethical evaluation. And, that's unfortunate. I just hope it is not equally unfortunate to remove the decisionmaking authority from the President altogether.

So, I will vote against the Helms amendment because philosophically I believe that these decisions generally ought not to be political. But, I raise these reservations because as a practical matter they often are.

Mrs. KASSEBAUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

UNANIMOUS-CONSENT AGREEMENT

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the Sen-

ate vote, without any intervening action or debate, on or in relation to the Helms amendment at 2 p.m.; that upon the disposition of the Senator HELM'S amendment, Senator KENNEDY be recognized to offer an amendment, on behalf of himself and Senator KASSEBAUM, dealing with vaccines; that there be a time limitation for debate on that amendment of 5 minutes, equally divided in the usual form, on the Kennedy-Kassebaum amendment, with no amendments in order thereto; that upon the disposition of that amendment, the Senate vote on the adoption of the committee substitute amendment, as amended, to be followed by a vote on final passage of the bill with the foregoing occurring without any intervening action or debate.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Hearing none, it is so ordered.

RECESS UNTIL 2 P.M.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the Senate now stand in recess until the hour of 2 p.m.

There being no objection, the Senate, at 1:23 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. LIEBERMAN).

The PRESIDING OFFICER. Under the previous order, the question occurs on or in relation to the amendment offered by the Senator from North Carolina. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Michigan [Mr. RIEGLE] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Missouri [Mr. BOND] and the Senator from Missouri [Mr. DANFORTH] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 23, nays 74, as follows:

[Rollcall Vote No. 14 Leg.]

YEAS—23

Bennett	Gramm	McConnell
Brown	Grassley	Murkowski
Burns	Gregg	Nickles
Coats	Hatch	Pressler
Cochran	Helms	Roth
Coverdell	Kempthorne	Smith
Craig	Lott	Wallop
Faircloth	Mack	

NAYS—74

Akaka	Byrd	Domenici
Baucus	Campbell	Dorgan
Biden	Chafee	Durenberger
Bingaman	Cohen	Exon
Boren	Conrad	Feingold
Boxer	D'Amato	Feinstein
Bradley	Daschle	Ford
Breaux	DeConcini	Glenn
Bryan	Dodd	Gorton
Bumpers	Dole	Graham
Harkin	Levin	Reid
Hatfield	Lieberman	Robb
Heflin	Lugar	Rockefeller
Hollings	Mathews	Sarbanes
Inouye	McCain	Sasser
Jeffords	Metzenbaum	Shelby
Johnston	Mikulski	Simon
Kassebaum	Mitchell	Simpson
Kennedy	Moseley-Braun	Specter
Kerrey	Moynihan	Stevens
Kerry	Murray	Thurmond
Kohl	Nunn	Warner
Krueger	Packwood	Wellstone
Lautenberg	Pell	Wofford
Leahy	Pryor	

NOT VOTING—3

Bond	Danforth	Riegle

So, the amendment (No. 48) was rejected.

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

Mr. MITCHELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The distinguished Senator from Massachusetts is recognized.

AMENDMENT NO. 49

(Purpose: To permit the U.S. Claims Court to continue to receive, and forward, petitions for compensation for a vaccine-related injury)

Mr. KENNEDY. Mr. President, in behalf of Senator KASSEBAUM and myself, we send an amendment to the desk which extends the authority for the claims court to consider vaccine-related cases which are the result of nonnegligent action by various drug companies.

This is really an extension of an existing provision that has worked remarkably well. Although we have seen increases recently in the cost of various vaccines, liability concerns have not been the cause of this. Without the Vaccine Injury Compensation Program most believe that the costs would even be higher. This amendment is basically a technical matter, because it just indicates an extension of the U.S. court of Federal claims ability to receive new petitions.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] (for himself, Mrs. KASSEBAUM, and Mr. HATCH) proposes an amendment numbered 49.

Mr. KENNEDY. 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 amendment is as follows:

At the appropriate place in title XX, insert the following new section:

SEC. 20 . VACCINE INJURY COMPENSATION PROGRAM.

Section 2111(a) of the Public Health Service Act (42 U.S.C. 300aa-11(a)) is amended by adding at the end thereof the following new paragraph:

"(10) The Clerk of the United States Claims Court is authorized to continue to receive, and forward, petitions for compensation for a vaccine-related injury or death associated with the administration of a vaccine on or after October 1, 1992.".

Mr. KENNEDY. Mr. President, I offered the amendment in behalf of Senators KASSEBAUM, HATCH, and myself. I know of no objections. It is an enormously important measure.

Mr. President, this amendment sends a clear signal that Congress is committed to maintaining the integrity of the Vaccine Injury Compensation Program. It would continue the authority of the U.S. Court of Federal Claims to receive and forward petitions under the Vaccine Injury Compensation Program filed on or after October 1, 1992.

The Vaccine Injury Compensation Program has worked well since its inception. This new no-fault system established by the Congress has met the goals of stabilizing concerns about liability associated with vaccine administration and the effects of this on vaccine prices. The vaccine injury trust fund is currently secure with a balance of $600 million. Last year, the Congress passed legislation to extend the excise tax which funds the trust fund in H.R. 11. This provision expired following the President's veto. There is clear bipartisan support in both the Senate and the House to reinstate this excise tax at the earliest possible opportunity. Until this can be accomplished, it is the intention of the Congress to ensure that petitions will continue to be received by the court.

Mr. President, I am pleased that we are able to address this important issue today. We have worked on this closely with Senator KASSEBAUM and Senator HATCH, and they have been strongly committed to maintaining the successful operation of the Vaccine Injury Compensation Program. This amendment sends a clear signal to eliminate any ambiguity that new petitions should be received until legislation extending the excise tax is enacted.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I would just like to commend the chairman for raising this. I think it is an important addition. I also would like to pay particular regards to the former ranking member of the committee, Senator HATCH, the Senator from Utah, who has been a real pioneer in this issue regarding vaccinations.

Mr. KENNEDY. I join in commending our colleague, Senator HATCH, as well, who was a real leader in the development of this particular provision.

The PRESIDING OFFICER. Is there further debate?

The majority leader is recognized.

Mr. MITCHELL. Mr. President, I have been in consultation with the Republican leader regarding the schedule for the next several days, and I am awaiting response to be in a position to make an announcement with respect to that schedule prior to this vote. I think it would be ultimately in the interest of all Senators if we wait for just a moment until I get that response.

Therefore, I am going to momentarily suggest the absence of a quorum for just a brief period to permit the Republican leader to engage in consultations with his colleagues. I will have an announcement prior to this vote. I hope not to inconvenience any Senator, but I think it will in the long run enable us to complete our business more expeditiously.

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

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

ORDER FOR WEDNESDAY, FEBRUARY 24

Mr. MITCHELL. Mr. President, I ask unanimous consent that on Wednesday, February 24, at 12 noon, the Senate proceed to the consideration of an original resolution regarding committee funding reported by the Rules Committee on February 18.

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

NATIONAL INSTITUTES OF HEALTH REVITALIZATION ACT OF 1993

The Senate continued with consideration of the bill.

Mr. MITCHELL. Mr. President, following this vote there will be no rollcall votes prior to next Wednesday noon. The Senate will proceed to consideration of the committee funding resolution at noon on next Wednesday. There will be no further votes between now and then. Any sessions will be pro forma or solely for the purpose of hearing the Presidents' Day address on Wednesday morning.

I yield the floor.

AMENDMENT NO. 49

Mr. HATCH. Mr. President, the Kennedy-Kassebaum-Hatch amendment on childhood vaccines is necessary to send an important signal to parents, manufacturers, the courts, and the public health community at large that Congress still stands behind the Childhood Vaccine Injury Compensation Program and intends for it to remain in place.

As my colleagues are aware, many have been concerned that the future stability of the program could be jeopardized since its very foundation—authority to collect the excise tax which funds the program—expired last year. Authority to expend from the trust fund expired as well.

Although an extension was contained in H.R. 11 last year, the bill did not become law.

Now, in the absence of continuation of the excise tax, the system has been subject to great uncertainty. Pediatricians are fearful of administering childhood vaccines, since without the protections of the compensation system they may face liability for problems that might occur.

The Centers for Disease Control is also in an awkward position, since they are required by statute to distribute pamphlets on DPT, measles, mumps, pertussis, rubella, and other vaccines to providers who must give those pamphlets to parents of children being vaccinated. These informational pamphlets are required by the compensation law.

And even more disturbing, we have had reports that some purchasers of childhood vaccines are returning shipments that have been taxed and then repurchasing new lots which are temporarily untaxed. The manufacturers have no choice but to destroy the returned vaccines.

Clearly, we do not need this disorder in the system. Our amendment simply clarifies our intent that the clerk of the U.S. Court of Claims has authority to continue to receive petitions while we work on the tax problem.

This is an indication that we intend to continue the program, that there is no question Congress stands behind the law. We owe that much to parents and children.

Mr. President, I have been working with the Senator from Massachusetts and the Senator from Kansas to try to craft a solution to the excise tax problem. We have been engaged in serious discussions with our colleagues on the House side—from Ways and Means and Energy and Commerce—as well as with the Finance Committee here.

Unfortunately, a total solution is not possible on this bill, since, under the Constitution, any revenue measures must originate in the House.

We will keep working to see that the program is continued. In the interim, I hope adoption of this amendment will send appropriate assurances to all that we are aware of the technical problems that preclude continuation of the fund and that we intend to correct them.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Kansas [Mrs. KASSEBAUM].

The amendment (No. 49) was agreed to.

Mr. REID. Mr. President, I rise today in support of S. 1, the National Institutes of Health Reauthorization Act of 1993. The National Institutes of Health is the premiere medical research institute in the world, demonstrating this excellence for more than a century.

There have been numerous and exciting advances in biomedical research at NIH during the last decade. However, tight funding constraints have limited the National Institutes of Health from adequately pursuing many of these important initiatives. The reauthorization bill before us targets our limited resources in areas needed the most.

General concern exists about the ability of the NIH to attract and retain scientists. When one considers the amount of debt amassed by both medical doctors and Ph.D.'s during their training, it comes as no surprise that recent graduates cannot accept lower paying jobs offered by the NIH. About 80 percent of all medical students borrow money to finance their education, with many owing well over $50,000. Not surprisingly, debt levels for minority students were even higher than other students.

A highly successful program currently exists at NIH to attract qualified scientists to the facility to conduct research in the area of AIDS, where our research efforts must be strengthened. The AIDS Loan Repayment Program permits the NIH to attract researchers to work in the area of AIDS by repaying each year of service to NIH a predetermined amount of the educational debt incurred.

During the last Congress, I introduced the "CURE" bill to strengthen medical research in the United States. The "Cost Underwriting for Research Expansion" [CURE] bill expands the AIDS Loan Repayment Program to provide for partial repayment of student loans for in-need biomedical and clinical researchers at the National Institutes of Health. I am pleased and excited that S. 1 includes the "CURE" approach. I extend my appreciation to Senator KENNEDY and the committee staff for including the CURE provision in this bill. It is critical to the Nation's health that NIH attract qualified scientists in other areas where shortages of researchers exist, such as in the area of Alzheimer's disease, cancer, and heart disease.

For years, I have pointed out the inequities inherent in our health care system—a system that recognizes the health problems of men but not those of women. Traditionally, men have decided, and still do, to a lesser degree, what types of medical research get funded and at what levels they get funding. Men are in the majority in the Congress. Men are in the majority in medical research. This means and has meant for many years past that the needs of women are overlooked. Mr. President, this is not speculation; this is a fact.

The bill we are considering today expands and intensifies research programs on diseases that affect women. The NIH reauthorization bill provides permanent authority for an Office of Research on Women's Health to oversee that mandated research across the Institutes includes women. The bill also authorizes additional funds to address conditions that uniquely affect

women. S. 1 takes a significant step forward toward placing women's health on a par with men's. I urge my colleagues to support the reauthorization of these important programs of the National Institutes of Health.

Mr. GRASSLEY. Mr. President, I rise today to speak on the NIH reauthorization bill, which the Senate is expected to pass very shortly. I supported this bill during its consideration in the last Congress and I intend to support its passage today. There are a number of very important provisions in this bill, most notably the women's health provisions, which have garnered much deserved attention.

Recently, there has been growing attention toward women's health issues. This discussion has focused on such issues as the increasing risk of breast cancer, the inclusion of women in clinical trials, domestic violence, and the diseases that primarily afflict women, such as osteoporosis. The provisions included in the NIH reauthorization bill will put into action a comprehensive women's health initiative.

I have long been involved in the area of osteoporosis, and I am proud that many of the provisions of my own legislation on osteoporosis are included in this bill. Osteoporosis is a crippling, debilitating disease that results in thin, weak, and brittle bones that make a person highly susceptible to bone fractures. These fractures occur in the spine, wrists and hip and often lead to lost mobility, increased institutionalization and even death. According to the National Osteoporosis Foundation, 20 percent of those with hip fractures will not survive more than 1 year after the fracture.

Despite the prevalence of this disease and its consequences, there are many unanswered questions, and that is why I introduced my legislation. We know that the female hormone estrogen contributes to the retention of bone mass. However, postmenopausal women face a dilemma. For them, estrogen replacement therapy [ERT] prevents postmenopausal bone loss, but there are risks associated with ERT, specifically an increased risk for uterine and breast cancer. We need to study ERT further and learn more about its consequences. In terms of building bone mass, we now know that critical bone mass reaches its peak between the ages of 25 and 35. Weight-bearing exercise can lead to a high bone mass, but it must be done while a women is young. Unfortunately, many young women are not aware of the importance of building bone mass. The public needs to learn more about this disease and what they can do to protect themselves. Furthermore, this information must be provided to women by their physicians.

The provisions included in the NIH reauthorization bill address these issues by establishing an extended research program on osteoporosis and other bone diseases. The bill also establishes an information clearinghouse to facilitate and enhance the understanding of osteoporosis by health professionals and the public. These efforts will assist us in preventing this disease for future generations.

Osteoporosis is just one of the many diseases addressed by this legislation. The bill expands and intensifies research activities regarding breast cancer and cancers of the reproductive system. A woman's risk of developing breast cancer has grown to an alarming rate of 1 in 9. Although we have enhanced education efforts and screening methods, we still don't know what places a woman at risk for breast cancer. Nor are we close to finding a cure. This bill will provide additional funding for breast cancer research, prevention, detection, and education.

The bill also intensifies efforts toward other cancers that affect women by directing more than $75 million toward cancers that afflict the reproductive system. Women suffer tragically from ovarian cancer. It is difficult to diagnose because it mimics other disorders. Once the cancer is discovered, it is often in its most advanced stage.

Unlike ovarian cancer, we are able to screen women for cervical cancer. The advent of the Pap Smear, which recently celebrated its 50th anniversary, greatly contributes to the progress in successfully treating women with cervical cancer. This landmark test allows for early detection of cervical cancer. However, despite the ability to detect and treat women with cervical cancer, it continues to be a threat to many American women. Many elderly and minority women are not routinely screened, thus putting them at risk. Other factors, such as sexually transmitted diseases and smoking, appear to be placing women at greater risk for developing cervical cancer. Research and prevention efforts need to be enhanced for both these tragic diseases. The provisions included in this bill are important steps forward.

Broader issues concerning women's health are also addressed by this bill. Historically, clinical research on a wide variety of diseases has not included women. This exclusion has resulted in gaps in knowledge regarding the physiological differences between men and women and the effects these differences have on the course of disease and subsequent treatment. The bill directs the NIH to include women, as well as minorities, in medical research and clinical trials. These studies must be designed to permit a valid analysis of the gender-based differences resulting from the variables used in the study.

The bill also creates a permanent Office of Research on Women's Health. This office will oversee NIH activities regarding women's health, as well as all research activities to guarantee the fair treatment of women. These steps are important steps forward in addressing the important health needs of women.

Although much attention has been paid to the women's health initiatives contained in the bill, other important provisions are included in the bill which focus on such issues as AIDS, juvenile arthritis, other cancers, notably prostate cancer, and scientific integrity. The work of the National Institutes of Health is something that we as a nation should be immensely proud of, and the passage of this bill will enhance its work even further.

THE OFFICE OF AIDS RESEARCH

Mr. HATFIELD. Mr. President, let me take a moment to comment on the reorganization of the Office of AIDS Research and the reasons why I have reservations about aspects of this section of the bill. First let me state, I am sympathetic with the objectives which supporters of this provision are seeking to achieve. As chairman of the Senate Appropriations Committee throughout much of the decade of the 1980's and, subsequently, as the ranking minority member, I have strongly supported funding for AIDS research. With the leadership of Senators WEICKER, CHILES, HARKIN, and SPECTER, the Appropriations Committee has increased funding for AIDS research from $5.5 million in fiscal year 1992 to over $1 billion for fiscal year 1993.

I concur in the need to have greater coordination of the over $1 billion in AIDS research funds and I strongly support the development of a strategic plan and greater accountability for the research program. However, I question the wisdom of removing the funding and decisionmaking authority from the program experts in each of the institutes and centralizing it in the one office. How will this affect the quality and diversity of AIDS research? What will it mean for the ongoing research portfolio and program staff at each institute, particularly those research projects up for renewal? Will the additional administrative layer and the Director's discretionary authority speed up or slow down the planning and execution of new initiatives? These questions remain unanswered at this time. There have not been hearings in the Senate to address these issues.

I also fear, Mr. President, that granting funding authority of this nature to the Director will set a dangerous precedent. How will the Congress respond when other groups, frustrated with the pace and coordination of research in their disease areas, request the centralization of funding decisionmaking? Will we adopt a similar approach toward research which spans several institutes? Will we substantially change the method of determining the research agenda conducted and supported by the NIH institutes through further centralizing planning and funding authority in a single office?

Again, I raise these questions not to quarrel with the goals of coordination and strategic planning in AIDS research, but to voice some concerns regarding the means of achieving these goals. These concerns were echoed in a letter I received recently from Dean John Benson, dean of the school of medicine of the Oregon Health Sciences University and I ask unanimous consent, Mr. President, that the letter be included in the RECORD at this point.

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

OREGON HEALTH SCIENCES UNIVERSITY,
February 2, 1993.

Re S.B. 1 NIH Revitalization Amendments of 1993.

Hon. MARK O. HATFIELD,
322 Hart Senate Office Building,
Washington, DC.

DEAR SENATOR HATFIELD: I concur with the caution expressed by the Association of American Medical Colleges that hasty acceptance of this legislation could damage important organizational and budget practices at the NIH presumably in order to speed AIDS research. Careful review and comment by the Senate and the scientific community not yet accorded by its proposers can be accomplished quickly enough to permit the desirable enhancements of both the NIH and AIDS research in this oft revised bill.

S.B. 1 is not merely the bill President Bush vetoed last fall. The office for AIDS Research at the NIH does not deserve the autonomy the bill affords, however awful the disease it seeks to control. Even the Clinton administration has its "reservations".

Most respectfully.

JOHN A. BENSON, JR., M.D.

Mr. HATFIELD. It is my hope that there will be opportunities to examine these issues, and make changes where necessary, as S. 1 works its way through the legislative process of the Congress.

BUDGET BYPASS

Mr. BYRD. Some have raised concerns about the bypass budget proposed in this legislation for the newly enhanced Office of AIDS Research at the NIH. Could the Chairman please explain how he intends for this bypass budget to work?

Mr. KENNEDY. I thank my friend, the distinguished chairman of the Appropriations Committee, for his steadfast support of our efforts through the Committee on Labor and Human Resources, and I would be pleased to explain the committee's intent. I want to take this opportunity to ensure my friend this is in no way an effort to make an end run around the NIH Director, the Public Health Service, Secretary of Health and Human Services, or OMB. In fact, we have modeled this approach after the bypass budget which has been in effect for the National Cancer Institute [NCI] since 1972 (Public Law 92-218, 1971).

The bypass budget is most useful as a planning tool which currently enables the NCI to prioritize among competing program needs, to highlight emerging scientific issues, to justify their growth under the most optimistic budgetary assumptions, and to develop an ongoing implementation strategy. The NCI bypass budget provides the President and the Congress with the opportunity to review a scientifically justified professional judgment budget. It is our intent that the Office of AIDS Research be given the same opportunity.

However, it is our intent that this budget be subject to the annual review process at the NIH, PHS, HHS, and OMB levels, just as all other NIH institute budgets, including the NCI are. The real point of the bypass budget is not to circumvent departmental and budgetary constraints, but to enhance strategic planning.

Mr. BYRD. I thank my friend from Massachusetts.

ALZHEIMER'S DISEASE FUNDING AUTHORIZATION IN S. 1

Mr. HATFIELD. Mr. President, as a son of an Alzheimer's disease patient, I know firsthand how difficult, scary and lonely, is the helplessness of watching this debilitating disease take its toll on its victims and their families. I also know of the tremendous financial drain this costly disorder is on families, caregivers and governments.

There currently are 4 million Americans with Alzheimer's disease with the estimated cost of care totaling $90 billion annually. As the elderly population of this country continues to increase in the years ahead, so too will the number of people afflicted. Unless effective therapies are developed to prevent, treat or delay the onset of this disease, it is expected that as many as 14 million older Americans will become victims of Alzheimer's disease by the middle of the next century.

Appropriations for research on Alzheimer's disease rose from $12.9 million in fiscal year 1980 to $130.3 million at the end of the decade. Subsequent funding recommendations by the Appropriations Committees have more than doubled appropriations for Alzheimer's disease research, bringing the total at the NIH for fiscal year 1993 estimated at $290 million. This success has provided a measures of hope to the millions of individuals who now are struggling to cope with this devastating disease and to the millions of persons who fear for their future.

Still there is much work to be done. Appropriations for Alzheimer's research fall well below the $550 million recommended by the congressionally established Advisory Panel on Alzheimer's Disease. It is my view, that funding for Alzheimer's research should join the ranks of the big three—AIDS, cancer, and heart disease—whose annual funding levels exceed $500 million.

As we consider S. 1 today, I am concerned about potential limitations that section 803, which authorizes appropriations of $500 million in fiscal year 1994 for the National Institute on Aging, places on funding for Alzheimer's disease research and I would like to pose a few questions to the chairman of the committee to clarify the committee's intent.

As you know, currently about 70 percent, or $204 million, of the approximately $290 million for Alzheimer's research is appropriated to the National Institute on Aging [NIA]. This comprises about one-half of the Institute's funding which totals $401.2 million for fiscal year 1993. To reach the $500 million mark for Alzheimer's disease research in fiscal year 1994 would take another $210 million, about $150 million of which would go to the NIA. While I recognize that fiscal constraints will make it difficult to achieve this goal in fiscal year 1994, I am concerned that section 803 would constrain the Appropriations Committee from reaching this mark should the funding be available. Would this be the case?

Mr. KENNEDY. Let me respond to the senior Senator from Oregon by saying that I appreciate the Senator raising this matter at this time. We both share the goal of providing sufficient Federal support to conquer this difficult and debilitating disease. It is not the committee's intent to constrain the Appropriations Committee's goal of doubling funding for research on Alzheimer's disease over the near term. Should funds be available, the Appropriations Committee would have sufficient latitude within the authority of the Public Health Service Act, particularly within section 301, to appropriate the necessary funds.

Mr. HATFIELD. I thank the chairman for his time and for clarifying this matter. His leadership on medical research issues has been exemplary, and has fostered the tremendous progress in understanding human health, treating disease and preventing ill health.

THE ETHICS OF BIOTECHNOLOGY

Mr. HATFIELD. Mr. President, many in this body may have missed news stories that ran in the Washington Post on December 30, 1992, and in the New York Times on February 3, 1993. The headlines read respectively, "U.S. Patents Are Granted for 3 Laboratory Mice," and "U.S. Resumes Granting Patents on Genetically Altered Animals." I ask unanimous consent that these articles appear in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. HATFIELD. My colleagues are aware of my deep concern in this area which is particularly heightened now that the United States has again returned to the patenting of animal life. In each session of Congress since 1987, I have introduced legislation to place a moratorium on allowing the Patent

and Trademark Office to issue patents on such living organisms, until such time as Congress has fully assessed, considered and responded to the economic, environmental, and ethical issues raised by the patenting of life forms. Until very recently, the first and only such patent was the patent issued to Harvard University for the so-called Harvard mouse.

As these articles indicate, however, the Patent Office has ended their unofficial moratorium. In my view, they have done so because they can realistically wait no longer for ethical guidance from Congress. Dr. Philip Leder of Harvard University is again a recipient of a patent on a mouse related to prostate gland research. Joining Harvard University as recipients of patents on laboratory mice is Ohio State University and GenPharm International, both with mice genetically altered to aid in important immune system research. Mr. President, my concerns in this area have been often misunderstood. I am not here to object to the research that is being conducted using these creatures. No Senator is more committed to the advancement of scientific research than is this one. Nor have I come to the floor to attack the motives of the Patent and Trademark Office. I am aware of the legal basis for the decision of the Patent Office to issue these patents, primarily the 1980 Supreme Court decision of Diamond against Chakrabarty.

Let me make my position clear. Despite the legal issues that swirl outside the walls of this great building, Congress has a solemn duty to ensure that the serious ethical issues related to the patenting of living creatures is raised and dealt with. The idea of issuing patents for living creatures that have been altered in minor ways by man raises many profound ethical questions in my mind that I believe should be carefully explored.

Those who have followed the rapidly advancing field of biotechnology know that ethical parameters are very difficult to formulate. The stakes were raised last year when the National Institutes of Health applied for patents on over 2,000 human DNA gene sequences. These gene sequences bear an intimate relationship to the fine research being conducted by the human genome project at NIH.

Again, I do not quarrel with the merits of the underlying research. In fact, I strongly support the Human Genome project and believe that the work being done may offer the best hope for answers to a host of human afflictions. I do, however, wonder if there is an ethical line here somewhere.

If no such ethical line is visible in this murky area, do not those of us elected to this body bear a large part of the responsibility for seeing that a line is drawn?

I raise these questions with the knowledge that it is easier to draw an ethical line before, rather than after the line has been passed. And with the understanding that many in the policy arena have difficulty drawing ethical lines for the rest of the Nation.

Our Nation's churches have been struggling with the "line" in this issue for many years. In 1984, the General Conference of the United States Methodist Church declared genes to be a part of the common heritage of all peoples and went on to say that patenting of genes was tinkering with "God's ownership of life."

Further, the World Council of Churches recently stated that animal life forms should not be patented and called for further study of the profound moral and social implications of patenting life forms.

Maybe an ethical problem is not presented by the patenting of an animal genetically altered by man in some minor but scientifically useful way. Maybe an ethical problem is not presented by issuing a patent on a human DNA gene sequence, also altered by man. What about the genes themselves? If we are ethically comfortable with that, how about cells or tissue or limbs? Perhaps there is a reasonable distinction between an altered animal and the process by which an animal can be altered—maybe the latter is patentable but the former is not. The line approaches.

As technology advances—as it so rapidly does—we are steadily nudging toward ethical lines as yet undrawn. It is my hope that we will not be required to lean over backwards to draw them. The responsibility lies with Congress to ensure that lines are drawn and that issues are raised and grappled with. If not ourselves, then through ethicists trained to balance the advancement of society with the common good.

To initiate constructive action in this area, I have joined with Senators KENNEDY and DECONCINI in calling for two reports by the Office of Technology Assessment. The first report, due out later this spring, will provide a review of the different governmental approaches to issues of bioethics, including the so-called President's Commission and the defunct Biomedical Ethics Review Board. Preparation for this report included an OTA-sponsored symposium held in December. I attended this symposium and listened to a panel of nationally- and internationally-known experts. The second OTA report will offer a detailed review of the ethical, privacy, environmental and policy issues involved in different areas of biotechnology.

In addition, both Senators KENNEDY and DECONCINI agreed to hold hearings on this topic when I raised the issue as part of the consideration of the NIH reauthorization bill in the 102d Congress. Senator DECONCINI presided over a hearing held September 22, 1992 by the Judiciary Committee's Subcommittee on Patents, Copyrights and Trademarks. I was pleased to testify before Senator DECONCINI's subcommittee and believe that the subcommittee's endeavors in this area have been very constructive.

Hearings before the Senate Labor Committee will take place in the spring, as a result of our earlier agreement.

I look forward to working with Senators KENNEDY and DECONCINI again this year. It is my sincere hope that these manifold efforts will result in legislation to create a permanent and independent body possessing the expertise and authority to make recommendations to Congress on a host of bioethical policy issues.

In continuing efforts to work with the administration on this issue, I recently sent a letter to our new Secretary of Commerce, Ron Brown, outlining congressional activity on this front. I ask unanimous consent that this letter appear in the RECORD following my remarks.

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

(See exhibit 2.)

ON GENETIC ENGINEERING

Mr. HATFIELD. While I am not offering an amendment today, I continue to have the same concerns that I stated last year during consideration of the NIH reauthorization bill. At that time Senator KENNEDY and I agreed to request the Office of Technology Assessment to analyze some of the ethical and legal issues associated with new technologies for genetic patenting. This OTA study will be available soon, and I am looking forward to discussing its findings at a hearing of the Labor and Human Resources Committee.

Mr. KENNEDY. I am pleased that the OTA will issue its report—Biomedical Ethics in U.S. Public Policy—within the next 2 months, and I look forward to holding a hearing to explore these important public policy questions. I am anxious to have Senator HATFIELD's participation at that hearing. In addition, I would like to point out that the NIH reauthorization bill earmarks 5 percent of the National Center for Genome Research funds for consideration of the ethical and legal issues associated with gene patenting.

Mr. HATFIELD. I believe that all of these actions are helpful to a more thorough understanding of the implications of new genetic technologies. However, I continue to believe that we in Congress must play an important role in overseeing developments in this area. The studies and hearings that have been planned will help to determine whether or not congressional action addressing the patenting of transgenic animals is warranted.

Mr. KENNEDY. While Senator HATFIELD and I may differ on these issues, we both agree that congressional monitoring of these critical scientific and

legal issues is appropriate. In addition, it is important to elicit the opinions of leading scientists, ethicists and theologians to provide advice in this area. These issues are enormously complex and they demand our attention.

Mr. HATFIELD. I thank the Senator from Massachusetts and look forward to appearing before the Labor Committee to discuss these matters further.

Finally, I am today introducing legislation, [S. 387] proposing a 2-year moratorium on the granting of patents on animals and humans until a suitable structure for evaluating the ethical, environmental, and economic considerations of such patents can be found. I do so on my own accord, and in no way to minimize the assistance and encouraging efforts of Senators DECONCINI and KENNEDY in working toward a solution. I continue to believe, however, that a proposed moratorium serves to define the parameters under which we can find compromise.

I would now like to take this opportunity, Mr. President, to set the record straight on a variety of fronts. I have unfortunately found, through my involvement in this issue, vast manipulation of the facts by those on opposite sides.

To begin, as of today, the United States is still the only country in the world to have granted full-fledged patents on animals. The European Patent Office granted patent approval to the Harvard mouse, subject to a 9-month comment period in which opposition could be registered, which just concluded last week. Last Thursday, however, February 11, 1993, the European Parliament voted 178–19—with 27 abstentions—to instruct the European Patent Office to revoke the patent and stop any further animal patents until the legal uncertainties have been clarified. The Parliament went on to find that the patent contravenes the European Patent Convention, which in article 53 prohibits the patenting of plant and animal varieties, as well as inventions which are contrary to public order and morality. It is, as yet, unclear as to the legal effect of the European Parliament's action, but their action is an impressive addition to the chorus of voices concerned about the ethical implications of the Harvard mouse patent.

Second, I want to bring to the attention of my colleagues highly questionable tactics used by the Association of Biotechnology Companies [ABC] and the Industrial Biotechnology Association [IBA] in their lobbying on this issue. On February 8, 1993, these organizations, which will merge later this year, sent a joint letter to all Members of the Senate asking for opposition to an amendment they believed I would be offering on S. 1 related to patenting issues, although they had not confirmed the facts with my office. In addition, the organizations sent "Action Alerts" to their constituencies asking for immediate contact with the Hill.

Since I had no intention of offering an amendment on patenting to S. 1, particularly because of the ongoing commitment Senators KENNEDY and DECONCINI and I have regarding the resolution of the issue, my staff informed the organizations that their information was incorrect. Later that day, both organizations communicated with their constituencies and in ABC's case to the press, that as a direct result of swift action by their members and an outpouring of biotech industry opposition, I had decided not to pursue my amendment. Thus, both organizations claimed victory, justified their existence and quite possibly, enhanced their membership, all on false pretenses. If an amendment had actually been in the offing, then perhaps this blatant overreach could be tolerated. Since no amendment was planned or pursued and my office had no opportunity to comment, I consider this approach to be, quite simply, dishonest. I raise this unfortunate episode on the floor today to set the record straight.

I ask unanimous consent that the following items appear in the RECORD following my remarks: First, February 8, 1993, letter from IBA and ABC to Members of the Senate, second, ABC Alert titled "Urgent Action Needed: Call Your U.S. Senators Immediately," third, ABC Alert titled "Senator Hatfield Drops Amendment Restricting Patenting," fourth, IBA Action Alert titled "Hatfield Agrees to Drop Amendment Restricting Patenting: Responds to Industry Opposition," fifth, February 11, 1993, article from Biotech Daily, and sixth, February 12, 1993, letter from IBA.

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

INDUSTRIAL BIOTECHNOLOGY ASSOCIATION,
Washington, DC, February 8, 1993.

Subject: Hatfield amendment to NIH reauthorization bill (S. 1) (Floor action scheduled on Tuesday, February 16).

Hon. MARK O. HATFIELD
U.S. Senate, Hart Senate Office Bldg., Washington, DC.

DEAR SENATOR HATFIELD: We want to bring to your immediate attention the biotechnology industry's strong opposition to an amendment that we understand Senator Hatfield is planning to offer to the NIH reauthorization bill (S. 1).

Last year, Senator Hatfield offered, and then withdrew, an amendment to the NIH reauthorization bill that would have prohibited the U.S. Patent and Trademark Office from issuing patents on a wide range of genetic engineering inventions. It is not yet clear whether Senator Hatfield will offer an identical amendment or one limited to prohibiting the patenting of genetically engineered animals. In either case, we urge you to oppose it.

If Senator Hatfield's amendment is enacted, it could bring to a sudden and dramatic halt fifteen years of remarkable growth experienced by our industry. The U.S.'s world leadership position in biotechnology depends on patent protection and would evaporate if Congress enacts legislation that impedes or prohibits patent protection for genetic engineering inventions. Other countries—including Japan and Europe—will continue to patent inventions that would become unpatentable in the U.S.

Research will not reach commercialization without strong intellectual property protection. No company will invest hundreds of millions of dollars to develop a technology that a competitor can pirate without penalty. Enactment of this amendment would thus halt ongoing research to develop breakthrough drugs for dozens of diseases for which no adequate therapy currently exists.

Even an amendment limited to a moratorium on animal patents would stifle research that is leading to new therapeutic approaches to such intractable diseases as cancer, AIDS, and cystic fibrosis. We have enclosed for your information further details about the use of genetically engineered animals to develop medical breakthroughs.

Your staff is invited to call us, or contact the Labor Committee and/or Patent Subcommittee staff for more information on this issue.

Very truly yours,
RICHARD D. GODOWN,
Industrial Biotechnology Association.
WILLIAM SMALL,
Association of Biotechnology Companies.

URGENT ACTION NEEDED: CALL YOUR U.S. SENATORS IMMEDIATELY!

Senator Mark Hatfield (R–OR) is seriously considering offering an amendment placing a 5 year moratorium on patenting genetically engineered animals and/or other genetically engineered organisms. The amendment will be attached to the National Institutes of Health Reauthorization Bill, S. 1 (scheduled for floor action February 16).

As you may know, Sen. Hatfield offered an amendment last year, that was subsequently withdrawn, prohibiting the U.S. Patent and Trademark Office from issuing patents on a wide range of genetically engineered inventions. The help of ABC members was crucial last year in blocking Hatfield and is needed again, act immediately.

Action: ABC members should write their U.S. Senators and urge opposition to a patenting moratorium.

Urge your senators to oppose a patenting moratorium because:

Not allowing patents on animals will stifle the development of important new agricultural products, human and animal drugs and animal models for better understanding of human diseases, like AIDS and cancer.

A moratorium will cause companies to rely upon trade secrecy to protect their R&D investments. This prevents the public disclosure of new knowledge that occurs when inventions are patented. Other companies and scientists will not be able to build upon the new knowledge.

A moratorium could bring a sudden and dramatic halt to fifteen incredible years of growth by the biotechnology industry. The United States' leadership in the biotechnology industry depends on adequate patent protection; a moratorium would erode proper patent protection and current U.S. leadership.

Patent law is not the appropriate place to address regulatory concerns, e.g., any health and safety, environmental, or other concerns relating to genetically engineered animals.

SENATOR HATFIELD DROPS AMENDMENT RESTRICTING PATENTING

ABC is happy to inform you that Sen. Mark Hatfield has decided to drop his proposed amendment to S. 1, the NIH Reauthorization Bill, placing a ban on the patenting of genetic inventions. Sen. Hatfield still plans to deliver a floor speech on February 16 stating his opposition.

Sen. Hatfield's decision is a direct result of swift action on behalf of ABC and its membership.

HATFIELD AGREES TO DROP AMENDMENT RESTRICTING PATENTING; RESPONDS TO INDUSTRY OPPOSITION

We are pleased to inform you that Senator Mark Hatfield has now agreed to drop his proposed amendment to the NIH reauthorization bill (S. 1). He still intends to express his opposition to patents on transgenic animals and human genes in a speech on the Senate floor next Tuesday.

Senator Hatfield's office informed us of his decision following an outpouring of biotech industry opposition. Over 100 letters were faxed by IBA member companies to their senators. In addition, IBA staff made contact with every Senate office and with three Clinton Administration departments to express our opposition.

If you would like to receive a transcript of Senator Hatfield's remarks after they are published in the CONGRESSIONAL RECORD, please call Laura Hanen at IBA at 202/857-0244. We expect to have a transcript by next Friday.

We are extremely grateful for your prompt and effective response to our earlier action alert. Thank you and congratulations!

[From the Biotech Daily, Feb. 11, 1993]

HATFIELD AIDES SAY ABC WINS FALSE VICTORY ON MORATORIUM

(By Mick Rood)

Worried that Sen. Mark O. Hatfield would propose a 5-year moratorium on patenting genetically engineered animals and possibly other biotech organisms, the Assn. of Biotechnology Companies sounded the alarm Tuesday.

In faxes to member companies headlined "ALERT" in letters almost 1 inch high, ABC warned the Oregon Republican was "seriously considering" offering the amendment next week (Feb. 16) when the National Institutes of Health reauthorization bill is scheduled to come up on the Senate floor.

By early evening Tuesday, the trade group declared victory by fax. ABC Government Affairs Assistant Charles Butler told nervous companies that Hatfield had decided to drop his patent ban. The Senator still planned to deliver a speech opposing genetically engineered animals on Feb. 16, ABC said.

"Sen. Hatfield's decision is a direct result of swift action on behalf of ABC and its membership," ABC said, implying that grassroots lobbying had borne fruit.

Not so, Sen. Hatfield's office said on Wednesday.

"Nobody came and talked to us. They jumped the gun. They said he withdrew the amendment and he never did (plan to offer it)," a Hatfield spokesman said Wednesday afternoon.

Hatfield's Legislative Director Suzanne C. Hildick did not want to be quoted on the trade group's tactics, but she did outline what she said was Hatfield's longstanding view on the moratorium, based on a compromise reached last year.

The Senator had threatened a moratorium amendment, but agreed to hold off if the Senate would hold hearings on the subject and await results of an Office of Technology Assessment (OTA) study. Hildick said Hatfield was holding to that agreement this year.

She said Hatfield had no plans to offer such an amendment next week because the OTA study is not due out until the end of March. After that, Hatfield expects hearings to be held based on the study's results.

Hildick said a legislative response to the situation would then be devised. She and others stressed Hatfield is not opposed to biotechnology, but may have doubts about some of its applications. A Senate aide close to the situation called the ABC lobbying blitz "hysteria, ridiculous."

"I know why they did it, so they could declare victory. It's damaging to the issue," the aide said.

ABC argues the moratorium would stifle new agricultural products and block understanding of serious human diseases such as AIDS and cancer. The ban would further jeopardize the U.S. dominance in the biotech industry, ABC says.

The trade group has argued further that biotech companies would rely upon trade secrecy to protect their R&D investments in the face of a moratorium. This would prevent public disclosure of new knowledge that occurs when inventions are patented, ABC says. Eventually, such a moratorium would erode U.S. patent protection.

Finally, ABC says patent law legislation is not the "appropriate" place to address health, safety and environmental regulatory concerns.

INDUSTRIAL BIOTECHNOLOGY ASSOCIATION,

Washington, DC, February 12, 1993.

Hon. MARK HATFIELD,

U.S. Senate, Hart Senate Office Bldg., Washington, DC.

DEAR SENATOR HATFIELD: Last week, IBA was informed by various Senate offices that you might offer a floor amendment to the NIH reauthorization bill (S. 1) placing a moratorium on the patenting of genetically engineered animals. We attempted to confirm this information with your office without success.

Since enactment of such an amendment would cause irreparable harm to medical research on a wide range of incurable diseases (as well as to the companies that are doing this research), we felt it was appropriate to proceed on the assumption that the information was correct and that you intended to offer an amendment similar to the one you discussed at length during last year's NIH reauthorization bill debate (Congressional Record, April 2, 1992, pages S-4719 through 4724).

In the absence of direct confirmation from your staff, we notified Senators that we "understood" that you would be offering such an amendment. If this was not the case, we regret the misunderstanding and apologize for any inconvenience we may have caused.

Very truly yours,

RICHARD D. GODOWN.

EXHIBIT 1

U.S. PATENTS ARE GRANTED FOR 3 LABORATORY MICE—AWARDS CRUCIAL FOR BIOTECHNOLOGY RESEARCH

The federal government issued patents for three laboratory mice yesterday. The patents, the first since 1988 to recognize ownership of a genetically altered animal species, are regarded by researchers as critical for biotechnology research.

The U.S. Patent and Trademark Office (PTO) gave notice in its Official Gazette that it was granting patents for laboratory mice strains to Harvard University, to GenPharm International of Mountain View, Calif., and to Ohio University.

For Philip Leder, a Howard Hughes researcher at Harvard, the patent is the second species ownership he has been granted. Leder and colleagues developed the first patented animal, the so-called Harvard mouse, in 1988.

Leder's new patent is for a mouse strain whose males naturally develop enlarged prostate glands, a condition that mimics a serious disorder in human males.

GenPharm was given a patent for a mouse strain that has been altered so it naturally fails to develop a fully functional immune system.

The Ohio University patent is for a mouse that was engineered to contain a human gene that constantly produces a low level of beta interferon, a protein that attacks virus and helps prevent infection in the mouse.

All of the mice were altered genetically through a technique in which genes are changed in fertilized eggs that are allowed to gestate within a mother mouse. The resulting pups have a genetic pattern different from either parent. When the pups mature and mate, some of their offspring carry the desired combination of new genes. The changed animal is called a transgenic mouse.

Lisa Raines, vice president for government affairs at the Industrial Biotechnology Association, said in a statement that the new animal patents are significant for the industry.

"Since Harvard University received the first transgenic animal patent in 1988, there has been continued debate about whether or not additional animal patents would be granted," said the Raines statement. "This PTO decision marks a positive step forward for protecting important U.S. research."

Leder said the prostate mouse, which he said may be called "Harvard II," will be important in research on the enlargement of the prostate in older men. The prostate, a gland that produces seminal fluid, is located below the bladder and around the tube that drains urine from the bladder. The gland grows larger as men age and often can retard or block urinary flow. Surgical correction of enlarged prostates is one of the most common operations on men.

With a mouse that mimics the condition, Leder said, researchers will be able to test drugs that correct or control the problem without surgery.

The GenPharm mouse was genetically altered by addition of a gene that prevents the rodent from developing fully mature lymphocytes, a type of blood cell vital to the immune system.

Jonathan MacQuitty, chief operations officer of GenPharm, said the new mouse will be used in the study of immune-system diseases, such as AIDS, or in research on autoimmune diseases such as arthritis and diabetes.

Ohio University announced its patent last week. Thomas Wagner, co-developer of the new mouse strain, said his patented animal was genetically altered so that it continuously produces a low level of interferon, a protein that the body uses to attack invading viruses.

Wagner said the laboratory mice will be protected from viral infections, enabling scientists to use an animal in research that is less susceptible to disease.

U.S. RESUMES GRANTING PATENTS ON GENETICALLY ALTERED ANIMALS—EMPHASIS IS NOW ON MEDICINE RATHER THAN FOOD

(By Edmund L. Andrews)

WASHINGTON.—The Government has ended a self-imposed moratorium and has again begun approving animal patents, nearly five years after Harvard University made history by patenting a genetically engineered mouse.

The United States Patent and Trademark Office issued patents in late December to three organizations covering "transgenic" mice specially suited to research in human medicine. These were the first new animal patents since Harvard received approval in April 1988 for a genetically altered research mouse that was predisposed to getting cancer.

The Harvard mouse prompted a backlash from animal-rights groups and some environmentalists, but with the latest approvals industry experts expect a surge of new patents covering mice, pigs and even cows. The trend should make the filing and approval of animal patents much more routine and make it much easier for biotechnology companies to raise money.

SWITCH IN EMPHASIS

More than 180 applications for animal patents are awaiting Government action, many of them having been pending for years. And while much of the earlier emphasis in so-called bioengineering was on breeding superior farm animals—cows that give more milk, for instance, or pigs with leaner meat—the current push seems to be in manipulating animal genes for the benefit of human health.

Near term, scientists expect to see such developments as laboratory mice made genetically suited for research on AIDS and other human diseases; genetically altered pigs that produce human hemoglobin for use in blood substitutes, and bioengineered cows that produce milk with the proteins found in human mother's milk.

The most ambitious and very likely the most controversial of these efforts is in "xenografts"—developing animals that can supply organs like hearts, livers or kidneys for human transplant recipients. The DNX Corporation, a biotechnology company in Princeton, N.J., is working to develop pigs with genes that mask the immunological markers of "pigness," which normally provoke a human immune system to wage all-out war against an alien body part.

TIMETABLE FOR TRANSPLANTS

Officials at DNX, which in 1991 developed a pig that produces human hemoglobin, said the first swine-to-human transplants could take place by the late 1990's.

"My understanding is that these first few are just the beginning," James McCamant, publisher of the Ag-biotech Stock Letter in Berkeley, Calif., said of the recently issued patents. "To me, the most important impact is that it will allow us to find out who's got a strong patent position. Over the next 12 months, we should have a lot clearer idea of what's going on."

The approval of new animal patents, while good for the United States biotechnology industry, is almost certain to reignite political opposition in Congress from animal-rights groups and some farmers. In 1989, the House of Representatives passed a bill that would exempt farmers from paying royalties on the offspring of genetically engineered livestock, but the measure never advanced very far in the Senate.

But much has changed in the last five years. Industry executives say their shift away from farm animals had little to do with the political controversy. Rather, most say the decision stemmed from technical issues and a concern that farm animals simply would not procure big profits.

"The science wasn't ready yet to make it economically feasible," said James Sherblum, president of the TSI Corporation in Worcester, Mass. TSI dropped efforts to develop a "super pig" whose meat would have less cholesterol, largely because of persistent problems with the animal's immune system.

MOVE INTO DRUG TESTING

Hoping for more immediate profits, TSI put most of its money into developing mice that could be used as laboratory models and is using them to carve out a position in the drug-testing market. During the last three years, the company bought eight drug-testing laboratories and plans to introduce genetically engineered mice in the next 18 months that develop Alzheimer's disease and AIDS.

"The animals give our scientists a distinct advantage because we can understand better how the human drug will work in humans," Mr. Sherblum said.

Most of the other biotechnology companies that were interested in farm animals have also changed course. The Granada Corporation, a cattle breeder in Houston, virtually shut down a unit that was working on fast-growing, genetically engineered cattle. DNX shelved its work on fast-growing pigs, bought two testing laboratories and is planning to introduce a mouse that develops insulin-resistant diabetes.

Central to such efforts, however, is breaking the logjam on patents, which give a company the right to stop anyone else from using or selling its invention for 17 years. The Supreme Court ruled in 1980 that novel living organisms can be patented, and thus far the Federal courts have not objected to applying that doctrine to novel animals produced through gene-splicing.

AN ARGUMENT FOR PROTECTION

Companies involved in "transgenic" animals say patent protection is crucial, because otherwise they have no way to prevent customers from simply buying more animals and breeding as many others as they like.

But the Patent Office, which was besieged by controversy when it issued the first animal patent to Philip Leder and Timothy Stewart, two Harvard researchers, apparently got cold feet. Though dozens of other applications had been filed, and the number multiplied quickly, no new patents were issued until five weeks ago.

Now a new round of attacks is likely, particularly from farmers and animal-rights organizations. Such groups say that splicing genes into animals will hurt family farmers, have cruel effects on many animals and could endanger many species of animals.

"We believe the gene pool should be maintained as an open commons, and should not be the private preserve of multinational companies," said Jeremy Rifkin, head of the Foundation on Economic Trends, a nonprofit organization in Washington. Mr. Rifkin, who has lobbied for legislation to block animal patents, said he was organizing a new political coalition in response to the latest patents.

"This is Government giving its imprimatur to the idea that there is no difference between a living thing and any inert object," Mr. Rifkin said. "It's the final assault of the sacred meaning of life and life process."

An animal patent covers animals with particular gene sequences that do not exist in any natural animal species and which give the animal identifiable, unique characteristics. The patent allows a company to prohibit anyone else from using or selling such animals without its permission for 17 years, and may also cover the pharmaceutical proteins or antibodies the animals might produce.

The patents also cover the offspring of such animals, even though the chromosomes of offspring are always different from those of parents. To enforce the patent, however, a company would have to show that a pig or a mouse still has the transplanted genes and possesses the characteristics described in the patent, like the capability of producing human growth hormone.

So far, the gene patents have moved much more slowly than applications for other types of inventions. While the average application now takes 18 months to reach a final decision, the three mice patents that were issued Dec. 29 had all been pending for about four years.

Patent Office officials said they did not impose a formal moratorium on transgenic animals. "These things just take a long time to work through," Oscar Mastin, a spokesman for the agency, said. "They have been working on these applications the whole time."

POSSIBLE REASONS FOR DELAYS

In the absence of a fuller explanation, some industry experts believe that a fear of possible Congressional restrictions had a chilling effect on the Patent Office. But others see the delay as a result of the agency's attempt to carefully define and limit the patents to specific animals with particular genetic characteristics.

Steven Holtzman, executive vice president of DNX, said the new patents are crafted much more narrowly than the one covering the Harvard mouse. That patent actually covers any animal with a particular gene that predisposes it to develop cancer.

The three new patents are restricted to genetically engineered mice, and each is restricted to a particular set of transplanted genes. Dr. Leder, the Harvard scientist who obtained the original mouse patent, has won a second one with a colleague, William J. Muller. This patent is for a mouse that develops an enlarged prostate, a common problem of older men.

Also, researchers at Genpharm International in Mountain View, Calif., patented a mouse without a working immune system, developed for use in AIDS research. And researchers at Ohio University patented a virus-resistant mouse, for use in developing agricultural livestock less vulnerable to disease.

"The Patent Office is being very tight," Mr. Holtzman said. "They are saying that a patent is only being given with the limits of the example you provided in your disclosure. Simply writing a paper disclosure doesn't carry the day."

Information made public by the European Patent Office shows that universities and companies are developing an expanding army of small animals that are genetically programmed to suffer. Several European companies have applied for patents covering mice that are prone to get AIDS, tumors, leukemia and something akin to Alzheimers.

Except for the United States, no country has approved an animal patent. Indeed, in December, the European Parliament recommended that the European Community reject such patent applications.

The animal-rights critics notwithstanding, most experts believe a big waive of animal

patents is imminent in the United States. "I think we're going to see an increase in the pace," said Eugene Moroz, a patent attorney as the law firm of Morgan & Finnegan in New York who specializes in biotechnology issues.

Several companies appear to be placing their biggest bets on molecular "pharming," the technique of using genetically engineered animals to produce valuable drugs. Companies have applied for patents on animals that produce drugs like human growth hormone, the heart-attack prevention drug TPA and insulin.

Genpharm International is seeking patents for a transgenic bull it has developed in the Netherlands. The bull sires cows whose milk contains lactoferin, a protein unique to human mother's milk that inhibits bacteria growth and helps a baby retain iron. David Winter, president of Genpharm, said the protein could be sold as an additive to infant formula or the milk itself could be developed as an approximation of human milk.

Genpharm is also developing mice with human immune cells that could develop antibodies to dangerous human illnesses and could even attack tumors. At the moment, humans develop severe allergic reactions to antibodies made in other animals, and the hope is that antibodies made with human immune cells will avoid that problem. "Most people don't think it can be done," Mr. Winter said. "But we know it can."

EXHIBIT 2

U.S. SENATE,
Washington, DC, February 18, 1993.

Hon. RONALD H. BROWN,
Secretary, U.S. Department of Commerce, Herbert Clark Hoover Building, Washington, DC.

DEAR MR. SECRETARY: I am writing to comment on the U.S. Patent and Trademark Office's (PTO) issuance of patents on transgenic animals. On December 29, 1992 the PTO issued three patents for transgenic mice. These patents marked the first transgenic patents since the landmark 1988 "Harvard Mouse" which had a genetic predisposition to cancer. On February 2, 1993 the first non-mouse patent was issued for a transgenic rabbit for AIDS research.

I recognize that the decision to grant utility patents for genetically engineered animals was based on the U.S. Supreme Court's 1980 ruling in the *Chakrabarty* case, which held that a genetically engineered organism that meets the statutory standards of patentability does not become unpatentable merely because it is a living invention. I further note that *Chakrabarty* does not permit the patenting of animals, plants, microorganisms, or genes that are unaltered by human intervention.

As you know, there is controversy over the propriety of patenting transgenic animals. Many ethical and legal questions surrounding the emerging biotech industry and the proper role of the Patent Office have been raised. While several of my colleagues in the Senate have differing views on these issues, we all agree that these important ethical and legal questions deserve Congressional review and oversight as the biotechnology industry continues to grow.

I have introduced legislation in the past which proposed limitations on the Patent Office's authority to issue patents to genetically altered organisms. In April, 1992 I considered offering an amendment to the NIH reauthorization bill which would have placed a three year moratorium on the patenting of all human tissues, fluids, cells, genes, gene sequences, and animals. The amendment was not offered after assurances by Senators Kennedy and DeConcini that hearings would be held in the Senate Labor and Human Resources and the Senate Judiciary Committee, and that an Office of Technology Assessment (OTA) study would be prepared to analyze and make recommendations about the ethical and legal issues raised by the Genome Patent Working Group and NIH Advisory Committee.

Congress is currently on track to fulfill these assurances, as many of those involved believe that these ethical concerns should continue to be scrutinized. An informative and productive hearing was held in the Patent Subcommittee of the Senate Judiciary Committee that past September. We are awaiting a report entitled "Biomedical Ethics in U.S. Public Policy" to be issued by the OTA in March. A hearing is scheduled to be held by the Senate Labor and Human Resources Committee soon after the release of the report. These studies and hearings will help to determine whether Congressional action addressing the patenting of transgenic animals is warranted.

During consideration of the NIH reauthorization bill this week, Senator Kennedy and I exchanged views on the Senate floor regarding upcoming congressional action in this matter. I have enclosed a copy of this exchange for your information. Furthermore, I introduced legislation this week calling for a two-year moratorium on patenting in this area, primarily as a means of defining the debate subsequent to recent animal patenting decisions made by PTO.

As you may be aware, last week the European Parliament adopted a resolution calling upon the European Patent Office to revoke the first European patent granted for a genetically engineered animal. While the European Parliament's resolution has no legal effect on the validity of the patent, formal oppositions to the patent have been filed, and the validity of the patent will be determined in accordance with the terms of the European Patent Convention.

In light of these recent developments in Europe, our past negotiations with the European Community on a Patent Harmonization treaty and ongoing Congressional interest in this issue, I would like to be informed of the Clinton Administration's position regarding the patenting of transgenic animals.

Sincerely,

MARK O. HATFIELD,
U.S. Senator.

Mr. HARKIN. Mr. President, I rise to express my strong support for S. 1, the National Institute of Health Reauthorization Act. As chairman of the subcommittee that funds NIH, I am pleased to be a cosponsor of this important legislation and to have worked with Senator KENNEDY and others to bring it to the form which is before us today.

Mr. President, this is a timely bill, because last night the President appeared before the Congress to deliver his State of the Union Message. If we hope to get this country back on track, we have to get control of our health care system. I don't think many people in this body would disagree with that. Mr. President, this bill is the first shot of this new Congress in the war against disease and disability.

I have taken this floor many times to say that we don't have a health care system in this country, we have a sick care system. We spend nearly $1 trillion a year to treat people once they get sick, but we spend relatively few dollars to keep people healthy in the first place. If we can prevent disease and disability from happening in the first place, or treat it early, we can save billions of dollars and millions of lives.

If prevention is the cornerstone of health care, then biomedical research is certainly one of the cornerstones of prevention, and there is clearly a need for it. Just look at the statistics: Half a million people are expected to die of cancer this year. Half a million people are expected to die of coronary heart disease this year. Every year, 600,000 new cases of skin cancer are found. Twelve million Americans suffer from asthma, and that number is increasing. Every 3 minutes a woman is diagnosed with breast cancer, and every 12 minutes breast cancer takes another life.

And this is most alarming: Since we began keeping records on AIDS cases, 250,000 people have been diagnosed with the disease—total. Yet, the Centers for Disease Control projects that this year alone there will be between 95,000 and 118,000 new cases reported. This is a public health burden that's only going to get worse.

This is clearly a national priority. But has our commitment to NIH kept pace? Not even close. Consider this: In 1992, of all the research projects deemed worthy of funding at NIH, 71 percent were turned down. This year, that number will increase to 77 percent. That means we will say "no" to more than three out of every four research projects deemed worthy of funding at the NIH.

The truth is, we spend just one-half of 1 percent of the Federal budget on medical research. But here's the real kicker: We have spent more on military research and development the last 27 months than we have on all biomedical research since the turn of the century. This bill is long overdue. If anything, I wish this bill would go even further than it does, because I believe biomedical research is a critical national investment.

I would remind my colleagues that this isn't just about saving lives. It's also an issue of economic competitiveness. The returns on medical research are greater than the investment. Measles vaccines, for example, have saved $10 for every $1 invested in research. What's more, as a result of our investments in NIH and SAMSHA, the Department of Commerce estimates that the biotech industry is a $4 billion industry now and will be a $50 billion industry by the year 2000. That's an investment worth making.

This bill will help bring us into new territories. Among other things, it expands our research to find a cure for osteoporosis, and a cure for cancer, and

a cure for AIDS. It puts in statute an end to the ban on fetal tissue research, giving new hope to millions suffering from Parkinson's disease and childhood diabetes. And once again, I applaud the swift and direct action of President Clinton to lift the ban.

This bill also confronts traumatic brain injuries, which is the leading disabler and killer of children and young adults. It calls for a new commitment to our Nation's aging research, and devastating diseases like Alzheimers. Above all, this bill says that women's health research no longer has to take a seat in the back of the bus. And I say it's about time.

This bill addresses many concerns that have plagued women's health research. It addresses the number of women and minorities in NIH-sponsored clinical trials, the number of research projects and clinical programs focused on women's health issues, and the number of women in higher level positions at the NIH. It also authorizes $75 million for research on ovarian, cervical, uterine, and other cancers of women's reproductive system. And I want to commend our colleague, Senator BARBARA MIKULSKI, for her leadership in this area.

I'm also happy to see a greater commitment to breast cancer research. This terrible disease has struck all of us in one way or another—I lost my only two sisters to breast cancer. Last year, I was proud to author an amendment that added a record $210 million from the Department of Defense for breast cancer research. I'm proud to say that the money is on track and should be well spent. This bill will authorize $325 million in fiscal year 1994 to continue vital research in this area. Overall, the National Cancer Institute's budget will rise to $2.2 billion. These new moneys have already brought a real sense of excitement and possibility to millions of women and researchers.

Mr. President, I'm pleased that S. 1 also contains several initiatives I have worked on for a long time. First, the bill before us today includes the provisions of S. 93, the National Institute for Nursing Research Act of 1993, legislation I reintroduced last month along with my colleagues, Senators KENNEDY, INOUYE, DASCHLE, and CONRAD. This proposal would appropriately elevate the status of the successful National Center for Nursing Research [NCNR] at the National Institutes of Health to that of an Institute—the National Institute for Nursing Research.

This is long overdue. For too long, America's 2 million nurses have been denied the recognition and status they deserve within our health care system. And the same goes for research. In its short history, the NCNR has produced critical research findings that are already resulting in more affordable, higher quality health care for many Americans. For example, through a grant from NCNR, nurse researchers at the University of Iowa are developing cost-effective ways of reducing the incidence of falls among older Americans. Their findings are reducing the incidence of broken hips, which is the leading cause of nursing home admissions.

Yet, despite these accomplishments that put it on par with other Institutes within the NIH, the NCNR has not been awarded Institute status. This bill will cure that inequity and gives nurses the recognition they deserve.

Second, this bill includes S. 95, the Contraceptive and Infertility Research Centers Act of 1993, which I reintroduced in January. This bipartisan initiative would provide authorization for the establishment of three research centers—one focused on developing improved methods of contraception and two research centers focused on improving our ability to diagnose and treat infertility. To address the shortage of qualified researchers in these areas, the bill authorizes a loan repayment program for graduate students and health professionals who agree to conduct research on contraception and infertility.

Mr. President, contraception and fertility are central concerns to millions of Americans of child-bearing age. Nearly 2½ million couples desiring to have children struggle with the heartbreak and frustration of infertility. And each year about 3 million American women become pregnant who do not wish to do so. Their anguish is great.

Yet, when it comes to these family planning issues, we lag well behind other industrialized countries in research. All of these individuals can benefit from intensified research on these basic family planning issues.

Let me give you an example. We can all agree that abortion is no one's first choice for avoiding unintended pregnancies. Yet, of the 3 million women who become pregnant unintentionally this year, about half will terminate their pregnancies. It's even more tragic when you learn that nearly half of all pregnancies result from contraception that has failed. We need more research to find better contraceptive devices so we can reduce the number of unintended pregnancies and, thus, abortions. That's a result we can all embrace.

We must also explore ways in which sexually transmitted diseases, such as AIDS, gonorrhea, and syphilis can be prevented. These research centers will explore new methods to prevent the transmission of these sexually transmitted diseases through the development of safe, effective, and low-cost contraception methods.

Finally, we must also find ways to help those who want to be parents to find safe and effective methods to help them conceive and bear children. The causes of infertility are not always easy to diagnose, nor are they uniformly treatable. Treatments are often expensive—Americans spent nearly $1 billion in 1987. While spending was high, the success rate was generally low. Clearly, more research is needed into the causes of and treatment for infertility in both men and women.

Mr. President, this bill is about changing priorities and putting prevention first. I hope we move quickly to approve this important legislation, because the American people want action in this area. This legislation provides them significant advances that are long overdue.

Mr. President, I yield the floor.

WOMEN'S HEALTH RESEARCH

Mr. BINGAMAN. Mr. President, I want to commend the distinguished chairman of the Labor and Human Resources Committee, Senator KENNEDY, for his tireless efforts in the development of S. 1, the National Institutes of Health Revitalization Act. I also commend Senator KASSEBAUM and Senator HATCH for their important contributions in advancing this critical piece of legislation. S. 1 represents a major bipartisan effort to improve the health of all Americans.

Among its provisions, S. 1 contains several that are of special interest to women. Perhaps the most notable of these will permanently establish the Office of Research on Women's Health at the National Institutes of Health. The mandate for this office addresses problems that for too long have gone unattended, namely the identification of women's health research projects that should receive support, the inclusion of women in clinical trials, and the monitoring of the status of women physicians and scientists at NIH and NIH-funded institutions. A data bank and clearinghouse will also be established to collect and disseminate information on women's health research.

Improving the health of American women is a goal we all share and one to which I am committed. The legislation before us today is an important step in closing the startling gaps that exist in our knowledge about treating the diseases that specifically affect women or affect women differently from men.

The No. 1 killer of women in the United States is heart disease; and yet women typically receive less aggressive treatment for this condition than men. I am told that the incidence of breast cancer has inexplicably increased over the last three decades so that now one in nine American women can expect to develop this disease in her lifetime. A major cause of illness in older women is osteoporosis, a particularly painful and debilitating condition. One-third to one-half of all postmenopausal women and nearly half of all people older than 75 will be affected by this disorder. Together, car-

diovascular disease, cancer, and osteoporosis are the most common causes of death, disability, and impaired quality of life in women.

Most biomedical research into the causes, treatment, and prevention of disease has historically centered on men, with the results subsequently applied to women. Regrettably, this approach assumes no gender differences between men and women in the way diseases manifest themselves or in the way diseases should be treated. S. 1 seeks to remedy these incorrect assumptions and approaches by assuring the increased participation of women in clinical studies and providing additional funding for research on breast cancer, ovarian and cervical cancer, osteoporosis, and reproductive health.

In conclusion, Mr. President, the future health and welfare of all American women depends on a greater understanding of women's health and the disorders that affect them. This legislation represents an important step in assuring that women's health research becomes and remains an integral part of our Nation's health agenda.

Mr. KENNEDY. Mr. President, I put forward an amendment on behalf of Senators KASSEBAUM, HATCH, and myself to send a clear signal that Congress is committed to maintaining the integrity of the Vaccine Injury Compensation Program. This amendment would continue the authority of the U.S. Court of Federal Claims to receive and forward petitions under the Vaccine Injury Compensation Program filed on or after October 1, 1992.

The Vaccine Injury Compensation Program has worked well since inception. This new no-fault system established by the Congress has met the goals of stabilizing concerns about liability associated with vaccine administration and the effects of this on vaccine prices. The Vaccine Injury Trust Fund is currently secure with a balance of $600 million. Last year, the Congress passed legislation to extend the excise tax which funds the trust fund in H.R. 11. This provision expired following the President's veto. There is clear bipartisan support in both the Senate and the House to reinstate this excise tax at the earliest possible opportunity. Until this can be accomplished, it is the intention of the Congress to ensure that petitions will continue to be received by the court.

Mr. President, I am pleased that we are able to address this important issue today. We have worked on this closely with Senator KASSEBAUM and Senator HATCH, and they have been strongly committed to maintaining the successful operation of the Vaccine Injury Compensation Program. This amendment sends a clear signal to eliminate any ambiguity that new petitions should be received until legislation extending the excise tax is enacted.

EXPLANATION OF AMENDMENT

This amendment would continue the authority of the U.S. Court of Federal Claims to receive and forward petitions under the Vaccine Compensation Injury Program. It is a signal that the Congress intends to maintain the integrity of this program. The extension for the excise tax on vaccines was vetoed in H.R. 11, and there is clear bipartisan commitment in the Senate and the House to reinstate this excise tax this year. In the interim, no ambiguity should remain for courts as to congressional intent to maintain the program.

Mr. LAUTENBERG. Mr. President, S. 1, the NIH Revitalization bill before us addresses deadly diseases in the United States including breast cancer, AIDS, Parkinson's disease among others. I am an original cosponsor of this legislation and I strongly support its swift enactment.

It was my hope to offer an amendment to address another deadly disease which is almost completely preventable. My amendment would have been based on S. 261, the Preventing Our Kids from Inhaling Deadly Smoke or PRO-KIDS Act of 1993. This measure would prohibit smoking in federally funded programs which serve children under the age of 18, including elementary and secondary schools and day-care centers.

Mr. President, on January 7, 1993, the EPA released a final report which confirmed what we had suspected: secondhand smoke kills. The EPA found that secondhand smoke was a class A carcinogen, like asbestos, benzene, and arsenic. The EPA concluded at least 3,000 lung cancer deaths were associated with nonsmokers inhaling secondhand smoke. The EPA also found significant evidence that secondhand smoke causes a wide variety of respiratory illnesses or exacerbates them and concluded that children suffer the most from breathing secondhand smoke. That is why I introduced PRO-KIDS.

The urgency for this legislation was highlighted last week, when the Centers for Disease Control released a survey which estimated that 752,000 children in the United States were at risk of significant exposure to secondhand smoke in our Nation's day-care centers.

Because of the conclusiveness of these findings, I hoped to offer PRO-KIDS as an amendment to the NIH bill this week. However, I am fully aware that offering this amendment could well cause the type of insurmountable delay in enacting this legislation that has gone on in the Senate when it considered previous smoking-related amendments. As I stated previously, I think that the NIH bill before us should be passed immediately.

Therefore, I will not offer PRO-KIDS to the NIH bill. But we must act and we must act soon. Therefore, I would like to ask the distinguished Senator from Massachusetts, the chairman of the committee which has jurisdiction over PRO-KIDS, and a leader in the fight against addiction to tobacco by our young people, if the Labor and Human Resources Committee will soon hold a hearing on this issue and will consider my bill for action after that hearing?

Mr. KENNEDY. I would like to assure the Senator from New Jersey that it is my intention to hold a hearing on the adverse health effects of tobacco use, including secondhand smoke, in the near future and I expect that the committee will take action regarding your legislation sometime after that happens.

Mr. LAUTENBERG. I appreciate the distinguished chairman's assurances and I look forward to working with him on enacting this legislation. Our children are at risk, we must act soon.

Mr. McCAIN. Mr. President, I rise today to express my support for passage of the National Institutes of Health Revitalization Act of 1993.

Since their creation, the National Institutes of Health have helped to make America the world leader in biomedical research.

Research carried on at the National Institutes of Health has helped us a great deal in coming to understand more about our health and so many of the diseases that afflict us. I am, as is every American, grateful for the terrific work that is done at the National Institutes of Health—work from which we all benefit.

This legislation reauthorizes funding for the critical activities being carried on at the National Institutes of Health, and increases the authorization level for all of the Institutes. It expands the National Library of Medicine, the funding for AIDS research, and provides funding for badly needed biomedical and behavioral research facilities. In addition, it increases funding for research into prostate cancer and diseases that affect children.

In sum, this legislation is an investment in our future, as biomedical research is the key to unlocking the doors of the future to better health for the American public.

I would like to focus for a moment on a number of provisions to promote better understanding of the diseases that afflict women. The understanding that will be gained from these activities will result in better health for our Nation's women. Unfortunately, past biomedical research efforts have not always adequately addressed the needs of women in our society.

Women comprise more than half of our Nation's population. While they are certainly affected by diseases such as heart disease, Alzheimer's, arthritis, diabetes, and cancer, the bulk of the research being conducted at the National Institutes of Health focuses al-

most exclusively on these diseases as they affect men.

What's more, diseases affecting only women—such as ovarian, cervical, and breast cancers, are given too little, if any, attention.

Mr. President, it is critical that women be included in the biomedical research being conducted at our Nation's premier Federal research institution. I am pleased that this legislation will do just that.

The legislation we are considering today will not only significantly increase the resources available for research into women's specific diseases, it will also include women in the research that is being conducted into diseases that affect men and women alike.

Specifically, this legislation would do a number of things to include women in the biomedical research being conducted at the National Institutes of Health.

First, it would require the Director of NIH to include women and members of minority groups in all NIH sponsored projects.

Second, it requires greater inclusion of women in aging research. It requires the Director of NIH to conduct research into the aging process of women, including studies on the effects of menopause.

Third, it establishes an Office of Women's Health.

Fourth, it authorizes $225 million in fiscal year 1994 for research concerning breast cancer. This portion of the bill is similar to that included in legislation I previously sponsored with Senator MIKULSKI. In addition, the legislation authorizes $100 million in fiscal year 1994 for other activities related to breast cancer—research, prevention, detection, and education.

And, fifth, this legislation requires more extensive research on osteoporosis, Padget's disease, and related bone disorders.

Mr. President, before I conclude my remarks on this very important legislation, I would like to address the provision in this legislation on the lifting of the ban against fetal tissue research.

The vote I am casting today in favor of this legislation, which includes the provision to lift the ban against fetal tissue research, is one I have thought about very, very carefully. In my years as a representative of Arizona in both the House and Senate, I have consistently supported the rights of the unborn. I have cast approximately 70 votes to protect the rights of the unborn. I have always acted, and will continue to act, to protect the sanctity of life. I do not believe that abortion is an acceptable form of birth control, nor do I believe that it should be funded by the American taxpayer.

Nevertheless, I say in all candor that I have been torn by the issue of the use of fetal tissue for the purposes of medical research. The use of fetal tissue has shown great promise for the treatment of those who suffer from such insidious diseases as Parkinson's disease and juvenile diabetes.

The victims of these diseases, and their families, have prayed for a breakthrough such as may be achieved through research using fetal tissue. Since induced abortions are legal in this country, they ask why the tissue resulting from those abortions cannot be used in an effort to save countless numbers of lives.

I have lost sleep struggling with this very question. The strength of my opposition to the practice of abortion is matched by my anguish for the suffering of the victims of debilitating diseases. In considering alternatives to an outright lifting of the ban on the use of fetal tissue for research in federally-funded facilities, I had hoped that the use of tissue resulting from ectopic pregnancies and miscarriages would be considered by my colleagues to be sufficient.

Unfortunately, the amendment offered last year by Senator HATCH to establish a private bank for this type of tissue failed. The majority of my colleagues did not consider it a viable compromise. I had hoped otherwise. Nonetheless, I feel that Congress must act affirmatively to support research to save lives, using tissue obtained through a practice which is currently legal in this country. For that reason, lacking another alternative, I support lifting the ban on the use of fetal tissue for research by the National Institutes of Health.

I strongly believe that the safeguards in this legislation remove any incentives for inducing abortions—either for direct donation to an ailing relative or monetary gain. I would never support lifting the ban if I thought it would result in the creation of a market for fetal tissue. The idea of such a market is barbaric, and, in fact, safeguards have been placed in this legislation to prevent this from occurring. Only my strong belief that these safeguards are sufficient permit me to vote in favor of lifting this ban.

In reaching this decision, I must emphasize that I remain committed to protecting the rights of the unborn and upholding the sanctity of life. I have never wavered from this position, nor do I believe that this action constitutes a wavering from this commitment.

Mr. MACK. Mr. President, I support S. 1, to revise and extend the programs of the National Institutes of Health.

This legislation will provide the research funding necessary to help unlock the mysteries of cancer, Alzheimers' disease, osteoporosis, juvenile arthritis, AIDS, and other tragic illnesses.

I am extremely pleased that this bill focuses on the vital work being performed at the National Cancer Institute. This important legislation brings the authorization levels for the National Cancer Institute very close to the bypass budget request. One need only look at the grim statistics to see that cancer research must be a priority.

According to the American Cancer Society, approximately 85 million Americans now living will eventually develop cancer. More than 8 million Americans alive today have a history of cancer, more than half of which were diagnosed 5 or more years ago. More than 1.1 million Americans will develop cancer in 1992 alone. This year, more than half a million of our citizens will die from cancer, about 1,400 people per day. One in five deaths in the United States is cancer-related.

Like many American families, my family has been touched by cancer. In 1979, my brother, Michael, died from a malignant melanoma. I am a cancer survivor, having been successfully treated for a malignant melanoma. My wife, Priscilla underwent a mastectomy and 6 months of chemotherapy following breast cancer. Our daughter is a survivor of cervical cancer, and my mother is a survivor of breast cancer.

The bill designates that special attention is paid to cancer control activities in the areas of breast, cervical and prostate cancer. Breast cancer is one area in which we are actually losing ground. In 1992, the American Cancer Society estimated that 1 in 10 American women would develop breast cancer. This year, it is one in nine.

Last year, three of our colleagues bravely came forward to announce they have undergone treatment for prostate cancer. This is one of the most preventable and treatable forms of cancer. Estimates show that the 5-year survival rate for prostate cancer is 88 percent.

While these earmarks bring attention to needed research with regard to these specific forms of cancer, I am concerned that the National Cancer Institute may be forced to reprogram funds from general cancer research in order to meet all the required research mandated in this bill. The end result could mean that less research is performed on gene therapy, lung cancer in women, or clinical trials of potentially lifesaving vaccines.

In addition, the legislation mandates the establishment of a National Center for Sleep Disorders within the National Heart, Lung, and Blood Institute. I have little doubt that there are many benefits in establishing this center. However, this unfunded mandate will force officials at that institute to reprogram needed research dollars to meet this requirement. I hope the Senate would address the issue of unfunded, congressionally mandated research during the appropriations process.

I am also extremely concerned with the establishment of an Ethics Review

Panel, which will have the unprecedented authority to overrule the awarding of medical research grants which the Secretary of Health and Human Services deems unethical. Last year, the Department of Justice issued a statement indicating it believes this provision is unconstitutional under the appointments clause. That is reason enough to oppose the establishment of this panel.

From a practical standpoint, I simply oppose the concept. The Secretary of Health and Human Services is our Nation's medical authority. We entrust in her the authority to make medical decisions each day. If we permit this panel to overrule her on research grants, where will it stop? I am very concerned that the panel may be highly political in nature and accountable to no one.

On balance, however, this legislation will go a long way in helping in America's fight against cancer and other diseases. With the concerns I have outlined, I will support passage of this legislation.

Mr. DOLE. Mr. President, being told you have cancer can be a very frightening experience. The so-called C-word is one of the most dreaded in the English language. But, when it comes to cancer of the prostate, that fear can be tempered by the knowledge that your problem can be detected early, thus greatly increasing your chances of recovery.

That is what happened to me a little over a year ago when I was told I had prostate cancer. I think I can speak for the distinguished Senator from Delaware, Senator ROTH. We both had that experience. It is the same diagnosis that about 132,000 men will have to face this year. As our population ages, more men will learn that they, too, are among the 1-in-11 men that has contracted the disease.

Prostate cancer is the most common malignancy among American men and the second biggest cancer killer, second only to lung cancer. It claims the lives of about 34,000 men each year in the United States.

But, despite these numbers, we still know relatively little about the causes of prostate cancer—or the possibility of preventing prostate cancer—or the effects of lifestyle, or behavior, or family history on the incidence of prostate cancer.

And, Mr. President, we still do not have definitive information about the beneficial effects of early treatment.

Common sense would say, find it early and treat it early. But, medical science cannot say this yet, because there has not been enough research.

Mr. President, that is why I was pleased to see an additional $72 million authorized for fiscal year 1994 in this bill for prostate cancer research.

Contrary to popular belief, prostate cancer is not an old man's disease. Although it is much more common with age, men even in their 30's can have prostate cancer—and often not know it.

Because prostate cancer often presents no symptoms until its advanced stages, it is sometimes referred to as the "silent killer." At least 40 percent of men with prostate cancer have metastatic disease—disease that spreads outside the prostate gland—disease that is not easy to treat—and disease that will claim lives.

Mr. President, it is my hope that by providing additional funding to prostate cancer research, more information will become available to the health providers, to the victims, and the potential victims of this disease. Prostate cancer is curable. I am convinced that this action today—increasing our funds for prostate cancer research—will bring us one step closer to saving lives.

Mr. SPECTER. Mr. President, I believe that the biomedical and behavioral research conducted and supported by the National Institutes of Health [NIH] offers the promise of acquiring new knowledge and better understanding for more effective treatment, cure, and prevention of illness and disease.

As the ranking Republican member of the Labor, Health and Human Services, and Education Subcommittee that funds the NIH, I support the important Institutes, centers, and research initiatives authorized in this bill. In fact, many of these programs and research initiatives have already begun at the subcommittee's initiative. In the position of ranking member, I know all too well that enacting the authorization amount is not enough. Each year I meet with people from Pennsylvania and other States, that explain the need for greater funding in a variety of areas of biomedical research. Because of this need, I have long been urging for a greater allocation for this subcommittee to adequately meet the challenges identified in this bill.

I believe that it is our job in Congress to balance reducing the deficit and investing the Nation's dollars wisely. There are many programs under the Labor, Health and Human Services and Education Subcommittee's jurisdiction that deserve greater attention and support. I look forward to working with President Clinton, and the appropriations and authorizations committees in bringing to fruition the goals and programs outlined in this bill and I welcome the support of my colleagues as the appropriations process begins this year.

The United States continues to be recognized as the world leader in medical research. The past decade has brought many exciting scientific advances, some of which have opened whole new fields of investigation. In my travels throughout Pennsylvania, I have become familiar with biomedical research projects in my home State and strongly appreciate the importance of such work being conducted within Pennsylvania's biomedical research community as well as the work that has begun at the subcommittee's initiative.

Such research includes an exciting pediatric research initiative first funded by the subcommittee in fiscal year 1990 when, at our urging, child health research centers were created to foster bench-to-bedside research. The purposes of these centers was to hasten the application of laboratory research to the treatment of diseases and conditions that affect our Nation's children. The centers, each of which focuses on a single theme or area of scientific inquiry, have quickly become leaders in the practical application of new scientific knowledge. Children's Hospital of Pittsburgh and the Children's Hospital of Philadelphia are 2 of the 19 institutions that have successfully competed for these grants.

S. 1 provides statutory authority for the Child Health Research Centers Program within the National Institute of Child Health and Human Development and I urge my colleagues to support this authorization.

S. 1 also authorizes new centers for the study of the prevention, diagnosis, and treatment of cardiovascular disease among children. Cardiovascular disease is among the leading causes of morbidity and mortality among children, and the proposed centers offer the prospect of a focused, multidisciplinary approach to the study of such disease, including molecular biology, biochemistry, bioengineering, and genetics. The proposed centers would study such subjects as congenital and acquired heart disease, arrhythmias, preventive cardiology, and the intrauterine environment.

Such centers will take advantage of this approach to develop new methods for treating cardiovascular disease among children. Pennsylvania's leading pediatric research institutions are well positioned to compete for this new centers program. At the direction of the subcommittee, these centers will be under way this fiscal year.

In 1989, the National Center for Human Genome Research was established administratively within the NIH to support and coordinate our national research in the mapping of the human genome and the sequencing of human DNA. At the heart of this endeavor is an international effort to map the entire genetic blueprint of the human body.

One of the most important participants in the human genome project is the Children's Hospital in Philadelphia, which was awarded a 5-year, $10 million grant to map chromosome 22, commonly known as the Philadelphia chromosome. Chromosome 22 is associated with at least eight forms of pediatric cancer and three often-fatal developmental disorders. The Children's

Hospital of Philadelphia is one of just seven institutions in the United States to participate in the latest phase of this project, and the only pediatric hospital, or hospital of any kind, to do so. The hospital's partners in this research are the University of Pennsylvania Medical Center, the Fox Chase Cancer Center, and DuPont Merck.

The study of the human gene offers extraordinary promise for unparalleled breakthroughs in understanding, diagnosing, and treating genetic diseases. Genome research on chromosome 22, for example, has broad application to pediatric investigations into childhood leukemia, cancer, heart disease, and some forms of mental retardation. This bill encourages the NIH to give priority to research and research training programs that facilitate the transfer of basic knowledge gained from mapping and sequencing individual genes into new scientific techniques that will be useful in clinical settings, in research on specific diseases, and in diagnostic laboratories. S. 1 would provide statutory authority for the National Center for Human Genome Research, which oversees this extraordinary work, and I urge my colleagues to support this legislation for this reason as well.

Another important aspect of the NIH revitalization bill is its special attention to the health of women. The 1985 Public Health Service Task Force on Women's Health Issues urged us to pay greater attention to women's health needs. S. 1 demonstrates our commitment to this goal. It establishes a women's health clinical research advisory committee; creates a data bank for women's health research; calls for additional research on aging among women; and provides for research programs on osteoporosis and other bone disorders. It also recommends $400 million for research on breast cancer and other cancers of women's reproductive systems.

The Labor, Health and Human Services and Education Subcommittee has given high priority to expanding funding for research on cancers affecting women. This past fiscal year the subcommittee's funding for breast cancer research represents a 48-percent increase over last fiscal year.

One of this country's leaders in research on women's health is Magee-Women's Hospital in Pittsburgh. One of the relatively few institutions in the United States devoted exclusively to the health needs of women, Magee-Women's Hospital has worked for over 80 years in a sphere of endeavor in which we, as a Government, are relative newcomers. Magee-Women's Hospital's comprehensive breast care system is a national model, and it is institutions such as Magee that will lead us as we attempt to redress our years of neglect of the health care problems unique to the majority of our population.

Approval of S. 1 is an important step in that redress because it provides statutory authority for the Office of Research on Women's Health, which has been established administratively within NIH. Started in 1990, I have fully supported funding of this important office in recognition of the important and long neglected initiative that it provides. In fact, since 1990, funding for the Office of Women's Health has increased by approximately 244 percent.

Finally, I wish to call my colleagues' attention to a provision in S. 1 that redesignates the National Center for Nursing Research as an institute within the National Institutes of Health. It was just 7 years ago that we belatedly acknowledged that nursing research was part of the mainstream of biomedical research by creating the national center. Now we wish to accord nursing research still further recognition of its status by making it an institute of the NIH. This recognition is richly deserved.

I am particularly pleased to support this change because of the many fine nursing schools in Pennsylvania. Among them is the University of Pennsylvania's School of Nursing, which is invariably included in any listing of the best nursing schools in America. I can think of no better way to acknowledge its role, and that of the nursing profession, than by according institute status to nursing research.

In conclusion, I wish to reiterate my support for S. 1. The biomedical research performed under the NIH's auspices has enabled us to cure many diseases and to find better ways to treat those that we cannot yet cure. Our support for this legislation will greatly enhance the progress of biomedical research in our country today and will impact all of our lives as biomedical research continues to yield many new discoveries of great potential value to us all.

THE NEED FOR GREATER EMPHASIS ON WOMEN'S HEALTH NEEDS

Mr. GORTON. Mr. President, today I rise to address a topic of great importance to America—women's health issues. What are women's health issues? The Public Health Service Action Plan for Women's Health has defined them as: Diseases, or conditions unique to women, more prevalent in women, more serious among women, or having different risk factors or interventions in women. In other words, Mr. President, there are the sicknesses which cause death and disabilities in our wives, our mothers, and our daughters. Medical research had paid little attention to diseases and illness as it specifically affects women. It is only as of late that women's health research has come to the forefront as a field that demands increased attention. For years, women have been excluded from studies, because researchers have contended that pregnancy and fluctuating hormone levels would alter their findings. It is exactly because of these conditions that women should have been included. We know today that inattention to women's health issues has been a grave oversight.

The Society for the Advancement of Women's Health Research has identified several areas of women's health research in which we need to improve. These areas include:

The alarming lack of information of a variety of diseases which primarily afflict women.

The failure to include women in research study populations; and when women are included in research the lack of analysis by gender, age, race and socio-economic factors.

The failure to consider modulating factors such as endogenous or exogenous sex hormones, different life stages, life styles, or psychosocial issues when designing treatment regimens.

The dearth of knowledge about the effects of many drugs in women and the impact of age and hormonal status on drug metabolism.

The underrepresentation of women professionals in senior positions across the medical specialties.

The importance of understanding the changes which occur in women through different life stages.

We now have an historic opportunity to rectify these problems. Today, this body will pass the National Institutes of Health Revitalization Act. Included in this act are several provisions which will advance our knowledge about women's health. In the last few years, the NIH, under the guidance of the Director, Dr. Bernadine Healy, have made significant movements toward advancing women's health research. This bill will compliment those efforts.

In 1991, Dr. Healy began the most aggressive initiative in the world to further women's health. Titled the Women's Health Initiative, it is a $625 million, 15-year project that will redefine health research at NIH and around the Nation. The main component of the initiative is a 15-year study of 160,000 women and the effects of heart disease, stroke, cancer—most notably breast, lung and cervical cancers—and osteoporosis. These maladies are the major causes of death, disability, and frailty in women. The goals of the initiative are to expand our knowledge about how these diseases affect women, further prevention of these diseases and to evaluate the effectiveness of approaches for motivating women to adopt healthy behaviors. This initiative will provide practical information to women and their physicians on therapies and lifestyle patterns. More significantly, it will provide a base for more extensive research in the future.

I am especially proud that the Fred Hutchinson Cancer Research Center in

Seattle, WA, will be the coordinating institution for the Women's Health Initiative; and, the University of Washington will be a major subcontractor. Dr. Maureen Henderson, the head of the Hutchinson Center's Cancer Prevention Research Program, is the co-principal investigator along with Dr. Ross Prentice, the director of Public Health Sciences. As the clinical coordinating center, the center will be at the heart of the Women's Health Initiative's activities and will oversee the network of 45 clinical centers involved in the initiative.

In addition to the Women's Health Initiative, Dr. Healy has begun an aggressive recruitment and retention program for women scientists and researchers at the NIH. To coordinate these programs the NIH has established the Office of Research of Women's Health. The mandate of this office is to ensure that women are included in clinical trials, are recruited and encouraged to enter the field of medical research, and to coordinate NIH research into maladies which particularly affect women. S. 1 will establish this office as a permanent part of the NIH.

Dr. Healy deserves great praise for her aggressiveness in tackling the complex problem of women's health. Her efforts over the last 2 years will leave a lasting impression on the NIH and the Nation. I hope that President Clinton recognizes her skills and accomplishments and allows Dr. Healy to continue with her work at the NIH for several more years.

The National Institutes of Health Revitalization Act will codify and enhance much of Dr. Healy's efforts at NIH. Specifically, S. 1 requires the inclusion of women and minorities in clinical research trials. The need to include more women in health research was made poignantly clear by Pamela Douglas, a Harvard Medical school professor and director of the echocardiography laboratory at Boston's Beth Israel Hospital. She stated:

> There are significant differences epidemiologically between men and women. Somewhere on a molecular or cellular or organ level, there should be explanations for those differences, and when we learn those, we will not only understand the clinical disease better, but the treatment will be better for everybody.

Examples of areas where women have been excluded include heart research. In the development of several different clot-dissolving drugs on the market, women were excluded from the trials. Also, women were excluded from the research that found aspirin to be effective in prevention of heart attacks. The most egregious example of exclusion, were the first studies of the connection between estrogen and heart disease. These studies were only done on men; no women were included. The result was that estrogen was found to be harmful to men, and the researchers concluded that estrogen would also be harmful for women. Recent studies indicate the exact opposite is true—estrogen may be essential to prevention efforts for women. As a result, we really have no idea how many drugs and treatments will affect women. We do not know how certain drugs react to changing hormonal levels in women. The requirement that women be included in clinical trials will rectify this situation. As Dr. Douglas stated, learning how drugs react to the varying physical changes which occur in women will help us to develop treatments and refine drugs to help both men and women.

This act also includes provisions for enhancing research on diseases which are particular to women, specifically: $225 million for breast cancer, including the development of six multidisciplinary breast cancer research centers; $75 million for other gynecological cancers, including ovarian and other reproductive cancers; and establishment of a clinical research program in obstetrics and gynecology.

While we talk about doing more research on women, it is important that we also do more research with women. S. 1 requires the Secretary to administer the National Research Service Awards Program in such a manner that will ensure the recruitment of women. It also calls on the Secretary to support other various programs to help increase the number of women in biomedical research—not just at entry levels, but also at administrative and policy development levels. By recruiting more people like Dr. Bernadine Healy, we ensure that these programs will be effectively implemented.

Mr. President, the women's health provisions of the National Institutes of Health Revitalization Act are desperately overdue. The statistics speak for themselves—women's health care has been carelessly and conspicuously neglected. Increased attention to women's health issues is vital and necessary to save the lives and protect the futures of millions of women across the globe. As a father, a grandfather, and a husband, I am personally affected by how these oversights, and eventual improvements, may change the lives of the women in my life. Mr. President, we owe women an enormous apology for the historical oversights made in women's health care, and I lend my most heartfelt support to the continued support and enforcement of the provisions in S. 1 which will help to rectify many of these injustices.

Mr. GLENN. Mr. President, I rise today to express my support for S. 1, the National Institutes of Health Revitalization Act of 1993. This legislation strengthens our Nation's commitment to excellence in biomedical research—an area I believe should receive high priority for Federal funding even as we seek ways to reduce our Federal deficit. Our investment in research aimed at preventing and better treating diseases such as cancer, heart, alzheimer's, osteoporosis, AIDS and others is both humane and a way to reduce future health care spending. I commend Senator KENNEDY and Senator KASSEBAUM for their efforts in bringing this bipartisan measure before us today, and I look forward to its speedy passage and enactment into law by the President.

Since taking office, President Clinton has taken an important step toward research excellence by outlawing the previous administration's ban on fetal tissue transplantation research. S. 1 authorizes the Secretary of Health and Human Services to support research on the transplantation of human fetal tissue for therapeutic purposes. Medical researchers believe that millions of Americans who are suffering from Alzheimer's, Parkinson's, diabetes and other diseases could be treated or cured through fetal tissue transplatation. I support NIH funding for this important research, along with the safeguards contained in S. 1 to ensure that it does not encourage abortion.

I am very pleased that major provisions of two bills I cosponsored in the last Congress—the Women's Health Equity Act, and the Osteoporosis and Related Bone Disorders Research, Education, and Health Services Act—are included in the NIH reauthorization bill we are considering today. For too long, women's health issues have not been given as much attention as they deserve, and most research on diseases affecting both women and men is done only on men.

The bill we are considering today expands our commitment to improving the health of women by:

Requiring the inclusion of women and minorities as subjects in clinical research conducted or supported by NIH;

Providing statutory authority for the Office of Research on Women's Health;

Providing for a women's health clinical research advisory committee and a data bank on women's health research;

Directing the National Institute on Aging to conduct research into the aging processes of women;

Establishing a research program on breast cancer and cancers of the reproductive system of women with increased funding, in addition to research already being conducted by the National Cancer Institute;

Creating a program to support five centers for research and training on contraception and infertility; and

Establishing a research program on osteoporosis, Paget's disease, and related bone disorders.

I would like to briefly highlight osteoporosis which is the most common bone disease affecting older Americans, particularly older women.

Osteoporosis is characterized by a gradual and initially painless decrease in the amount of bone tissue. As osteoporosis progresses, the bones become weaker and more porous, which makes them increasingly susceptible to fractures. The condition can affect any bone in the body, but the most common fracture sites are the hip, spine and wrist.

The number of people afflicted with osteoporosis is overwhelming. Today, at least 24 million Americans have some degree of osteoporosis. At least 1.3 million fractures a year—including 250,000 hip fractures—are attributable to this condition. Beyond the tremendous emotional and physical toll, osteoporosis has greatly increased our health care bill, costing over $10 billion annually in health care services and lost income. Osteoporosis, with its associated fractures, is an enormous public health problem; and there is no doubt that the emotional, physical and financial costs related to osteoporosis will continue to increase as our population ages.

In 1991, Senator GRASSLEY and I introduced legislation to authorize an additional $62.5 million for further research into the diagnosis, prevention and treatment of osteoporosis. The NIH bill we are considering today authorizes an addition $40 million for expanding and intensifying research on osteoporosis, Paget's disease, and related bone disorders. Combating osteoporosis—through expanded research, broad dissemination of information about osteoporosis, and providing Medicare coverage of bone mass measurements to identify and treat individuals at greatest risk of fractures due to osteoporosis—will continue to be a high priority for me.

Finally, I would like to express my support for the provisions of S. 1 which are intended to streamline our fight against AIDS and HIV infection. The growing number of HIV-infected Americans, including women and children, is a national tragedy. We must strengthen our effort on all fronts to combat the spread of HIV infection and to improve treatment for HIV and the related diseases prevalent in persons who are infected with this deadly virus.

I commend Senator KENNEDY, chairman of the Labor and Human Resources Committee, for bringing forth this comprehensive legislation to strengthen our Nation's commitment to basic medical research, and to ensuring that the results of this research are available to benefit all Americans. I urge my colleagues to join me in passing S. 1, the National Institutes of Health Revitalization Act of 1993.

Mr. JOHNSTON. Mr. President, I rise today to express my continued support for the legislation pending before the Senate. The National Institutes of Health deserve every resource that we are able to provide.

I have already spoken at length of my support for the women's health and cancer research provisions in this bill. Today I want to focus on an issue of equal importance and urgency—HIV infection and AIDS.

Not only does this measure increase the authorization for AIDS research undertaken by NIH by $600 million, but it ensures that the funds will be used in the most efficient and expeditious manner. Currently, all 21 Institutes at NIH are involved in AIDS research. This legislation will direct the office of AIDS Research to develop a strategic plan to attack the spectrum of HIV/AIDS related diseases and infirmities.

The provision is analogous to the enhanced mission of the Office of Research on Women's Health which is also authorized in this bill. In my view, such coordinated research efforts must be supported and encouraged not only because of humanitarian urgency, but also of the reality of the changing Federal fiscal climate. We must demand a greater degree of accountability in all phases of Government expenditure.

By focusing our strategic planning in OAR, I believe that we will have the ability to simultaneously focus and diversify our biomedical research efforts. For example, coordinated research will help to determine relationships between AIDS and opportunistic infections and cancers. This will not only help HIV/AIDS patients, but the tertiary effect will benefit those with other diseases. NIH must continue to remain the world's preeminent biomedical research institution, and basic research must be supported to continue this mission.

Finally, it is my hope that our new coordinated effort and increased authorization will afford the National Institute for Allergy and Infectious Diseases to reconsider its decision to close the Tulane/LSU Clinical Trial Unit in New Orleans, which is the most important clinical trial unit on the gulf coast. Basic research can only be effective if all phases of such research can be tested and studied in the field. We must move quickly and efficiently to give hope not only to those infected with HIV and AIDS, but to the entire Nation.

To underscore my concerns, I ask unanimous consent that my letter to Secretary Shalala requesting her support to restore funding for the Tulane/LSU AIDS Clinical Trial Unit be printed in the RECORD.

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

U.S. SENATE,
Washington, DC, February 18, 1993.

Hon. DONNA SHALALA,
Secretary, Health and Human Services, Hubert H. Humphrey Building, Washington, DC.

DEAR MADAME SECRETARY: I was very pleased to learn of your testimony before the Senate Finance Committee during the confirmation hearing process regarding your strong commitment to both AIDS research and addressing medical conditions affecting women, a position affirmed in the FY 1994 budget proposal for HHS which includes an additional $1.3 billion for funding HIV/AIDS; women's health; and other priority research and preventive care initiatives. I am particularly interested in how these additional funds will be allocated because of a critical situation facing the adult ACTU in New Orleans.

As you may know, NIAID established adult and pediatric AIDS Clinical Trials Units at the Tulane University School of Medicine in 1987. The Louisiana State University School of Medicine is also a full partner in this important program, commonly referred to as the Tulane/LSU ACTU. Regrettably, the adult unit did not receive funding for FY 1993 and is currently scheduled to be closed by the end of this year.

For the past 6 years, the Tulane/LSU ACTU has been a vital part of the overall clinical trials network through its research and testing of the efficacy of potential drugs and drug combinations for treatment of HIV infection and HIV-associated illness. It provides a vital service to the Gulf South region, drawing patients from Louisiana, Mississippi, southern Alabama, and the Florida panhandle. This center has consistently received high scientific merit scores from NIH, and ranked 15th among 32 units nationwide in patient enrollment.

Further, Louisiana ranks ninth in incidence of AIDS, with an estimated 30,000 HIV-positive individuals and nearly 2,000 reported cases of AIDS in the New Orleans area alone. New Orleans ranks 12th in total number of cases among American cities and has 51 cases/100,000. The rate of the spread of this epidemic in our area is alarming. The Centers for Disease Control reports an increase of 4.1% in the number of HIV-infected individuals in the Gulf South and a sharp rise in AIDS infection among minorities and women in the region.

Given that the enrollment of women and people of color into adult clinical trials requires continued vigilance, the high enrollment of these groups in the Tulane/LSU center cannot be ignored. I point out to you for emphasis that the New Orleans Center has enrolled African Americans into clinical trials at twice the average rate of enrollment in other units (22% vs. 12%). We cannot ignore these statistics. Clearly, there is a very real need for this vital service in the Gulf South Region.

Termination of funding for the Tulane/LSU ACTU signifies that an important treatment need of HIV-infected individuals in the Gulf South will go unmet, the general public health in our region will be underserved, and the highly skilled doctors, nurses and other health care professionals who have participated in this project will be lost to the AIDS research effort.

During the debate on the Labor, HHS, Education Appropriations Bill, FY 1993, I discussed this matter on the Senate floor with Senator Tom Harkin. I have enclosed a copy of my remarks as printed in the Congressional Record.

It is my strong hope that you will review the needs of the AIDS Clinical Trials Group and budget accordingly to provide appropriate funds for the continuation of the Tulane/LSU ACTU beyond this year.

With kindest regards, I am

Sincerely,

J. BENNETT JOHNSTON,
United States Senator.

Mr. D'AMATO. Mr. President, I rise today in support of the NIH Reauthorization bill, S. 1.

Biomedical research sponsored and supported by the National Institutes of Health has, over the years, contributed to dramatic advances in our ability to prevent, treat, and cure a host of illnesses once considered untreatable. Research currently underway at NIH represents hope for countless Americans afflicted with such difficult and debilitating conditions are cystic fibrosis, cancer, Alzheimer's disease, and AIDS. I support this bill not only because it will reauthorize funding for the many Institutes that make this vital research possible, but also because it contains a number of targeted initiatives that will make the Institutes more responsive to the health concerns of women and children, improve the efficiency and productivity of our AIDS research program, and provide safeguards against scientific fraud and misconduct.

While I have always felt that the majority of the programs in this bill are extremely worthwhile and should be reauthorized, I have also had deep reservations about provisions in past versions of this bill that would allow for the use of fetal tissue from induced abortions in medical research, and I still do. But, as my good friend Senator HATCH stated earlier in the debate on S. 1, because of the President's Executive order lifting the moratorium of fetal tissue research, the issue is now moot.

I believe it is vital that Congress and the NIH remain vigilant to ensure that safeguards preventing abuse regarding fetal tissue research are strictly adhered to. I support this legislation because of the important initiatives that it will fund, but, it continues to be the responsibility of Congress to monitor the use of fetal tissue in medical research to make sure that abuse does not occur and, if need be, address any such abuse through legislation. Toward that end, Congress should remain committed.

Mr. DURENBERGER. Mr. President, I am pleased to join with my distinguished colleague from Massachusetts as an original cosponsor of S. 1, the reauthorization of the National Institutes of Health.

This bill has had an uneasy birth. It was rejected by President Bush twice over. Now, as the second piece of legislation introduced in this body in the 103d Congress, with some work, it has reached final passage this time around.

The talented people, and state-of-the-art facilities of NIH, enrich the lives of millions of Americans. In Minnesota alone, NIH supports AIDS research, research on the relationship between cholesterol and heart disease, and breakthroughs in transplantation research.

S. 1 contains many important provisions that reinforce initiatives that NIH has already begun, and carries them into new areas as well. The Office for Women's Health Research, with its strong commitment to research on diseases that afflict women, and a renewed commitment to tackling the devastating and elusive AIDS virus are two cases in point.

I am an original cosponsor of S. 1, and I support the provision which would reorganize the Office of AIDS Research. This particular provision was the product of some careful work by my colleagues on the Labor Committee. I am, however, open to hearing the opinions of expert scientists who disagree with some aspects of the structural changes in the office. Therefore, when the time comes to confer with the House Members on this legislation, I will join with my distinguished colleague and our new ranking member, NANCY LANDON KASSEBAUM, to reexamine the issue.

While I am pleased to see this bill on the floor, and urge my colleagues to support it, I also want to admonish them. My admonishment encompasses but goes beyond the NIH to all our involvement in health.

I hope this year we do more than blindly reauthorize all the programs we have created in the past, and all the myriad institutions we have designed to implement these programs. And I hope we don't use our imaginations to crank out new specific categorical grant programs.

Despite all our best intentions, the programs we have created and the Government bureaucracy that administers them, simply doesn't work.

Just look at the numbers.

HHS is now a $590 billion bureaucracy. Like Topsy, it has "just growed." From its beginnings as the Social Security Administration, established in the 1930's, to the 1950's when SSA was transferred to the new Department of HEW, then expanded to include the new consolidated Public Health Service. When HHS emerged in 1979, it was already loaded down with grant programs. From 1960 to 1980, grant programs almost tripled, up to about 500. By 1981, HHS administered over 160 separate programs for health.

Despite all this money, and all this bureaucracy (HHS employs 134,000 people!), the Health of Americans is eroding.

We've heard all the numbers, but they are worth repeating. Homicide is now the second leading cause of death among 15–24 year olds. 20,000 Americans die each year from violent assaults. In 1991, 280,000 pregnant women were engaged in substance abuse. We face spreading health problems stemming from poverty, poor education, and lack of access to care that would prevent tuberculosis, the spread of AIDs, and other dreadful scourges.

Our old models are failing us. We rank 22d in the world in infant mortality. Throwing money at the problems doesn't solve them. In the District of Columbia, our Medicaid spending per capita ranks highest in the Nation, we have the highest number of primary care doctors per capita, and the highest amount of Government spending on health per capita. The result: We rank at the very bottom of all States in the adequacy of prenatal care, and at the bottom of access to primary care.

With constrained budgets and growing problems, we simply cannot go on in this Chamber with business as usual. We need to change the way we think about health problems.

We need to examine the goals of our health programs, and revise the way we have designed them. We must find coherent institutional structures that will meet the needs of people not the needs of politicians or interest groups across the political spectrum.

The NIH is only one part of this complicated Federal health bureaucracy. Hats off to the present director, Dr. Bernadine Healy, who has developed a strategic plan. Dr. Healy has tried to raise the consciousness of research scientists about how they fit in the totality of the health of America. I agree with Dr. Healy that we need a technology policy that is relevant to America's health.

I have asked NIH to study the infrastructure for biomedical engineering research in order to learn how this area of science fares in both the public and private sectors. This is a small piece of a broader technology policy.

NIH should not stand isolated from the health problems of America. Nor should any other Government agency. We have conflicting policies, overlapping jurisdictions, and severe lack of coordination. In a report I recently issued, "Designing an Infrastructure for Health Reform," I have outlined a strategy for reform of Federal Government institutions. I ask unanimous consent that this report be printed in the RECORD.

Mr. President, we cannot afford business as usual in our approaches to America's health. To use a popular phrase these days, we need to reinvent Government. This will only happen if Congress can reinvent the way it thinks about its role in health policy.

And so, as I cast my vote for S. 1, I urge my colleagues to do so with my admonition in mind. Let us be bold. Let us be creative. Let us put the health of America first.

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

DESIGNING AN INFRASTRUCTURE FOR HEALTH REFORM

(By Senator Dave Durenberger)

FEDERAL FUNCTIONS

In order to lead the way in facilitating health care reform, we must restructure the federal bureaucracy. It must reflect the appropriate role of government and be adaptable to an emerging new health care system.

The first step is to raise the visibility and streamline the functions of government by

creating a new Department of Health. The Department of Health will be a cabinet level Department within the Executive Branch, administered by the Secretary of Health. The Department will consolidate all components of health and medical care that contribute to the implementation of health care reform.

The structure of the Department will be based on an academic "campus" model with five centers which are policy hubs for critical aspects of the health care system. This model will require interaction across centers, each of which will be responsible for research, evaluation, and policy development. It will also be designed to enhance public-private collaboration.

In order to facilitate decision making and effective reform, the Department will be advised by an independent Health Reform Board. This Board will also advise the President and the Congress on all aspects of health reform.

HEALTH REFORM BOARD

Cost containment strategies can be expected to become an integral part of any health care reform proposal. However, cost containment efforts to date have fallen far short of establishing and meeting specific goals.

In order to provide an independent group of experts to establish policies on cost containment strategies, a Health Reform Board will be established as an independent advisor to the Secretary of Health, the President and the Congress.

Although what I am proposing appears radical, I believe it is necessary to break the deadlock on health care reform and move forward. Cost containment will be a critical part of any reform plan, but the strategy must be based on consensus development and sound information. We cannot afford to spin our wheels arguing around the margins. We know what we have to do and we must move ahead. I believe the model proposed here will be an effective vehicle for defining our cost containment goals and designing an effective strategy that all sectors of the health care marketplace can embrace.

I believe that we should establish a group based on the successful model of the Commission on Base Realignment and Closure created by Congress in 1988 and modified in 1990. Congress created the Commission after several legislative efforts failed to close major military bases. The Commission was directed to make recommendations to Congress and the Secretary of Defense on base closures and realignments.

The federal government will face the same types of political and policy opposition to critical cost containment strategies as we faced in base closures. In order to create a dynamic, effective mechanism for establishing cost control principles, a Health Reform Board will be necessary to provide the Secretary, the President, and Congress with innovative, effective cost control strategies independent of politics.

Similar to the Base Closure model, the Health Reform Board will be composed of members appointed by the President, with the advice and consent of the Senate. Based upon the successful models of the Physician Payment and the Prospective Payment Commissions, the membership of the Board will include individuals with national recognition for their expertise in health economics, hospital reimbursement, hospital financial management, medical effectiveness, and other related fields. They will be appointed on the basis of their talents, not solely by affiliation with an interest group.

The Board will develop an annual agenda of cost containment issues and will make this agenda available to the Secretary of Health, the President and the Congress. The Department of Health will be responsible for generating information to address the cost containment agenda, but it will be up to the Board to develop annual recommendations to meet health care cost containment goals.

The Board will hold hearings on the findings and conclusions of the Department and will prepare a report to the President on them. The President will transmit to the Congress a report containing the President's approval or disapproval of the Board's recommendations. The Secretary of Health will be obligated to implement the final recommendations unless Congress disapproves them within 45 days of receipt of the report from the President.

I believe this approach will allow us to receive sound advice on effective cost containment strategies that reflect the views of the public and private sector. It will allow the Department of Health, the President, and the Congress to review annually the proposals for cost containment, but it will expedite decision making so we can stop spinning our wheels. There will be some bitter pills to swallow, but at least we can help the medicine go down smoothly through this type of approach.

CENTERS

The new Department will be based on those functions that government does best, and be structured to promote information generation and policy formulation. The new Department of Health will consist of five centers: Biomedical Research, Medical Evaluation, Health Resources, Income Security, and Market Reform.

Each center will be administered by a Director, appointed by the President, and confirmed by the Senate. Each center will include an Office of Policy to advise the Director and to provide internal oversight, and will act as the principal liaison with the other centers.

Center for Biomedical Research: The federal government has a proven record in biomedical research and this function should continue to be supported in the new Department of Health. Under this new structure, we will create a continuum of information generation through basic and applied research, and link this to information dissemination.

To accomplish these goals, the Center for Biomedical Research (CBR) will support biomedical research and training, health information, and other programs with respect to the prevention, diagnosis, and treatment of diseases that affect human health.

The Center will assume the responsibilities of the National Institutes of Health, as well as the research programs of CDC. The Center will be responsible for basic, applied and developmental research and training through intramural and extramural activities. The Center will also retain responsibility for information dissemination about research findings.

In order to form a continuum leading from research to effective medical practice, the Center will forge a close linkage with the Center for Medical Evaluation (CME). An annual agenda for medical effectiveness information will be developed jointly by CBR and CME to effectively link new biomedical research information with medical practice. Large scale clinical trials, for example, could be supported on new or existing technologies jointly by CBR and CME.

Center for Medical Evaluation: I believe we must make an investment in medical evaluation commensurate with our investment in biomedical research and medical care delivery. We must also break down the artificial barriers between research, development, regulation and evaluation. We must also get better at using medical evaluation to support our health care reform and cost containment strategies.

The Center for Medical Evaluation (CME) will support research and evaluation on medical effectiveness through technology assessment, consensus development, outcomes research, practice guidelines and other appropriate activities. The Center will also support research and evaluation and will develop policy guidance on coverage for medical care services, long term care and chronic care, medical liability and on cost containment strategies.

The Center will assume the responsibilities of the Agency for Health Care Policy and Research (AHCPR), the Drug, Device, and Biotechnology Regulation (formally FDA, with food regulation consolidated in the Department of Agriculture), the National Center for Health Statistics (NCHS), the Office of Medical Applications of Research (OMAR), and the HCFA Office of Research and Demonstrations (ORD).

The goal of this center is to help develop a health care system that is based upon the best knowledge available on the effectiveness of health care services. This information will be critical to defining and updating a minimum benefit package, for example. It will also be important for developing effective cost containment strategies based on knowledge about appropriate utilization of medical services.

Center for Health Resources: Although my swap proposal would transfer public health infrastructure functions to the states, there will continue to be a federal role in manpower development and disease surveillance. There will also be a critical need to establish a strong liaison with states to facilitate their capabilities in public health.

The Center for Health Resources (CHR) will implement the new public health swap in partnership with the states. Functions previously supported by HRSA, CDC, and ADAMHA will be included in the Center. Although the majority of the health service delivery system will be managed by the states, the Center will be responsible for conducting demonstrations of innovative delivery systems, or demonstrations of services to special populations. CHR will also coordinate with state governments to help set public health goals and insure that the goals are met.

The Center will also assume responsibility for health manpower development through grants, stipends, and payment policies. The Center will work closely with health professions schools and health care providers to reduce disincentives to primary care through school curricula, payment policy and financial assistance. The Center will maintain a data base on health professions to assure an appropriate supply and distribution of providers and will develop targets for primary care and specialty training.

Center for Income Security: Any form of health care reform will have to tackle our entitlement programs, including Medicare and Medicaid. Although the final form of these programs is still to evolve, it is clear that the federal government should no longer be in the business of micromanaging the delivery of care to low income and elderly persons. The federal government will pay the premiums to the qualified health plans, either directly or through states.

Clearly the first step is the reform of Medicaid to a capitated national system run by states. We must also begin the transition to restructuring Medicare to create a program that allows elderly individuals to buy the same medical care insurance at 65 as they did at 64. We must also create stronger incentives to support cost-effective managed care.

To set the stage for entitlement reform, the Center for Income Security (CIS) will have the responsibility for providing financial assistance to eligible individuals including those with low income, the elderly, and American Indians. The Center will be responsible for determining the appropriate levels of financial assistance and will make periodic payments to eligible individuals.

The Center for Income Security will assume the responsibility for HCFA activities including payment to eligible beneficiaries. The Center will be responsible for making appropriate payments to states for low income health benefits, and will continue to process Medicare claims until that program is modified to a vouchered or capitated system.

Center for Market Reform: As I have tried to emphasize throughout this paper, the government must concentrate on what it does best, and then serve as a facilitator to allow the market to do what it does best. Small market reform is the best example, to date, of moving in this direction.

The Center for Market Reform (CMR) will provide guidance to and oversight of State Health Insurance Purchasing Cooperative governing boards. The Center will establish a uniform data system that will assist in designating qualified Health Insurance Purchasing Cooperatives and will implement a system for the collection of relevant health outcomes data that will be used by the Center for Medical Evaluation.

The Center will also act as the principal liaison with the private market, so that policies can be developed that facilitate market reform. The Center will coordinate the broad range of issues that impact the marketplace, including tax policies, ERISA, and competition.

The Center will be the focal point for federal-state relations and managed competition. It will provide policy direction to guide both state interactions and private market changes. CMR will analyze productivity data from other countries as well.

NICKLES AMENDMENT NO. 39

Mr. DURENBERGER. Mr. President, I rise today in support of the Nickles amendment on the admission of HIV-infected aliens to the United States.

This amendment would retain the policy excluding HIV-positive aliens for a period of 6 months. During that time, the Secretary of HHS would work with the Attorney General to examine the critical cost issues involved in granting immigrant status to HIV-infected aliens. And the conclusion of that 6-month review, the Secretary of HHS and the Attorney General will make a full report to Congress on the cost implications of lifting the exclusion.

We need to know the answer to this specific question: Is the public charge provision in today's immigration law sufficient to protect against added costs to the United States?

Mr. President, I think that this amendment is a reasonable compromise. I voted earlier for the Kennedy amendment which would have permitted the HHS Secretary to lift the ban without congressional approval after 60 days—I think 60 days would have been enough time to compile the necessary information for a full report.

But the Kennedy amendment not having been agreed to, I think the Nickles amendment is an acceptable substitute. It lays out a series of steps toward a final decision on this important issue—and will give the process more than enough time to address all relevant concerns.

I reach this conclusion on the Nickles amendment without prejudice to the decision we will be called upon to make in 6 months' time. I know, for example, that all the public health authorities are unanimous in believing that AIDS/HIV should come off the immigration list of communicable diseases.

I also know that according to all the scientific evidence, AIDS is not transmitted by casual contact. That's why our last HHS Secretary, Dr. Louis Sullivan, and his Department had already signed off on a rule eliminating the classification of HIV-positive individuals in immigration law.

So there is a great deal of evidence tilting us in the direction of repealing this exclusion. That is why it is especially important for us to have some time in which to consider the objections. Dr. Robert Windom, the former Assistant Secretary of HHS, believes that there are serious cost considerations involved in allowing the entry of HIV-infected aliens.

Anyone who has HIV now may become sicker. Even if immigrants enter the country capable of paying their own way, in 10 or 15 years their health may have deteriorated enough to make them a public charge.

Let us get to the bottom of these questions before we set in stone a policy we may end up regretting. Let us create a reasonable process for review of this question—and get on with some of the more pressing tasks facing Congress.

The PRESIDING OFFICER. The question now is on agreeing to the committee substitute, as amended and modified.

The committee substitute, as amended and modified, 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 and to be read the third time.

The bill was read a third time.

Mr. KENNEDY. Mr. President, I ask for the yeas and nays on final passage of the bill.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass? The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Michigan [Mr. RIEGLE] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Missouri [Mr. BOND] and the Senator from Missouri [Mr. DANFORTH], are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 93, nays 4, as follows:

[Rollcall Vote No. 15 Leg.]

YEAS—93

Akaka	Feingold	Mathews
Baucus	Feinstein	McCain
Bennett	Ford	McConnell
Biden	Glenn	Metzenbaum
Bingaman	Gorton	Mikulski
Boren	Graham	Mitchell
Boxer	Gramm	Moseley-Braun
Bradley	Grassley	Moynihan
Breaux	Gregg	Murkowski
Brown	Harkin	Murray
Bryan	Hatch	Nickles
Bumpers	Hatfield	Nunn
Burns	Heflin	Packwood
Byrd	Hollings	Pell
Campbell	Inouye	Pressler
Chafee	Jeffords	Pryor
Coats	Johnston	Reid
Cochran	Kassebaum	Robb
Cohen	Kempthorne	Rockefeller
Conrad	Kennedy	Roth
Coverdell	Kerrey	Sarbanes
Craig	Kerry	Sasser
D'Amato	Kohl	Shelby
Daschle	Krueger	Simon
DeConcini	Lautenberg	Simpson
Dodd	Leahy	Specter
Dole	Levin	Stevens
Domenici	Lieberman	Thurmond
Dorgan	Lott	Warner
Durenberger	Lugar	Wellstone
Exon	Mack	Wofford

NAYS—4

Faircloth	Smith
Helms	Wallop

NOT VOTING—3

Bond	Danforth	Riegle

So, the bill (S. 1), as amended, was passed, as follows:

S. 1

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 "National Institutes of Health Revitalization Act 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—GENERAL PROVISIONS REGARDING TITLE IV OF PUBLIC HEALTH SERVICE ACT

Subtitle A—Research Freedom

PART I—REVIEW OF PROPOSALS FOR BIOMEDICAL AND BEHAVIORAL RESEARCH

Sec. 101. Establishment of certain provisions regarding research conducted or supported by National Institutes of Health.

PART II—RESEARCH ON TRANSPLANTATION OF FETAL TISSUE

Sec. 111. Establishment of authorities.

Sec. 112. Purchase of human fetal tissue; solicitation or acceptance of tissue as directed donation for use in transplantation.
Sec. 113. Report by General Accounting Office on adequacy of requirements.
PART III—MISCELLANEOUS REPEALS
Sec. 121. Repeals.
Subtitle B—Clinical Research Equity Regarding Women and Minorities
PART I—WOMEN AND MINORITIES AS SUBJECTS IN CLINICAL RESEARCH
Sec. 131. Requirement of inclusion in research.
Sec. 132. Peer review.
Sec. 133. Applicability to current projects.
PART II—OFFICE OF RESEARCH ON WOMEN'S HEALTH
Sec. 141. Establishment.
PART III—OFFICE OF RESEARCH ON MINORITY HEALTH
Sec. 151. Establishment.
Subtitle C—Scientific Integrity
Sec. 161. Establishment of Office of Scientific Integrity.
Sec. 162. Commission on Scientific Integrity.
Sec. 163. Protection of whistleblowers.
Sec. 164. Requirement of regulations regarding protection against financial conflicts of interest in certain projects of research.
Sec. 165. Effective dates.
TITLE II—NATIONAL INSTITUTES OF HEALTH IN GENERAL
Sec. 201. Health promotion research dissemination.
Sec. 202. Programs for increased support regarding certain States and researchers.
Sec. 203. Children's vaccine initiative.
Sec. 204. Plan for use of animals in research.
Sec. 205. Increased participation of women and members of underrepresented minorities in fields of biomedical and behavioral research.
Sec. 206. Requirements regarding surveys of sexual behavior.
Sec. 207. Discretionary fund of Director of National Institutes of Health.
Sec. 208. Miscellaneous provisions.
TITLE III—GENERAL PROVISIONS RESPECTING NATIONAL RESEARCH INSTITUTES
Sec. 301. Appointment and authority of Directors of national research institutes.
Sec. 302. Program of research on osteoporosis, Paget's disease, and related bone disorders.
Sec. 303. Establishment of interagency program for trauma research.
TITLE IV—NATIONAL CANCER INSTITUTE
Sec. 401. Expansion and intensification of activities regarding breast cancer.
Sec. 402. Expansion and intensification of activities regarding prostate cancer.
Sec. 403. Authorization of appropriations.
TITLE V—NATIONAL HEART, LUNG, AND BLOOD INSTITUTE
Sec. 501. Education and training.
Sec. 502. Centers for the study of pediatric cardiovascular diseases.
Sec. 503. National Center on Sleep Disorders Research.
Sec. 504. Authorization of appropriations.
TITLE VI—NATIONAL INSTITUTE ON DIABETES AND DIGESTIVE AND KIDNEY DISEASES
Sec. 601. Provisions regarding nutritional disorders.
TITLE VII—NATIONAL INSTITUTE ON ARTHRITIS AND MUSCULOSKELETAL AND SKIN DISEASES
Sec. 701. Juvenile arthritis.
TITLE VIII—NATIONAL INSTITUTE ON AGING
Sec. 801. Alzheimer's disease registry.
Sec. 802. Aging processes regarding women.
Sec. 803. Authorization of appropriations.
Sec. 804. Conforming amendment.
TITLE IX—NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES
Sec. 901. Tropical diseases.
Sec. 902. Chronic fatigue syndrome.
TITLE X—NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT
Subtitle A—Research Centers With Respect to Contraception and Research Centers With Respect to Infertility
Sec. 1001. Grants and contracts for research centers.
Sec. 1002. Loan repayment program for research with respect to contraception and infertility.
Subtitle B—Program Regarding Obstetrics and Gynecology
Sec. 1011. Establishment of program.
Subtitle C—Child Health Research Centers
Sec. 1021. Establishment of centers.
Subtitle D—Study Regarding Adolescent Health.
Sec. 1031. Prospective longitudinal study.
TITLE XI—NATIONAL EYE INSTITUTE
Sec. 1101. Clinical and health services research on eye care and diabetes.
TITLE XII—NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE
Sec. 1201. Research on multiple sclerosis.
TITLE XIII—NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES
Sec. 1301. Applied Toxicological Research and Testing Program.
TITLE XIV—NATIONAL LIBRARY OF MEDICINE
Subtitle A—General Provisions
Sec. 1401. Additional authorities.
Sec. 1402. Authorization of appropriations.
Subtitle B—Financial Assistance
Sec. 1411. Establishment of program of grants for development of education technologies.
Subtitle C—National Information Center on Health Services Research and Health Care Technology
Sec. 1421. Establishment of Center.
Sec. 1422. Conforming provisions.
TITLE XV—OTHER AGENCIES OF NATIONAL INSTITUTES OF HEALTH
Subtitle A—Division of Research Resources
Sec. 1501. Redesignation of Division as National Center for Research Resources.
Sec. 1502. Biomedical and behavioral research facilities.
Sec. 1503. Construction program for national primate research center.
Subtitle B—National Center for Nursing Research
Sec. 1511. Redesignation of National Center for Nursing Research as National Institute of Nursing Research.
Sec. 1512. Study on adequacy of number of nurses.
Subtitle C—National Center for Human Genome Research
Sec. 1521. Purpose of Center.
TITLE XVI—AWARDS AND TRAINING
Subtitle A—National Research Service Awards
Sec. 1601. Requirement regarding women and individuals from disadvantaged backgrounds.
Sec. 1602. Service payback requirements.
Subtitle B—Acquired Immune Deficiency Syndrome
Sec. 1611. Loan repayment program.
Subtitle C—Loan Repayment for Research Generally
Sec. 1621. Establishment of program.
Subtitle D—Scholarship and Loan Repayment Programs Regarding Professional Skills Needed by Certain Agencies
Sec. 1631. Establishment of programs for National Institutes of Health.
Sec. 1632. Funding.
Subtitle E—Funding
Sec. 1641. Authorization of appropriations.
TITLE XVII—NATIONAL FOUNDATION FOR BIOMEDICAL RESEARCH
Sec. 1701. National Foundation for Biomedical Research.
TITLE XVIII—RESEARCH WITH RESPECT TO ACQUIRED IMMUNE DEFICIENCY SYNDROME
Sec. 1801. Revision and extension of various programs.
TITLE XIX—STUDIES
Sec. 1901. Acquired immune deficiency syndrome.
Sec. 1902. Malnutrition in the elderly.
Sec. 1903. Research activities on chronic fatigue syndrome.
Sec. 1904. Report on medical uses of biological agents in development of defenses against biological warfare.
Sec. 1905. Personnel study of recruitment, retention and turnover.
Sec. 1906. Procurement.
Sec. 1907. Report concerning leading causes of death.
Sec. 1908. Relationship between the consumption of legal and illegal drugs.
Sec. 1909. Cost of care in last 6 months of life.
Sec. 1910. Reducing administrative health care costs.
Sec. 1911. Study concerning radioisotopes.
Sec. 1912. Medical technologies productivity study.
Sec. 1913. Sentinel disease concept study.
Sec. 1914. Congressional appropriation of federally supported disease research.
TITLE XX—MISCELLANEOUS PROVISIONS
Sec. 2001. Designation of Senior Biomedical Research Service in honor of Silvio O. Conte, and limitation on number of members.
Sec. 2002. Technical corrections.
Sec. 2003. Technical corrections with respect to the Agency for Health Care Policy and Research.
Sec. 2004. Technical corrections with respect to the Health Professions Education Extension Amendments of 1992.
Sec. 2005. Biennial report on carcinogens.

Sec. 2006. Master plan for physical infrastructure for research.
Sec. 2007. Transfer of provisions of title XXVII.
Sec. 2008. Certain authorization of appropriations.
Sec. 2009. Prohibition against SHARP adult sex survey and the American teenage sex survey.
Sec. 2010. Support for bioengineering research.
Sec. 2011. Admission to the United States of aliens infected with the AIDS virus.
Sec. 2012. Sense of the Congress regarding action on a request for certain waivers under the medicaid program.
Sec. 2013. Authorization of appropriations.
Sec. 2014. Vaccine injury compensation program.

TITLE XXI—EFFECTIVE DATES

Sec. 2101. Effective dates.

TITLE I—GENERAL PROVISIONS REGARDING TITLE IV OF PUBLIC HEALTH SERVICE ACT

Subtitle A—Research Freedom

PART I—REVIEW OF PROPOSALS FOR BIOMEDICAL AND BEHAVIORAL RESEARCH

SEC. 101. ESTABLISHMENT OF CERTAIN PROVISIONS REGARDING RESEARCH CONDUCTED OR SUPPORTED BY NATIONAL INSTITUTES OF HEALTH.

Part G of title IV of the Public Health Service Act (42 U.S.C. 289 et seq.) is amended by inserting after section 492 the following new section:

"CERTAIN PROVISIONS REGARDING REVIEW AND APPROVAL OF PROPOSALS FOR RESEARCH

"SEC. 492A. (a) REVIEW AS PRECONDITION TO RESEARCH.—

"(1) PROTECTION OF HUMAN RESEARCH SUBJECTS.—

"(A) In the case of any application submitted to the Secretary for financial assistance to conduct research, the Secretary may not approve or fund any application that is subject to review under section 491(a) by an Institutional Review Board unless the application has undergone review in accordance with such section and has been recommended for approval by a majority of the members of the Board conducting such review.

"(B) In the case of research that is subject to review under procedures established by the Secretary for the protection of human subjects in clinical research conducted by the National Institutes of Health, the Secretary may not authorize the conduct of the research unless the research has, pursuant to such procedures, been recommended for approval.

"(2) PEER REVIEW.—In the case of any application submitted to the Secretary for financial assistance to conduct research, the Secretary may not approve or fund any application that is subject to technical and scientific peer review under section 492(a) unless the application has undergone peer review in accordance with such section and has been recommended for approval by a majority of the members of the entity conducting such review.

"(b) ETHICAL REVIEW OF RESEARCH.—

"(1) PROCEDURES REGARDING WITHHOLDING OF FUNDS.—If research has been recommended for approval for purposes of subsection (a), the Secretary may not withhold funding for the research on ethical grounds unless—

"(A) the Secretary convenes an advisory board in accordance with paragraph (4) to study the ethical implications of the research; and

"(B)(i) the majority of the advisory board recommends that, on ethical grounds, the Secretary withhold funds for the research; or

"(ii) the majority of such board recommends that the Secretary not withhold funds for the research on ethical grounds, but the Secretary finds, on the basis of the report submitted under paragraph (4)(B)(ii), that there is a reasonable basis for overruling the board's recommendations.

"(2) APPLICABILITY.—The limitation established in paragraph (1) regarding the authority to withhold funds on ethical grounds shall apply without regard to whether the withholding such funds is characterized as a disapproval, a moratorium, a prohibition, or other description.

"(3) PRELIMINARY MATTERS REGARDING USE OF PROCEDURES.—

"(A) If the Secretary makes a determination that an advisory board should be convened for purposes of paragraph (1), the Secretary shall, through a statement published in the Federal Register, announce the intention of the Secretary to convene such a board.

"(B) A statement issued under subparagraph (A) shall include a request that interested individuals submit to the Secretary recommendations specifying the particular individuals who should be appointed to the advisory board involved. The President shall consider such recommendations in making appointments to the board.

"(C) The President may not make appointments to an advisory board under paragraph (1) until the expiration of the 30-day period beginning on the date on which the statement required in subparagraph (A) is made with respect to the board.

"(4) ETHICS ADVISORY BOARDS.—

"(A) Any advisory board convened for purposes of paragraph (1) shall be known as an ethics advisory board (hereafter in this paragraph referred to as an 'ethics board').

"(B)(i) An ethics board shall advise, consult with, and make recommendations to the Secretary regarding the ethics of the project of biomedical or behavioral research with respect to which the board has been convened.

"(ii) Not later than 180 days after the date on which the statement required in paragraph (3)(A) is made with respect to an ethics board, the board shall submit to the Secretary, and 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 describing the findings of the board regarding the project of research involved and making a recommendation under clause (i) of whether the Secretary should or should not withhold funds for the project. The report shall include the information considered in making the findings.

"(C) An ethics board shall be composed of no fewer than 14, and no more than 20, individuals who are not officers or employees of the United States. The President shall make appointments to the board from among individuals with special qualifications and competence to provide advice and recommendations regarding ethical matters in biomedical and behavioral research. Of the members of the board—

"(i) no fewer than 1 shall be an attorney;

"(ii) no fewer than 1 shall be an ethicist;

"(iii) no fewer than 1 shall be a practicing physician;

"(iv) no fewer than 1 shall be a theologian; and

"(v) no fewer than one-third, and no more than one-half, shall be scientists with substantial accomplishments in biomedical or behavioral research.

"(D) The term of service as a member of an ethics board shall be for the life of the board. If such a member does not serve the full term of such service, the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

"(E) A member of an ethics board shall be subject to removal from the board by the President for neglect of duty or malfeasance or for other good cause shown.

"(F) The President shall designate an individual from among the members of an ethics board to serve as the chair of the board.

"(G) In carrying out subparagraph (B)(i) with respect to a project of research, an ethics board shall conduct inquiries and hold public hearings.

"(H) With respect to information relevant to the duties described in subparagraph (B)(i), an ethics board shall have access to all such information possessed by the Department of Health and Human Services, or available to the Secretary from other agencies.

"(I) Members of an ethics board shall receive compensation for each day engaged in carrying out the duties of the board, including time engaged in traveling for purposes of such duties. Such compensation may not be provided in an amount in excess of the maximum rate of basic pay payable for GS–18 of the General Schedule.

"(J) The Secretary, acting through the Director of the National Institutes of Health, shall provide to each ethics board such reasonable staff and assistance as may be necessary to carry out the duties of the board.

"(K) An ethics board shall terminate 30 days after the date on which the report required in subparagraph (B)(ii) is submitted to the Secretary and the congressional committees specified in such subparagraph.".

PART II—RESEARCH ON TRANSPLANTATION OF FETAL TISSUE

SEC. 111. ESTABLISHMENT OF AUTHORITIES.

Part G of title IV of the Public Health Service Act (42 U.S.C. 289 et seq.) is amended by inserting after section 498 the following new section:

"RESEARCH ON TRANSPLANTATION OF FETAL TISSUE

"SEC. 498A. (a) ESTABLISHMENT OF PROGRAM.—

"(1) IN GENERAL.—The Secretary may conduct or support research on the transplantation of human fetal tissue for therapeutic purposes.

"(2) SOURCE OF TISSUE.—Human fetal tissue may be used in research carried out under paragraph (1) regardless of whether the tissue is obtained pursuant to a spontaneous or induced abortion or pursuant to a stillbirth.

"(b) INFORMED CONSENT OF DONOR.—

"(1) IN GENERAL.—In research carried out under subsection (a), human fetal tissue may be used only if the woman providing the tissue makes a statement, made in writing and signed by the woman, declaring that—

"(A) the woman donates the fetal tissue for use in research described in subsection (a);

"(B) the donation is made without any restriction regarding the identity of individuals who may be the recipients of transplantations of the tissue; and

"(C) the woman has not been informed of the identity of any such individuals.

"(2) ADDITIONAL STATEMENT.—In research carried out under subsection (a), human fetal tissue may be used only if the attending physician with respect to obtaining the tissue from the woman involved makes a statement, made in writing and signed by the physician, declaring that—

"(A) in the case of tissue obtained pursuant to an induced abortion—

"(i) the consent of the woman for the abortion was obtained prior to requesting or obtaining consent for the tissue to be used in such research; and

"(ii) no alteration of the timing, method, or procedures used to terminate the pregnancy was made solely for the purposes of obtaining the tissue;

"(B) the tissue has been donated by the woman in accordance with paragraph (1); and

"(C) full disclosure has been provided to the woman with regard to—

"(i) such physician's interest, if any, in the research to be conducted with the tissue; and

"(ii) any known medical risks to the woman or risks to her privacy that might be associated with the donation of the tissue and that are in addition to risks of such type that are associated with the woman's medical care.

"(c) INFORMED CONSENT OF RESEARCHER AND DONEE.—In research carried out under subsection (a), human fetal tissue may be used only if the individual with the principal responsibility for conducting the research involved makes a statement, made in writing and signed by the individual, declaring that the individual—

"(1) is aware that—

"(A) the tissue is human fetal tissue;

"(B) the tissue may have been obtained pursuant to a spontaneous or induced abortion or subsequent to a stillbirth; and

"(C) the tissue was donated for research purposes;

"(2) has provided such information to other individuals with responsibilities regarding the research;

"(3) will require, prior to obtaining the consent of an individual to be a recipient of a transplantation of the tissue, written acknowledgment of receipt of such information by such recipient; and

"(4) has had no part in any decisions as to the timing, method, or procedures used to terminate the pregnancy made solely for the purposes of the research.

"(d) AVAILABILITY OF STATEMENTS FOR AUDIT.—

"(1) IN GENERAL.—In research carried out under subsection (a), human fetal tissue may be used only if the head of the agency or other entity conducting the research involved certifies to the Secretary that the statements required under subsections (b)(1), (b)(2), and (c) will be available for audit by the Secretary.

"(2) CONFIDENTIALITY OF AUDIT.—Any audit conducted by the Secretary pursuant to paragraph (1) shall be conducted in a confidential manner to protect the privacy rights of the individuals and entities involved in such research, including such individuals and entities involved in the donation, transfer, receipt, or transplantation of human fetal tissue. With respect to any material or information obtained pursuant to such audit, the Secretary shall—

"(A) use such material or information only for the purposes of verifying compliance with the requirements of this section;

"(B) not disclose or publish such material or information, except where required by Federal law, in which case such material or information shall be coded in a manner such that the identities of such individuals and entities are protected; and

"(C) not maintain such material or information after completion of such audit, except where necessary for the purposes of such audit.

"(e) APPLICABILITY OF STATE AND LOCAL LAW.—

"(1) RESEARCH CONDUCTED BY RECIPIENTS OF ASSISTANCE.—The Secretary may not provide support for research under subsection (a) unless the applicant agrees to conduct the research in accordance with applicable State and local law.

"(2) RESEARCH CONDUCTED BY SECRETARY.—The Secretary may conduct research under subsection (a) only in accordance with applicable State and local law.

"(f) DEFINITION.—For purposes of this section, the term 'human fetal tissue' means tissue or cells obtained from a dead human embryo or fetus after a spontaneous or induced abortion, or after a stillbirth.".

SEC. 112. PURCHASE OF HUMAN FETAL TISSUE; SOLICITATION OR ACCEPTANCE OF TISSUE AS DIRECTED DONATION FOR USE IN TRANSPLANTATION.

Part G of title IV of the Public Health Service Act, as amended by section 111 of this Act, is amended by inserting after section 498A the following new section:

"PROHIBITIONS REGARDING HUMAN FETAL TISSUE

"SEC. 498B. (a) PURCHASE OF TISSUE.—It shall be unlawful for any person to knowingly acquire, receive, or otherwise transfer any human fetal tissue for valuable consideration if the transfer affects interstate commerce.

"(b) SOLICITATION OR ACCEPTANCE OF TISSUE AS DIRECTED DONATION FOR USE IN TRANSPLANTATION.—It shall be unlawful for any person to solicit or knowingly acquire, receive, or accept a donation of human fetal tissue for the purpose of transplantation of such tissue into another person if the donation affects interstate commerce, the tissue will be or is obtained pursuant to an induced abortion, and—

"(1) the donation will be or is made pursuant to a promise to the donating individual that the donated tissue will be transplanted into a recipient specified by such individual;

"(2) the donated tissue will be transplanted into a relative of the donating individual; or

"(3) the person who solicits or knowingly acquires, receives, or accepts the donation has provided valuable consideration for the costs associated with such abortion.

"(c) CRIMINAL PENALTIES FOR VIOLATIONS.—

"(1) IN GENERAL.—Any person who violates subsection (a) or (b) shall be fined in accordance with title 18, United States Code, subject to paragraph (2), or imprisoned for not more than 10 years, or both.

"(2) PENALTIES APPLICABLE TO PERSONS RECEIVING CONSIDERATION.—With respect to the imposition of a fine under paragraph (1), if the person involved violates subsection (a) or (b)(3), a fine shall be imposed in an amount not less than twice the amount of the valuable consideration received.

"(d) DEFINITIONS.—For purposes of this section:

"(1) The term 'human fetal tissue' has the meaning given such term in section 498A(e).

"(2) The term 'interstate commerce' has the meaning given such term in section 201(b) of the Federal Food, Drug, and Cosmetic Act.

"(3) The term 'valuable consideration' does not include reasonable payments associated with the transportation, implantation, processing, preservation, quality control, or storage of human fetal tissue.".

SEC. 113. REPORT BY GENERAL ACCOUNTING OFFICE ON ADEQUACY OF REQUIREMENTS.

(a) IN GENERAL.—With respect to research on the transplantation of human fetal tissue for therapeutic purposes, the Comptroller General of the United States shall conduct an audit for the purpose of determining—

(1) whether and to what extent such research conducted or supported by the Secretary of Health and Human Services has been conducted in accordance with section 498A of the Public Health Service Act (as added by section 111 of this Act); and

(2) whether and to what extent there have been violations of section 498B of such Act (as added by section 112 of this Act).

(b) REPORT.—Not later than May 19, 1995, the Comptroller General of the United States shall complete the audit required in subsection (a) and submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report describing the findings made pursuant to the audit.

PART III—MISCELLANEOUS REPEALS

SEC. 121. REPEALS.

(a) CERTAIN BIOMEDICAL ETHICS BOARD.—Title III of the Public Health Service Act (42 U.S.C. 241 et seq.) is amended by striking part J.

(b) OTHER REPEALS.—Part G of title IV of the Public Health Service Act (42 U.S.C. 289 et seq.) is amended—

(1) in section 498, by striking subsection (c); and

(2) by striking section 499; and

(3) by redesignating section 499A as section 499.

(c) NULLIFICATION OF CERTAIN REGULATION.—The provisions of section 204(d) of part 46 of title 45 of the Code of Federal Regulations (45 CFR 46.204(d)) shall not have any legal effect.

Subtitle B—Clinical Research Equity Regarding Women and Minorities

PART I—WOMEN AND MINORITIES AS SUBJECTS IN CLINICAL RESEARCH

SEC. 131. REQUIREMENT OF INCLUSION IN RESEARCH.

Part G of title IV of the Public Health Service Act, as amended by section 101 of this Act, is amended by inserting after section 492A the following new section:

"INCLUSION OF WOMEN AND MINORITIES IN CLINICAL RESEARCH

"SEC. 492B. (a) In conducting or supporting clinical research for purposes of this title, the Director of NIH shall, subject to subsection (b), ensure that—

"(1) women are included as subjects in each project of such research; and

"(2) members of minority groups are included as subjects in such research.

"(b) The requirement established in subsection (a) regarding women and members of minority groups shall not apply to a project of clinical research if the inclusion, as subjects in the project, of women and members of minority groups, respectively—

"(1) is inappropriate with respect to the health of the subjects;

"(2) is inappropriate with respect to the purpose of the research; or

"(3) is inappropriate under such other circumstances as the Director of NIH may designate.

"(c) In the case of any project of clinical research in which women or members of minority groups will under subsection (a) be included as subjects in the research, the Director of NIH shall ensure that the project is designed and carried out in a manner sufficient to provide for a valid analysis of whether the variables being tested in the research affect women or members of minority groups, as the case may be, differently than other subjects in the research.

"(d)(1) The Director of NIH, in consultation with the Director of the Office of Re-

search on Women's Health and the Director of the Office of Research on Minority Health, shall establish guidelines regarding—

"(A) the circumstances under which the inclusion of women and minorities in projects of clinical research is inappropriate for purposes of subsection (b);

"(B) the manner in which such projects are required to be designed and carried out for purposes of subsection (c), including a specification of the circumstances in which the requirement of such subsection does not apply on the basis of impracticability; and

"(C) the conduct of outreach programs for the recruitment of women and members of minority groups as subjects in such research.

"(2) The guidelines established under paragraph (1)—

"(A) may not provide that the cost of including women and minorities in clinical research is a permissible consideration regarding the circumstances described in subparagraph (A) of such paragraph; and

"(B) may provide that such circumstances include circumstances in which there are scientific reasons for believing that the variables proposed to be studied do not affect women or minorities differently than other subjects in the research.

"(3) The guidelines required in paragraph (1) shall be established and published in the Federal Register not later than 180 days after the date of the enactment of the National Institutes of Health Revitalization Act of 1993.

"(4) For fiscal year 1994 and subsequent fiscal years, the Director of NIH may not provide funding for any project of clinical research to be conducted or supported by any agency of the National Institutes of Health unless the project specifies the manner in which the research will comply with subsection (a).

"(e) The advisory council of each national research institute shall annually submit to the Director of NIH and the Director of the institute involved a report describing the manner in which the agency has complied with subsection (a).".

SEC. 132. PEER REVIEW.

Section 492 of the Public Health Service Act (42 U.S.C. 289a) is amended by adding at the end the following new subsection:

"(c)(1) In technical and scientific peer review under this section of proposals for clinical research, the consideration of any such proposed project (including the initial consideration) shall, except as provided in paragraph (2), include an evaluation of the technical and scientific merit of the proposed project regarding compliance with section 492B(a).

"(2) Paragraph (1) shall not apply to any proposed project for clinical research that, pursuant to subsection (b) of section 492B, is not subject to the requirement of subsection (a) of such section regarding the inclusion of women and members of minority groups as subjects in clinical research.".

SEC. 133. APPLICABILITY TO CURRENT PROJECTS.

Section 492B of the Public Health Service Act, as added by section 131 of this Act, shall not apply with respect to projects of clinical research for which initial funding was provided prior to the date of the enactment of this Act. With respect to the inclusion of women and minorities as subjects in clinical research conducted or supported by the National Institutes of Health, any policies of the Secretary of Health and Human Services regarding such inclusion that are in effect on the day before the date of the enactment of this Act shall continue to apply to the projects referred to in the preceding sentence.

PART II—OFFICE OF RESEARCH ON WOMEN'S HEALTH

SEC. 141. ESTABLISHMENT.

(a) IN GENERAL.—Title IV of the Public Health Service Act, as amended by section 2 of Public Law 101-613, is amended—

(1) by redesignating section 486 as section 485A;

(2) by redesignating parts F through H as parts G through I, respectively; and

(3) by inserting after part E the following new part:

"PART F—RESEARCH ON WOMEN'S HEALTH

"SEC. 486. OFFICE OF RESEARCH ON WOMEN'S HEALTH.

"(a) ESTABLISHMENT.—There is established within the Office of the Director of NIH an office to be known as the Office of Research on Women's Health (in this part referred to as the 'Office'). The Office shall be headed by a director, who shall be appointed by the Director of NIH.

"(b) PURPOSE.—The Director of the Office shall—

"(1) identify projects of research on women's health that should be conducted or supported by the national research institutes;

"(2) identify multidisciplinary research relating to research on women's health that should be so conducted or supported;

"(3) carry out paragraphs (1) and (2) with respect to the aging process in women, with priority given to menopause;

"(4) promote coordination and collaboration among entities conducting research identified under any of paragraphs (1) through (3);

"(5) encourage the conduct of such research by entities receiving funds from the national research institutes;

"(6) recommend an agenda for conducting and supporting such research;

"(7) promote the sufficient allocation of the resources of the national research institutes for conducting and supporting such research;

"(8) assist in the administration of section 492B with respect to the inclusion of women as subjects in clinical research; and

"(9) prepare the report required in section 486B.

"(c) COORDINATING COMMITTEE.—

"(1) In carrying out subsection (b), the Director of the Office shall establish a committee to be known as the Coordinating Committee on Research on Women's Health (hereafter in this subsection referred to as the 'Coordinating Committee').

"(2) The Coordinating Committee shall be composed of the Directors of the national research institutes (or the designees of the Directors) and other appropriate entities.

"(3) The Director of the Office shall serve as the chair of the Coordinating Committee.

"(4) With respect to research on women's health, the Coordinating Committee shall assist the Director of the Office in—

"(A) identifying the need for such research, and making an estimate each fiscal year of the funds needed to adequately support the research;

"(B) identifying needs regarding the coordination of research activities, including intramural and extramural multidisciplinary activities;

"(C) supporting the development of methodologies to determine the circumstances in which obtaining data specific to women (including data relating to the age of women and the membership of women in ethnic or racial groups) is an appropriate function of clinical trials of treatments and therapies;

"(D) supporting the development and expansion of clinical trials of treatments and therapies for which obtaining such data has been determined to be an appropriate function; and

"(E) encouraging the national research institutes to conduct and support such research, including such clinical trials.

"(d) ADVISORY COMMITTEE.—

"(1) In carrying out subsection (b), the Director of the Office shall establish an advisory committee to be known as the Advisory Committee on Research on Women's Health (hereafter in this subsection referred to as the 'Advisory Committee').

"(2)(A) The Advisory Committee shall be composed of no fewer than 12, and not more than 18 individuals, who are not officers or employees of the Federal Government. The Director of the Office shall make appointments to the Advisory Committee from among physicians, practitioners, scientists, and other health professionals, whose clinical practice, research specialization, or professional expertise includes a significant focus on research on women's health. A majority of the members of the Advisory Committee shall be women.

"(B) Members of the Advisory Committee shall receive compensation for each day engaged in carrying out the duties of the Committee, including time engaged in traveling for purposes of such duties. Such compensation may not be provided in an amount in excess of the maximum rate of basic pay payable for GS-18 of the General Schedule.

"(3) The Director of the Office shall serve as the chair of the Advisory Committee.

"(4) The Advisory Committee shall—

"(A) advise the Director of the Office on appropriate research activities to be undertaken by the national research institutes with respect to—

"(i) research on women's health;

"(ii) research on gender differences in clinical drug trials, including responses to pharmacological drugs;

"(iii) research on gender differences in disease etiology, course, and treatment;

"(iv) research on obstetrical and gynecological health conditions, diseases, and treatments; and

"(v) research on women's health conditions which require a multidisciplinary approach;

"(B) report to the Director of the Office on such research;

"(C) provide recommendations to such Director regarding activities of the Office (including recommendations on the development of the methodologies described in subsection (c)(4)(C) and recommendations on priorities in carrying out research described in subparagraph (A)); and

"(D) assist in monitoring compliance with section 492B regarding the inclusion of women in clinical research.

"(5)(A) The Advisory Committee shall prepare a biennial report describing the activities of the Committee, including findings made by the Committee regarding—

"(i) compliance with section 492B;

"(ii) the extent of expenditures made for research on women's health by the agencies of the National Institutes of Health; and

"(iii) the level of funding needed for such research.

"(B) The report required in subparagraph (A) shall be submitted to the Director of NIH for inclusion in the report required in section 403.

"(e) REPRESENTATION OF WOMEN AMONG RESEARCHERS.—The Secretary, acting through the Assistant Secretary for Personnel and in collaboration with the Director of the Office,

shall determine the extent to which women are represented among senior physicians and scientists of the national research institutes and among physicians and scientists conducting research with funds provided by such institutes, and as appropriate, carry out activities to increase the extent of such representation.

"(f) DEFINITIONS.—For purposes of this part:

"(1) The term 'women's health conditions', with respect to women of all age, ethnic, and racial groups, means all diseases, disorders, and conditions (including with respect to mental health)—

"(A) unique to, more serious, or more prevalent in women;

"(B) for which the factors of medical risk or types of medical intervention are different for women, or for which it is unknown whether such factors or types are different for women; or

"(C) with respect to which there has been insufficient clinical research involving women as subjects or insufficient clinical data on women.

"(2) The term 'research on women's health' means research on women's health conditions, including research on preventing such conditions.

"SEC. 486A. NATIONAL DATA SYSTEM AND CLEARINGHOUSE ON RESEARCH ON WOMEN'S HEALTH.

"(a) DATA SYSTEM.—

"(1) The Director of NIH, in consultation with the Director of the Office, shall establish a data system for the collection, storage, analysis, retrieval, and dissemination of information regarding research on women's health that is conducted or supported by the national research institutes. Information from the data system shall be available through information systems available to health care professionals and providers, researchers, and members of the public.

"(2) The data system established under paragraph (1) shall include a registry of clinical trials of experimental treatments that have been developed for research on women's health. Such registry shall include information on subject eligibility criteria, sex, age, ethnicity or race, and the location of the trial site or sites. Principal investigators of such clinical trials shall provide this information to the registry within 30 days after it is available. Once a trial has been completed, the principal investigator shall provide the registry with information pertaining to the results, including potential toxicities or adverse effects associated with the experimental treatment or treatments evaluated.

"(b) CLEARINGHOUSE.—The Director of NIH, in consultation with the Director of the Office and with the National Library of Medicine, shall establish, maintain, and operate a program to provide information on research and prevention activities of the national research institutes that relate to research on women's health.

"SEC. 486B. BIENNIAL REPORT.

"(a) IN GENERAL.—With respect to research on women's health, the Director of the Office shall, not later than February 1, 1994, and biennially thereafter, prepare a report—

"(1) describing and evaluating the progress made during the preceding 2 fiscal years in research and treatment conducted or supported by the National Institutes of Health;

"(2) describing and analyzing the professional status of women physicians and scientists of such Institutes, including the identification of problems and barriers regarding advancements;

"(3) summarizing and analyzing expenditures made by the agencies of such Institutes (and by such Office) during the preceding 2 fiscal years; and

"(4) making such recommendations for legislative and administrative initiatives as the Director of the Office determines to be appropriate.

"(b) INCLUSION IN BIENNIAL REPORT OF DIRECTOR OF NIH.—The Director of the Office shall submit each report prepared under subsection (a) to the Director of NIH for inclusion in the report submitted to the President and the Congress under section 403.".

(b) REQUIREMENT OF SUFFICIENT ALLOCATION OF RESOURCES OF INSTITUTES.—Section 402(b) of the Public Health Service Act (42 U.S.C. 282(b)) is amended—

(1) in paragraph (10), by striking "and" after the semicolon at the end;

(2) in paragraph (11), by striking the period at the end and inserting "; and"; and

(3) by inserting after paragraph (11) the following new paragraph:

"(12) after consultation with the Director of the Office of Research on Women's Health, shall ensure that resources of the National Institutes of Health are sufficiently allocated for projects of research on women's health that are identified under section 486(b).".

PART III—OFFICE OF RESEARCH ON MINORITY HEALTH

SEC. 151. ESTABLISHMENT.

Part A of title IV of the Public Health Service Act (42 U.S.C. 281 et seq.) is amended by adding at the end the following new section:

"OFFICE OF RESEARCH ON MINORITY HEALTH

"SEC. 403A. (a) ESTABLISHMENT.—There is established within the Office of the Director of NIH an office to be known as the Office of Research on Minority Health (in this section referred to as the 'Office'). The Office shall be headed by a director, who shall be appointed by the Director of NIH.

"(b) PURPOSE.—The Director of the Office shall—

"(1) identify projects of research on minority health that should be conducted or supported by the national research institutes;

"(2) identify multidisciplinary research relating to research on minority health that should be so conducted or supported;

"(3) promote coordination and collaboration among entities conducting research identified under paragraph (1) or (2);

"(4) encourage the conduct of such research by entities receiving funds from the national research institutes;

"(5) recommend an agenda for conducting and supporting such research;

"(6) promote the sufficient allocation of the resources of the national research institutes for conducting and supporting such research; and

"(7) assist in the administration of section 492B with respect to the inclusion of members of minority groups as subjects in clinical research.".

Subtitle C—Scientific Integrity

SEC. 161. ESTABLISHMENT OF OFFICE OF SCIENTIFIC INTEGRITY.

(a) IN GENERAL.—Section 493 of the Public Health Service Act (42 U.S.C. 289b) is amended to read as follows:

"OFFICE OF SCIENTIFIC INTEGRITY

"SEC. 493. (a) ESTABLISHMENT.—

"(1) IN GENERAL.—Not later than 90 days after the date of enactment of this section, the Secretary shall establish an office to be known as the Office of Scientific Integrity (hereafter referred to in this section as the 'Office'), which shall be established as an independent entity in the Department of Health and Human Services.

"(2) DIRECTOR.—The Office shall be headed by a Director, who shall be appointed by the Secretary, be experienced and specially trained in the conduct of research, and have experience in the conduct of investigations of scientific misconduct. The Secretary shall carry out this section acting through the Director of the Office. The Director shall report to the Secretary.

"(b) EXISTENCE OF ADMINISTRATIVE PROCESSES AS CONDITION OF FUNDING FOR RESEARCH.—The Secretary shall by regulation require that each entity that applies for a grant, contract, or cooperative agreement under this Act for any project or program that involves the conduct of biomedical or behavioral research submit in or with its application for such grant, contract, or cooperative agreement assurances satisfactory to the Secretary that such entity—

"(1) has established (in accordance with regulations which the Secretary shall prescribe) an administrative process to review reports of scientific misconduct in connection with biomedical and behavioral research conducted at or sponsored by such entity; and

"(2) will report to the Director any investigation of alleged scientific misconduct in connection with projects for which funds have been made available under this Act that appears substantial.

"(c) PROCESS FOR RESPONSE OF DIRECTOR.—The Secretary shall establish by regulation a process to be followed by the Director for the prompt and appropriate—

"(1) response to information provided to the Director respecting scientific misconduct in connection with projects for which funds have been made available under this Act;

"(2) receipt of reports by the Director of such information from recipients of funds under this Act;

"(3) conduct of investigations, when appropriate; and

"(4) taking of other actions, including appropriate remedies, with respect to such misconduct.

"(d) MONITORING BY DIRECTOR.—The Secretary shall by regulation establish procedures for the Director to monitor administrative processes and investigations that have been established or carried out under this section.

"(e) EFFECT ON PRESENT INVESTIGATIONS.—Nothing in this section shall affect investigations which have been or will be commenced prior to the promulgation of final regulations under this section.".

(b) ESTABLISHMENT OF DEFINITION OF SCIENTIFIC MISCONDUCT.—Not later than 90 days after the date on which the report required under section 152(d) is submitted to the Secretary of Health and Human Services, such Secretary shall by regulation establish a definition for the term "scientific misconduct" for purposes of section 493 of the Public Health Service Act, as amended by subsection (a) of this section.

SEC. 162. COMMISSION ON SCIENTIFIC INTEGRITY.

(a) IN GENERAL.—The Secretary of Health and Human Services shall establish a commission to be known as the Commission on Scientific Integrity (in this section referred to as the "Commission").

(b) DUTIES.—The Commission shall develop recommendations for the Secretary of Health and Human Services on the administration of section 493 of the Public Health Service Act (as amended and added by section 161 of this Act).

(c) COMPOSITION.—The Commission shall be composed of 12 members to be appointed by the Secretary of Health and Human Services from among individuals who are not officers or employees of the United States. Of the members appointed to the Commission—

(1) three shall be scientists with substantial accomplishments in biomedical or behavioral research;

(2) three shall be individuals with experience in investigating allegations of misconduct with respect to scientific research;

(3) three shall be representatives of institutions of higher education at which biomedical or behavioral research is conducted; and

(4) three shall be individuals who are not described in paragraphs (1), (2), or (3), at least one of whom shall be an attorney and at least one of whom shall be an ethicist.

(d) COMPENSATION.—Members of the Commission shall receive compensation for each day engaged in carrying out the duties of the Commission, including time engaged in traveling for purposes of such duties. Such compensation may not be provided in an amount in excess of the maximum rate of basic pay payable for GS–18 of the General Schedule.

(e) REPORT.—Not later than 120 days after the date of enactment of this section, the Commission shall prepare and submit to the Secretary of Health and Human Services, the Committee on Energy and Commerce of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, a report containing the recommendations developed under subsection (b).

SEC. 163. PROTECTION OF WHISTLEBLOWERS.

Section 493 of the Public Health Service Act, as amended by section 161 of this Act, is amended by adding at the end the following new subsection:

"(f) PROTECTION OF WHISTLEBLOWERS.—

"(1) IN GENERAL.—In the case of any entity required to establish administrative processes under subsection (b), the Secretary shall by regulation establish standards for preventing, and for responding to the occurrence of retaliation by such entity, its officials or agents, against an employee in the terms and conditions of employment in response to the employee having in good faith—

"(A) made an allegation that the entity, its officials or agents, has engaged in or failed to adequately respond to an allegation of scientific misconduct; or

"(B) cooperated with an investigation of such an allegation.

"(2) MONITORING BY SECRETARY.—The Secretary shall establish by regulation procedures for the Director to monitor the implementation of the standards established by an entity under paragraph (1) for the purpose of determining whether the procedures have been established, and are being utilized, in accordance with the standards established under such paragraph.

"(3) NONCOMPLIANCE.—The Secretary shall by regulation establish remedies for noncompliance by an entity, its officials or agents, which has engaged in retaliation in violation of the standards established under paragraph (1). Such remedies may include termination of funding provided by the Secretary for such project or recovery of funding being provided by the Secretary for such project, or other actions as appropriate.

"(4) FINAL RULE FOR REGULATIONS.—The Secretary shall issue a final rule for the regulations required in paragraph (1) not later than 180 days after the date of the enactment of the National Institutes of Health Revitalization Act of 1993.

"(5) REQUIRED AGREEMENTS.—For any fiscal year beginning after the date on which the regulations required in paragraph (1) are issued, the Secretary may not provide a grant, cooperative agreement, or contract under this Act for biomedical or behavioral research unless the entity seeking such financial assistance agrees that the entity—

"(A) will maintain the procedures described in the regulations; and

"(B) will otherwise be subject to the regulations.".

SEC. 164. REQUIREMENT OF REGULATIONS REGARDING PROTECTION AGAINST FINANCIAL CONFLICTS OF INTEREST IN CERTAIN PROJECTS OF RESEARCH.

Part H of title IV of the Public Health Service Act, as redesignated by section 141(a)(2) of this Act, is amended by inserting after section 493 the following new section:

"PROTECTION AGAINST FINANCIAL CONFLICTS OF INTEREST IN CERTAIN PROJECTS OF RESEARCH

"SEC. 493A. (a) ISSUANCE OF REGULATIONS.—

"(1) IN GENERAL.—The Secretary shall define by regulation, the specific circumstances that constitute the existence of a financial interest in a project on the part of an entity or individual that will, or may be reasonably expected to, create a bias in favor of obtaining results in such project that are consistent with such financial interest. Such definition shall apply uniformly to each entity or individual conducting a research project under this Act. In the case of any entity or individual receiving assistance from the Secretary for a project of research described in paragraph (2), the Secretary shall by regulation establish standards for responding to, including managing, reducing, or eliminating, the existence of such a financial interest. The entity may adopt individualized procedures for implementing the standards.

"(2) RELEVANT PROJECTS.—A project of research referred to in paragraph (1) is a project of clinical research whose purpose is to evaluate the safety or effectiveness of a drug, medical device, or treatment and for which such entity is receiving assistance from the Secretary.

"(3) IDENTIFYING AND REPORTING TO THE DIRECTOR.—The Secretary shall ensure that the standards established under paragraph (1) specify that as a condition of receiving assistance from the Secretary for the project involved, an entity described in such subsection is required—

"(A) to have in effect at the time the entity applies for the assistance and throughout the period during which the assistance is received, a process for identifying such financial interests as defined in paragraph (1) that exist regarding the project; and

"(B) to report to the Director such financial interest as defined in paragraph (1) identified by the entity and how any such financial interest identified by the entity will be managed or eliminated such that the project in question will be protected from bias that may stem from such financial interest.

"(4) MONITORING OF PROCESS.—The Secretary shall monitor the establishment and conduct of the process established by an entity pursuant to paragraph (1).

"(5) RESPONSE.—In any case in which the Secretary determines that an entity has failed to comply with paragraph (3) regarding a project of research described in paragraph (1), the Secretary—

"(A) shall require that, as a condition of receiving assistance, the entity disclose the existence of a financial interest as defined in paragraph (1) in each public presentation of the results of such project; and

"(B) may take such other actions as the Secretary determines to be appropriate.

"(6) DEFINITION.—As used in this section:

"(A) The term 'financial interest' includes the receipt of consulting fees or honoraria and the ownership of stock or equity.

"(B) The term 'assistance', with respect to conducting a project of research, means a grant, contract, or cooperative agreement.

"(b) FINAL RULE FOR REGULATIONS.—The Secretary shall issue a final rule for the regulations required in subsection (a) not later than 180 days after the date of the enactment of the National Institutes of Health Revitalization Act of 1993.".

SEC. 165. EFFECTIVE DATES.

(a) IN GENERAL.—The amendments made by this subtitle shall become effective on the date that occurs 180 days after the date on which the final rule required under section 493(f)(4) of the Public Health Service Act, as amended by sections 161 and 163, is published in the Federal Register.

(b) AGREEMENTS AS A CONDITION OF FUNDING.—The requirements of subsection (f)(5) of section 493 of the Public Health Service Act, as amended by sections 161 and 163, with respect to agreements as a condition of funding shall not be effective in the case of projects of research for which initial funding under the Public Health Service Act was provided prior to the effective date described in subsection (a).

TITLE II—NATIONAL INSTITUTES OF HEALTH IN GENERAL

SEC. 201. HEALTH PROMOTION RESEARCH DISSEMINATION.

Section 402(f) of the Public Health Service Act (42 U.S.C. 282(f)) is amended by striking "other public and private entities." and all that follows through the end and inserting "other public and private entities, including elementary, secondary, and post-secondary schools. The Associate Director shall—

"(1) annually review the efficacy of existing policies and techniques used by the national research institutes to disseminate the results of disease prevention and behavioral research programs;

"(2) recommend, coordinate, and oversee the modification or reconstruction of such policies and techniques to ensure maximum dissemination, using advanced technologies to the maximum extent practicable, of research results to such entities; and

"(3) annually prepare and submit to the Director of NIH a report concerning the prevention and dissemination activities undertaken by the Associate Director, including—

"(A) a summary of the Associate Director's review of existing dissemination policies and techniques together with a detailed statement concerning any modification or restructuring, or recommendations for modification or restructuring, of such policies and techniques; and

"(B) a detailed statement of the expenditures made for the prevention and dissemination activities reported on and the personnel used in connection with such activities.".

SEC. 202. PROGRAMS FOR INCREASED SUPPORT REGARDING CERTAIN STATES AND RESEARCHERS.

Section 402 of the Public Health Service Act (42 U.S.C. 282) is amended by adding at the end the following new subsection:

"(g)(1)(A) In the case of entities described in subparagraph (B), the Director of NIH, acting through the Director of the National Center for Research Resources, shall establish a program to enhance the competitiveness of such entities in obtaining funds from the national research institutes for conducting biomedical and behavioral research.

"(B) The entities referred to in subparagraph (A) are entities that conduct biomedical and behavioral research and are located in a State in which the aggregate success rate for applications to the national research institutes for assistance for such research by the entities in the State has historically constituted a low success rate of obtaining such funds, relative to such aggregate rate for such entities in other States.

"(C) With respect to enhancing competitiveness for purposes of subparagraph (A), the Director of NIH, in carrying out the program established under such subparagraph, may—

"(i) provide technical assistance to the entities involved, including technical assistance in the preparation of applications for obtaining funds from the national research institutes;

"(ii) assist the entities in developing a plan for biomedical or behavioral research proposals; and

"(iii) assist the entities in implementing such plan.

"(2) The Director of NIH shall establish a program of supporting projects of biomedical or behavioral research whose principal researchers are individuals who have not previously served as the principal researchers of such projects supported by the Director.".

SEC. 203. CHILDREN'S VACCINE INITIATIVE.

Part A of title IV of the Public Health Service Act (42 U.S.C. 281 et seq.) is amended by adding at the end the following new section:

"CHILDREN'S VACCINE INITIATIVE

"SEC. 404. (a) DEVELOPMENT OF NEW VACCINES.—The Secretary, in consultation with the Director of the National Vaccine Program under title XXI and acting through the Directors of the National Institute for Allergy and Infectious Diseases, the National Institute for Child Health and Human Development, the National Institute for Aging, and other public and private programs, shall carry out activities, which shall be consistent with the global Children's Vaccine Initiative, to develop affordable new and improved vaccines to be used in the United States and in the developing world that will increase the efficacy and efficiency of the prevention of infectious diseases. In carrying out such activities, the Secretary shall, to the extent practicable, develop and make available vaccines that require fewer contacts to deliver, that can be given early in life, that provide long lasting protection, that obviate refrigeration, needles and syringes, and that protect against a larger number of diseases.

"(b) REPORT.—In the report required in section 2104, the Secretary, acting through the Director of the National Vaccine Program under title XXI, shall include information with respect to activities and the progress made in implementing the provisions of this section and achieving its goals.

"(c) AUTHORIZATION OF APPROPRIATIONS.—In addition to any other amounts authorized to be appropriated for activities of the type described in this section, there are authorized to be appropriated to carry out this section $20,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.".

SEC. 204. PLAN FOR USE OF ANIMALS IN RESEARCH.

(a) IN GENERAL.—Part A of title IV of the Public Health Service Act, as amended by section 203 of this Act, is amended by adding at the end the following new section:

"PLAN FOR USE OF ANIMALS IN RESEARCH

"SEC. 404A. (a) The Director of NIH, after consultation with the committee established under subsection (e), shall prepare a plan—

"(1) for the National Institutes of Health to conduct or support research into—

"(A) methods of biomedical research and experimentation that do not require the use of animals;

"(B) methods of such research and experimentation that reduce the number of animals used in such research; and

"(C) methods of such research and experimentation that produce less pain and distress in such animals;

"(2) for establishing the validity and reliability of the methods described in paragraph (1);

"(3) for encouraging the acceptance by the scientific community of such methods that have been found to be valid and reliable; and

"(4) for training scientists in the use of such methods that have been found to be valid and reliable.

"(b) Not later than October 1, 1993, the Director of NIH shall submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, the plan required in subsection (a) and shall begin implementation of the plan.

"(c) The Director of NIH shall periodically review, and as appropriate, make revisions in the plan required under subsection (a). A description of any revision made in the plan shall be included in the first biennial report under section 403 that is submitted after the revision is made.

"(d) The Director of NIH shall take such actions as may be appropriate to convey to scientists and others who use animals in biomedical or behavioral research or experimentation information respecting the methods found to be valid and reliable under subsection (a)(2).

"(e)(1) The Director of NIH shall establish within the National Institutes of Health a committee to be known as the Interagency Coordinating Committee on the Use of Animals in Research (hereafter in this subsection referred to as the 'Committee').

"(2) The Committee shall provide advice to the Director of NIH on the preparation of the plan required in subsection (a).

"(3) The Committee shall be composed of—

"(A) the Directors of each of the national research institutes and the Director of the Center for Research Resources (or the designees of such Directors); and

"(B) representatives of the Environmental Protection Agency, the Food and Drug Administration, the Consumer Product Safety Commission, the National Science Foundation, and such additional agencies as the Director of NIH determines to be appropriate.".

(b) CONFORMING AMENDMENT.—Section 4 of the Health Research Extension Act of 1985 (Public Law 99-158; 99 Stat. 880) is repealed.

SEC. 205. INCREASED PARTICIPATION OF WOMEN AND MEMBERS OF UNDERREPRESENTED MINORITIES IN FIELDS OF BIOMEDICAL AND BEHAVIORAL RESEARCH.

Section 402 of the Public Health Service Act, as amended by section 202 of this Act, is amended by adding at the end the following new subsection:

"(h) The Secretary, acting through the Director of NIH and the Directors of the agencies of the National Institutes of Health, may conduct and support programs for research, research training, recruitment, and other activities to provide for an increase in the number of women and members of underrepresented minority groups in the fields of biomedical and behavioral research.".

SEC. 206. REQUIREMENTS REGARDING SURVEYS OF SEXUAL BEHAVIOR.

Part A of title IV of the Public Health Service Act, as amended by section 204 of this Act, is amended by adding at the end the following new section:

"REQUIREMENTS REGARDING SURVEYS OF SEXUAL BEHAVIOR

"SEC. 404B. With respect to any survey of human sexual behavior proposed to be conducted or supported through the National Institutes of Health, the survey may not be carried out unless—

"(1) the proposal has undergone review in accordance with any applicable requirements of sections 491 and 492; and

"(2) the Secretary, in accordance with section 492A, makes a determination that the information expected to be obtained through the survey will assist—

"(A) in reducing the incidence of sexually transmitted diseases, the incidence of infection with the human immunodeficiency virus, or the incidence of any other infectious disease; or

"(B) in improving reproductive health or other conditions of health.".

SEC. 207. DISCRETIONARY FUND OF DIRECTOR OF NATIONAL INSTITUTES OF HEALTH.

Section 402 of the Public Health Service Act, as amended by section 205 of this Act, is amended by adding at the end the following new subsection:

"(i)(1) There is established a fund, consisting of amounts appropriated under paragraph (3) and made available for the fund, for use by the Director of NIH to carry out the activities authorized in this Act for the National Institutes of Health. The purposes for which such fund may be expended include—

"(A) providing for research on matters that have not received significant funding relative to other matters, responding to new issues and scientific emergencies, and acting on research opportunities of high priority;

"(B) supporting research that is not exclusively within the authority of any single agency of such Institutes; and

"(C) purchasing or renting equipment and quarters for activities of such Institutes.

"(2) Not later than February 10 of each fiscal year, the Secretary shall submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report describing the activities undertaken and expenditures made under this section during the preceding fiscal year. The report may contain such comments of the Secretary regarding this section as the Secretary determines to be appropriate.

"(3) For the purpose of carrying out this subsection, there are authorized to be appropriated $25,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.".

SEC. 208. MISCELLANEOUS PROVISIONS.

(a) TERM OF OFFICE FOR MEMBERS OF ADVISORY COUNCILS.—Section 406(c) of the Public Health Service Act (42 U.S.C. 284a(c)) is amended in the second sentence by striking "until a successor has been appointed" and inserting the following: "for 180 days after the date of such expiration".

(b) LITERACY REQUIREMENTS.—Section 402(e) of the Public Health Service Act (42 U.S.C. 282(e)) is amended—

(1) in paragraph (3), by striking "and" at the end;

(2) in paragraph (4), by striking the period and inserting "; and"; and

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

"(5) ensure that, after January 1, 1994, at least one-half of all new or revised health education and promotion materials developed or funded by the National Institutes of Health is in a form that does not exceed a level of functional literacy, as defined in the National Literacy Act of 1991 (Public Law 102-73).".

(c) DAY CARE REGARDING CHILDREN OF EMPLOYEES.—Section 402 of the Public Health Service Act, as amended by section 207 of this Act, is amended by adding at the end the following new subsection:

"(i)(1) The Director of NIH may establish a program to provide day care service for the employees of the National Institutes of Health similar to those services provided by other Federal agencies (including the availability of day care service on a 24-hour-a-day basis).

"(2) Any day care provider at the National Institutes of Health shall establish a sliding scale of fees that takes into consideration the income and needs of the employee.

"(3) For purposes regarding the provision of day care service, the Director of NIH may enter into rental or lease purchase agreements.".

TITLE III—GENERAL PROVISIONS RESPECTING NATIONAL RESEARCH INSTITUTES

SEC. 301. APPOINTMENT AND AUTHORITY OF DIRECTORS OF NATIONAL RESEARCH INSTITUTES.

(a) ESTABLISHMENT OF GENERAL AUTHORITY REGARDING DIRECT FUNDING.—

(1) IN GENERAL.—Section 405(b)(2) of the Public Health Service Act (42 U.S.C. 284(b)(2)) is amended—

(A) in subparagraph (A), by striking "and" after the semicolon at the end;

(B) in subparagraph (B), by striking the period at the end and inserting "; and"; and

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

"(C) shall receive from the President and the Office of Management and Budget directly all funds appropriated by the Congress for obligation and expenditure by the Institute.".

(2) CONFORMING AMENDMENT.—Section 413(b)(9) of the Public Health Service Act (42 U.S.C. 285a-2(b)(9)) is amended—

(A) by striking "(A)" after "(9)"; and

(B) by striking "advisory council;" and all that follows and inserting "advisory council.".

(b) APPOINTMENT AND DURATION OF TECHNICAL AND SCIENTIFIC PEER REVIEW GROUPS.—Section 405(c) of the Public Health Service Act (42 U.S.C. 284(c)) is amended—

(1) by amending paragraph (3) to read as follows:

"(3) may, in consultation with the advisory council for the Institute and with the approval of the Director of NIH—

"(A) establish technical and scientific peer review groups in addition to those appointed under section 402(b)(6); and

"(B) appoint the members of peer review groups established under subparagraph (A); and"; and

(2) by adding after and below paragraph (4) the following:

"The Federal Advisory Committee Act shall not apply to the duration of a peer review group appointed under paragraph (3).".

SEC. 302. PROGRAM OF RESEARCH ON OSTEOPOROSIS, PAGET'S DISEASE, AND RELATED BONE DISORDERS.

Part B of title IV of the Public Health Service Act (42 U.S.C. 284 et seq.), as amended by section 121(b) of Public Law 102-321 (106 Stat. 358), is amended by adding at the end the following new section:

"RESEARCH ON OSTEOPOROSIS, PAGET'S DISEASE, AND RELATED BONE DISORDERS

"SEC. 410. (a) ESTABLISHMENT.—The Directors of the National Institute of Arthritis and Musculoskeletal and Skin Diseases, the National Institute on Aging, the National Institute of Diabetes, Digestive and Kidney Diseases, and the National Institute of Dental Research, shall expand and intensify the programs of such Institutes with respect to research and related activities concerning osteoporosis, Paget's disease, and related bone disorders.

"(b) COORDINATION.—The Directors referred to in subsection (a) shall jointly coordinate the programs referred to in such subsection and consult with the Arthritis and Musculoskeletal Diseases Interagency Coordinating Committee and the Interagency Task Force on Aging Research.

"(c) INFORMATION CLEARINGHOUSE.—

"(1) IN GENERAL.—In order to assist in carrying out the purpose described in subsection (a), the Director of NIH shall provide for the establishment of an information clearinghouse on osteoporosis and related bone disorders to facilitate and enhance knowledge and understanding on the part of health professionals, patients, and the public through the effective dissemination of information.

"(2) ESTABLISHMENT THROUGH GRANT OR CONTRACT.—For the purpose of carrying out paragraph (1), the Director of NIH shall enter into a grant, cooperative agreement, or contract with a nonprofit private entity involved in activities regarding the prevention and control of osteoporosis and related bone disorders.

"(d) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated $40,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.".

SEC. 303. ESTABLISHMENT OF INTERAGENCY PROGRAM FOR TRAUMA RESEARCH.

(a) IN GENERAL.—Title XII of the Public Health Service Act (42 U.S.C. 300d et seq.) is amended by adding at the end the following part:

"PART E—INTERAGENCY PROGRAM FOR TRAUMA RESEARCH

"SEC. 1251. ESTABLISHMENT OF PROGRAM.

"(a) IN GENERAL.—The Secretary, acting through the Director of the National Institutes of Health (hereafter in this section referred to as the 'Director'), shall establish a comprehensive program of conducting basic and clinical research on trauma (hereafter in this section referred to as the 'Program'). The Program shall include research regarding the diagnosis, treatment, rehabilitation, and general management of trauma.

(b) PLAN FOR PROGRAM.—

"(1) IN GENERAL.—The Director, in consultation with the Trauma Research Interagency Coordinating Committee established under subsection (g), shall establish and implement a plan for carrying out the activities of the Program, including the activities described in subsection (d). All such activities shall be carried out in accordance with the plan. The plan shall be periodically reviewed, and revised as appropriate.

"(2) SUBMISSION TO CONGRESS.—Not later than one year after the date of enactment of this section, the Director shall submit the plan required in paragraph (1) to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, together with an estimate of the funds needed for each of the fiscal years 1994 through 1996 to implement the plan.

"(c) PARTICIPATING AGENCIES; COORDINATION AND COLLABORATION.—The Director—

"(1) shall provide for the conduct of activities under the Program by the Directors of the agencies of the National Institutes of Health involved in research with respect to trauma;

"(2) shall ensure that the activities of the Program are coordinated among such agencies; and

"(3) shall, as appropriate, provide for collaboration among such agencies in carrying out such activities.

"(d) CERTAIN ACTIVITIES OF PROGRAM.—The Program shall include—

"(1) studies with respect to all phases of trauma care, including prehospital, resuscitation, surgical intervention, critical care, infection control, wound healing, nutritional care and support, and medical rehabilitation care;

"(2) basic and clinical research regarding the response of the body to trauma and the acute treatment and medical rehabilitation of individuals who are the victims of trauma; and

"(3) basic and clinical research regarding trauma care for pediatric and geriatric patients.

"(e) MECHANISMS OF SUPPORT.—In carrying out the Program, the Director, acting through the Directors of the agencies referred to in subsection (c)(1), may make grants to public and nonprofit entities, including designated trauma centers.

"(f) RESOURCES.—The Director shall assure the availability of appropriate resources to carry out the Program, including the plan established under subsection (b) (including the activities described in subsection (d)).

"(g) COORDINATING COMMITTEE.—

"(1) IN GENERAL.—There shall be established a Trauma Research Interagency Coordinating Committee (hereafter in this section referred to as the 'Coordinating Committee').

"(2) DUTIES.—The Coordinating Committee shall make recommendations regarding—

"(A) the activities of the Program to be carried out by each of the agencies represented on the Committee and the amount of funds needed by each of the agencies for such activities; and

"(B) effective collaboration among the agencies in carrying out the activities.

"(3) COMPOSITION.—The Coordinating Committee shall be composed of the Directors of each of the agencies that, under subsection (c), have responsibilities under the Program, and any other individuals who are practitioners in the trauma field as designated by the Director of the National Institutes of Health.

"(h) DEFINITIONS.—For purposes of this section:

"(1) The term 'designated trauma center' has the meaning given such term in section 1231(1).

"(2) The term 'Director' means the Director of the National Institutes of Health.

"(3) The term 'trauma' means any serious injury that could result in loss of life or in significant disability and that would meet pre-hospital triage criteria for transport to a designated trauma center.".

(b) CONFORMING AMENDMENT.—Section 402 of the Public Health Service Act, as amended by section 208(c) of this Act, is amended by adding at the end the following new subsection:

"(k) The Director of NIH shall carry out the program established in part E of title XII (relating to interagency research on trauma).".

TITLE IV—NATIONAL CANCER INSTITUTE

SEC. 401. EXPANSION AND INTENSIFICATION OF ACTIVITIES REGARDING BREAST CANCER.

Subpart 1 of part C of title IV of the Public Health Service Act (42 U.S.C. 285 et seq.) is amended by adding at the end the following new section:

"BREAST AND GYNECOLOGICAL CANCERS

"SEC. 417. (a) EXPANSION AND COORDINATION OF ACTIVITIES.—The Director of the Institute, in consultation with the National Cancer Advisory Board, shall expand, intensify, and coordinate the activities of the Institute with respect to research on breast cancer, ovarian cancer, and other cancers of the reproductive system of women.

"(b) COORDINATION WITH OTHER INSTITUTES.—The Director of the Institute shall coordinate the activities of the Director under subsection (a) with similar activities conducted by other national research institutes and agencies of the National Institutes of Health to the extent that such Institutes and agencies have responsibilities that are related to breast cancer and other cancers of the reproductive system of women.

"(c) PROGRAMS FOR BREAST CANCER.—

"(1) IN GENERAL.—In carrying out subsection (a), the Director of the Institute shall conduct or support research to expand the understanding of the cause of, and to find a cure for, breast cancer. Activities under such subsection shall provide for an expansion and intensification of the conduct and support of—

"(A) basic research concerning the etiology and causes of breast cancer;

"(B) clinical research and related activities concerning the causes, prevention, detection and treatment of breast cancer;

"(C) control programs with respect to breast cancer in accordance with section 412;

"(D) information and education programs with respect to breast cancer in accordance with section 413; and

"(E) research and demonstration centers with respect to breast cancer in accordance with section 414, including the development and operation of centers for breast cancer research to bring together basic and clinical, biomedical and behavioral scientists to conduct basic, clinical, epidemiological, psychosocial, prevention and treatment research and related activities on breast cancer.

Not less than six centers shall be operated under subparagraph (E). Activities of such centers should include supporting new and innovative research and training programs for new researchers. Such centers shall give priority to expediting the transfer of research advances to clinical applications.

"(2) IMPLEMENTATION OF PLAN FOR PROGRAMS.—

"(A) The Director of the Institute shall ensure that the research programs described in paragraph (1) are implemented in accordance with a plan for the programs. Such plan shall include comments and recommendations that the Director of the Institute considers appropriate, with due consideration provided to the professional judgment needs of the Institute as expressed in the annual budget estimate prepared in accordance with section 413(9). The Director of the Institute, in consultation with the National Cancer Advisory Board, shall periodically review and revise such plan.

"(B) Not later than May 1, 1993, the Director of the Institute shall submit a copy of the plan to the President's Cancer Panel, the Secretary and the Director of NIH.

"(C) The Director of the Institute shall submit any revisions of the plan to the President's Cancer Panel, the Secretary, and the Director of NIH.

"(D) The Secretary shall provide a copy of the plan submitted under subparagraph (A), and any revisions submitted under subparagraph (C), to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

"(d) OTHER CANCERS.—In carrying out subsection (a), the Director of the Institute shall conduct or support research on ovarian cancer and other cancers of the reproductive system of women. Activities under such subsection shall provide for the conduct and support of—

"(1) basic research concerning the etiology and causes of ovarian cancer and other cancers of the reproductive system of women;

"(2) clinical research and related activities into the causes, prevention, detection and treatment of ovarian cancer and other cancers of the reproductive system of women;

"(3) control programs with respect to ovarian cancer and other cancers of the reproductive system of women in accordance with section 412;

"(4) information and education programs with respect to ovarian cancer and other cancers of the reproductive system of women in accordance with section 413; and

"(5) research and demonstration centers with respect to ovarian cancer and cancers of the reproductive system in accordance with section 414.

"(e) REPORT.—The Director of the Institute shall prepare, for inclusion in the biennial report submitted under section 407, a report that describes the activities of the National Cancer Institute under the research programs referred to in subsection (a), that shall include—

"(1) a description of the research plan with respect to breast cancer prepared under subsection (c);

"(2) an assessment of the development, revision, and implementation of such plan;

"(3) a description and evaluation of the progress made, during the period for which such report is prepared, in the research programs on breast cancer and cancers of the reproductive system of women;

"(4) a summary and analysis of expenditures made, during the period for which such report is made, for activities with respect to breast cancer and cancers of the reproductive system of women conducted and supported by the National Institutes of Health; and

"(5) such comments and recommendations as the Director considers appropriate.".

SEC. 402. EXPANSION AND INTENSIFICATION OF ACTIVITIES REGARDING PROSTATE CANCER.

Subpart 1 of part C of title IV of the Public Health Service Act, as amended by section 401 of this Act, is amended by adding at the end the following new section:

"PROSTATE CANCER

"SEC. 417A. (a) EXPANSION AND COORDINATION OF ACTIVITIES.—The Director of the Institute, in consultation with the National Cancer Advisory Board, shall expand, intensify, and coordinate the activities of the Institute with respect to research on prostate cancer.

"(b) COORDINATION WITH OTHER INSTITUTES.—The Director of the Institute shall coordinate the activities of the Director under subsection (a) with similar activities conducted by other national research institutes and agencies of the National Institutes of Health to the extent that such Institutes and agencies have responsibilities that are related to prostate cancer.

"(c) PROGRAMS.—

"(1) IN GENERAL.—In carrying out subsection (a), the Director of the Institute shall conduct or support research to expand the understanding of the cause of, and to find a cure for, prostate cancer. Activities under such subsection shall provide for an expansion and intensification of the conduct and support of—

"(A) basic research concerning the etiology and causes of prostate cancer;

"(B) clinical research and related activities concerning the causes, prevention, detection and treatment of prostate cancer;

"(C) prevention and control and early detection programs with respect to prostate cancer in accordance with section 412, particularly as it relates to intensifying research on the role of prostate specific antigen for the screening and early detection of prostate cancer;

"(D) an Inter-Institute Task Force, under the direction of the Director of the Institute, to provide coordination between relevant National Institutes of Health components of research efforts on prostate cancer;

"(E) control programs with respect to prostate cancer in accordance with section 412;

"(F) information and education programs with respect to prostate cancer in accordance with section 413; and

"(G) research and demonstration centers with respect to prostate cancer in accordance with section 414, including the development and operation of centers for prostate cancer research to bring together basic and clinical, biomedical and behavioral scientists to conduct basic, clinical, epidemiological, psychosocial, prevention and treatment research and related activities on prostate cancer.

Not less than six centers shall be operated under subparagraph (G). Activities of such centers should include supporting new and innovative research and training programs for new researchers. Such centers shall give priority to expediting the transfer of research advances to clinical applications.

"(2) IMPLEMENTATION OF PLAN FOR PROGRAMS.—

"(A) The Director of the Institute shall ensure that the research programs described in paragraph (1) are implemented in accordance with a plan for the programs. Such plan shall include comments and recommendations that the Director of the Institute considers appropriate, with due consideration provided to the professional judgment needs of the Institute as expressed in the annual budget estimate prepared in accordance with section 413(9). The Director of the Institute, in consultation with the National Cancer Advisory Board, shall periodically review and revise such plan.

"(B) Not later than May 1, 1993, the Director of the Institute shall submit a copy of the plan to the President's Cancer Panel, the Secretary and the Director of NIH.

"(C) The Director of the Institute shall submit any revisions of the plan to the President's Cancer Panel, the Secretary, and the Director of NIH.

"(D) The Secretary shall provide a copy of the plan submitted under subparagraph (A), and any revisions submitted under subparagraph (C), to the Committee on Energy and Commerce of the House of Representatives

and the Committee on Labor and Human Resources of the Senate.".

SEC. 403. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Subpart 1 of part C of title IV of the Public Health Service Act, as amended by section 402 of this Act, is amended by adding at the end the following new section:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 417B. (a) ACTIVITIES GENERALLY.—For the purpose of carrying out this subpart, there are authorized to be appropriated $2,200,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.

"(b) BREAST CANCER AND GYNECOLOGICAL CANCERS.—

"(1) BREAST CANCER.—

"(A) For the purpose of carrying out subparagraph (A) of section 417(c)(1), there are authorized to be appropriated $225,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996. Such authorizations of appropriations are in addition to the authorizations of appropriations established in subsection (a) with respect to such purpose.

"(B) For the purpose of carrying out subparagraphs (B) through (E) of section 417(c)(1), there are authorized to be appropriated $100,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996. Such authorizations of appropriations are in addition to the authorizations of appropriations established in subsection (a) with respect to such purpose.

"(2) OTHER CANCERS.—For the purpose of carrying out subsection (d) of section 417, there are authorized to be appropriated $75,000,000 for fiscal year 1994, and such sums as are necessary for each of the fiscal years 1995 and 1996. Such authorizations of appropriations are in addition to the authorizations of appropriations established in subsection (a) with respect to sucn purpose.

"(c) PROSTATE CANCER.—For the purpose of carrying out section 417A, there are authorized to be appropriated $72,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996. Such authorizations of appropriations are in addition to the authorizations of appropriations established in subsection (a) with respect to such purpose.

"(d) ALLOCATION REGARDING CANCER CONTROL.—Of the amounts appropriated for the National Cancer Institute for a fiscal year, the Director of the Institute is authorized to make available not less than 10 percent for carrying out the cancer control activities authorized in section 412 and for which budget estimates are made under section 413(b)(9) for the fiscal year.".

(b) CONFORMING AMENDMENTS.—

(1) IN GENERAL.—Section 408 of the Public Health Service Act (42 U.S.C. 284c) is amended—

(A) by striking subsection (a);

(B) by redesignating subsection (b) as subsection (a);

(C) by redesignating paragraph (5) of subsection (a) (as so redesignated) as subsection (b); and

(D) by amending the heading for the section to read as follows:

"CERTAIN USES OF FUNDS".

(2) CROSS-REFERENCE.—Section 464F of the Public Health Service Act (42 U.S.C. 285m-6) is amended by striking "section 408(b)(1)" and inserting "section 408(a)(1)".

TITLE V—NATIONAL HEART, LUNG, AND BLOOD INSTITUTE

SEC. 501. EDUCATION AND TRAINING.

Section 421(b) of the Public Health Service Act (42 U.S.C. 285b-3(b)) is amended—

(1) in paragraph (3), by striking "and" after the semicolon at the end;

(2) in paragraph (4), by striking the period at the end and inserting "; and"; and

(3) by inserting after paragraph (4) the following new paragraph:

"(5) shall, in consultation with the advisory council for the Institute, conduct appropriate intramural training and education programs, including continuing education and laboratory and clinical research training programs.".

SEC. 502. CENTERS FOR THE STUDY OF PEDIATRIC CARDIOVASCULAR DISEASES.

Section 422(a)(1) of the Public Health Service Act (42 U.S.C. 285b-4(a)(1)) is amended—

(1) in subparagraph (B), by striking "and" at the end;

(2) in subparagraph (C), by striking the period and inserting "; and"; and

(3) by adding at the end thereof the following new subparagraph:

"(D) three centers for basic and clinical research into, training in, and demonstration of, advanced diagnostic, prevention, and treatment (including genetic studies, intrauterine environment studies, postnatal studies, heart arrhythmias, and acquired heart disease and preventive cardiology) for cardiovascular diseases in children.".

SEC. 503. NATIONAL CENTER ON SLEEP DISORDERS RESEARCH.

Subpart 2 of part C of title IV of the Public Health Service Act (42 U.S.C. 285b et seq.) is amended by adding at the end the following new section:

"NATIONAL CENTER ON SLEEP DISORDERS RESEARCH

"SEC. 424. (a) Not later than 1 year after the date of the enactment of the National Institutes of Health Revitalization Act of 1993, the Director of the Institute shall establish the National Center on Sleep Disorders Research (in this section referred to as the 'Center'). The Center shall be headed by a director, who shall be appointed by the Director of the Institute.

"(b) The general purpose of the Center is—

"(1) the conduct and support of research, training, health information dissemination, and other activities with respect to sleep disorders, including biological and circadian rhythm research, basic understanding of sleep, chronobiological and other sleep related research; and

"(2) to coordinate the activities of the Center with similar activities of other Federal agencies, including the other agencies of the National Institutes of Health, and similar activities of other public entities and nonprofit entities.

"(c)(1) The Director of the National Institutes of Health shall establish a committee to be known as the Sleep Disorders Coordinating Committee (hereafter in this section referred to as the 'Coordinating Committee').

"(2) The Coordinating Committee shall be composed of the directors of the National Institutes of Health, the National Institute on Aging, the National Institute of Child Health and Human Development, the National Heart, Lung and Blood Institute, the National Institute of Neurological Disorders and Stroke, the National Institute of Mental Health, and of such other national research institutes as the Director of the National Institutes of Health determines to be appropriate, and shall include representation from other Federal departments and agencies whose programs involve sleep disorders.

"(3) The Director of the National Health, Lung, and Blood Institute shall serve as the chairperson of the Coordinating Committee.

"(4) The Coordinating Committee shall make recommendations to the Director of the National Institutes of Health and the Director of the Center with respect to the content of the plan required in subsection (e), with respect to the activities of the Center that are carried out in conjunction with other agencies of the National Institutes of Health, and with respect to the activities of the Center that are carried out in conjunction with other agencies of the Federal Government.

"(d)(1) The Director of the National Institutes of Health shall establish a board to be known as the Sleep Disorders Research Advisory Board (hereafter in this section referred to as the 'Advisory Board').

"(2) The Advisory Board shall advise, assist, consult with, and make recommendations to the Director of the National Institutes of Health, through the Director of the Institute, and the Director of the Center concerning matters relating to the scientific activities carried out by and through the Center and the policies respecting such activities, including recommendations with respect to the plan required in subsection (c).

"(3)(A) The Director of the National Institutes of Health shall appoint to the Advisory Board 12 appropriately qualified representatives of the public who are not officers or employees of the Federal Government. Of such members, eight shall be representatives of health and scientific disciplines with respect to sleep disorders and four shall be individuals representing the interests of individuals with or undergoing treatment for sleep disorders.

"(B) The following officials shall serve as ex officio members of the Advisory Board:

"(i) The Director of the National Institutes of Health.

"(ii) The Director of the Center.

"(iii) The Director of the National Heart, Lung and Blood Institute.

"(iv) The Director of the National Institute of Mental Health.

"(v) The Director of the National Institute on Aging.

"(vi) The Director of the National Institute of Child Health and Human Development.

"(vii) The Director of the National Institute of Neurological Disorders and Stroke.

"(viii) The Assistant Secretary for Health.

"(ix) The Assistant Secretary of Defense (Health Affairs).

"(x) The Chief Medical Director of the Veterans' Administration.

"(4) The members of the Advisory Board shall, from among the members of the Advisory Board, designate an individual to serve as the chairperson of the Advisory Board.

"(5) Except as inconsistent with, or inapplicable to, this section, the provisions of section 406 shall apply to the advisory board established under this section in the same manner as such provisions apply to any advisory council established under such section.

"(e)(1) After consultation with the Director of the Center, the advisory board established under subsection (d), and the coordinating committee established under subsection (c), the Director of the National Institutes of Health shall develop a comprehensive plan for the conduct and support of sleep disorders research.

"(2) The plan developed under paragraph (1) shall identify priorities with respect to

such research and shall provide for the coordination of such research conducted or supported by the agencies of the National Institutes of Health.

"(3) The Director of the National Institutes of Health (after consultation with the Director of the Center, the advisory board established under subsection (d), and the coordinating committee established under subsection (c)) shall revise the plan developed under paragraph (1) as appropriate.

"(f) The Director of the Center, in cooperation with the Centers for Disease Control, is authorized to coordinate activities with the Department of Transportation, the Department of Defense, the Department of Education, the Department of Labor, and the Department of Commerce to collect data, conduct studies, and disseminate public information concerning the impact of sleep disorders and sleep deprivation.".

SEC. 504. AUTHORIZATION OF APPROPRIATIONS.

Subpart 2 of part C of title IV of the Public Health Service Act, as amended by section 503 of this Act, is amended by adding at the end the following section:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 425. (a) For the purpose of carrying out this subpart, there are authorized to be appropriated $1,500,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.

"(b) Of the amounts appropriated under paragraph (1) for a fiscal year, the Director of the Institute is authorized to make available not less than 10 percent for carrying out community-based prevention and control activities that include clinical investigations, clinical trials, epidemiologic studies, and prevention demonstration and education projects.".

TITLE VI—NATIONAL INSTITUTE ON DIABETES AND DIGESTIVE AND KIDNEY DISEASES

SEC. 601. PROVISIONS REGARDING NUTRITIONAL DISORDERS.

Subpart 3 of part C of title IV of the Public Health Service Act (42 U.S.C. 285c et seq.) is amended by adding at the end the following new section:

"NUTRITIONAL DISORDERS PROGRAM

"SEC. 434. (a) The Director of the Institute shall establish a program of conducting and supporting research, training, health information dissemination, and other activities with respect to nutritional disorders, including obesity.

"(b) In carrying out the program established under subsection (a), the Director of the Institute shall conduct and support each of the activities described in such subsection. The Director of NIH shall ensure that, as appropriate, the other national research institutes and agencies of the National Institutes of Health have responsibilities regarding such activities.

"(c) In carrying out the program established under subsection (a), the Director of the Institute shall carry out activities to facilitate and enhance knowledge and understanding of nutritional disorders, including obesity, on the part of health professionals, patients, and the public through the effective dissemination of information.".

(b) DEVELOPMENT AND EXPANSION OF RESEARCH AND TRAINING CENTERS.—Section 431 of the Public Health Service Act (42 U.S.C. 285c-5) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection:

"(d)(1) The Director of the Institute shall, subject to the extent of amounts made available in appropriations Acts, provide for the development or substantial expansion of centers for research and training regarding nutritional disorders, including obesity.

"(2) The Director of the Institute shall carry out paragraph (1) in collaboration with the Director of the National Cancer Institute and with the Directors of such other agencies of the National Institutes of Health as the Director of NIH determines to be appropriate.

"(3) Each center developed or expanded under paragraph (1) shall—

"(A) utilize the facilities of a single institution, or be formed from a consortium of cooperating institutions, meeting such research and training qualifications as may be prescribed by the Director;

"(B) conduct basic and clinical research into the cause, diagnosis, early detection, prevention, control and treatment of nutritional disorders, including obesity and the impact of nutrition and diet on child development;

"(C) conduct training programs for physicians and allied health professionals in current methods of diagnosis and treatment of such diseases and complications, and in research in such disorders; and

"(D) conduct information programs for physicians and allied health professionals who provide primary care for patients with such disorders or complications.".

TITLE VII—NATIONAL INSTITUTE ON ARTHRITIS AND MUSCULOSKELETAL AND SKIN DISEASES

SEC. 701. JUVENILE ARTHRITIS.

(a) PURPOSE.—Section 435 of the Public Health Service Act (42 U.S.C. 285d) is amended by striking "and other programs" and all that follows and inserting the following: "and other programs with respect to arthritis and musculoskeletal and skin diseases (including sports-related disorders), with particular attention to the effect of these diseases on children.".

(b) PROGRAMS.—Section 436 (42 U.S.C. 285d-1) is amended—

(1) in subsection (a), by inserting after the second sentence, the following: "The plan shall place particular emphasis upon expanding research into better understanding the causes and the development of effective treatments for arthritis affecting children."; and

(2) in subsection (b)—

(A) by striking "and" at the end of paragraph (3);

(B) by striking the period at the end of paragraph (4) and inserting "; and"; and

(C) by adding at the end thereof the following new paragraph:

"(5) research into the causes of arthritis affecting children and the development, trial, and evaluation of techniques, drugs and devices used in the diagnosis, treatment (including medical rehabilitation), and prevention of arthritis in children.".

(c) CENTERS.—Section 441 of the Public Health Service Act (42 U.S.C. 286d-6) is amended by adding at the end thereof the following new subsection:

"(f) Not later than October 1, 1994, the Director shall establish a multipurpose arthritis and musculoskeletal disease center for the purpose of expanding the level of research into the cause, diagnosis, early detection, prevention, control, and treatment of, and rehabilitation of children with arthritis and musculoskeletal diseases.".

(d) ADVISORY BOARD.—

(1) TITLE.—Section 442(a) of the Public Health Service Act (42 U.S.C. 285d-7(a)) is amended by inserting after "Arthritis" the first place such term appears the following: "and Musculoskeletal and Skin Diseases".

(2) COMPOSITION.—Section 442(b) of the Public Health Service Act (42 U.S.C. 285d-7(b)) is amended—Section 442(b) of the Public Health Service Act (42 U.S.C. 285d-7(b)) is amended—

(A) in the matter preceding paragraph (1), by striking "eighteen" and inserting "twenty"; and

(B) in paragraph (1)(B)—

(i) by striking "six" and inserting "eight"; and

(ii) by striking "including" and all that follows and inserting the following: "including one member who is a person who has such a disease, one person who is the parent of an adult with such a disease, and two members who are parents of children with arthritis.".

(3) ANNUAL REPORT.—Section 442(j) of the Public Health Service Act (42 U.S.C. 285d-7(j)) is amended—

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

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

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

"(5) contains recommendations for expanding the Institute's funding of research directly applicable to the cause, diagnosis, early detection, prevention, control, and treatment of, and rehabilitation of children with arthritis and musculoskeletal diseases.".

TITLE VIII—NATIONAL INSTITUTE ON AGING

SEC. 801. ALZHEIMER'S DISEASE REGISTRY.

(a) IN GENERAL.—Section 12 of Public Law 99-158 (99 Stat. 885) is—

(1) transferred to subpart 5 of part C of title IV of the Public Health Service Act (42 U.S.C. 285e et seq.);

(2) redesignated as section 445G; and

(3) inserted after section 445F of such Act.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Section 445G of the Public Health Service Act, as transferred and inserted by subsection (a) of this section, is amended—

(1) by striking the section heading and all that follows through "may make a grant" in subsection (a) and inserting the following:

"ALZHEIMER'S DISEASE REGISTRY

"SEC. 445G. (a) IN GENERAL.—The Director of the Institute may make a grant"; and

(2) by striking subsection (c).

SEC. 802. AGING PROCESSES REGARDING WOMEN.

Subpart 5 of part C of title IV of the Public Health Service Act, as amended by section 801 of this Act, is amended by adding at the end the following new section:

"AGING PROCESSES REGARDING WOMEN

"SEC. 445H. The Director of the Institute, in addition to other special functions specified in section 444 and in cooperation with the Directors of the other national research institutes and agencies of the National Institutes of Health, shall conduct research into the aging processes of women, with particular emphasis given to the effects of menopause and the physiological and behavioral changes occurring during the transition from pre- to post-menopause, and into the diagnosis, disorders, and complications related to aging and loss of ovarian hormones in women.".

SEC. 803. AUTHORIZATION OF APPROPRIATIONS.

Subpart 5 of part C of title IV of the Public Health Service Act, as amended by section

802 of this Act, is amended by adding at the end the following new section:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 445I. For the purpose of carrying out this subpart, there are authorized to be appropriated $500,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.".

SEC. 804. CONFORMING AMENDMENT.

Section 445C of the Public Health Service Act (42 U.S.C. 285e-5(b)) is amended—

(1) in subsection (b)(1), in the first sentence, by inserting after "Council" the following: "on Alzheimer's Disease (hereafter in this section referred to as the 'Council')"; and

(2) by adding at the end the following new subsection:

"(d) For purposes of this section, the term 'Council on Alzheimer's Disease' means the council established in section 911(a) of Public Law 99-660.".

TITLE IX—NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

SEC. 901. TROPICAL DISEASES.

Section 446 of the Public Health Service Act (42 U.S.C. 285f) is amended by inserting before the period the following: ", including tropical diseases".

SEC. 902. CHRONIC FATIGUE SYNDROME.

(a) RESEARCH CENTERS.—Subpart 6 of part C of title IV of the Public Health Service Act (42 U.S.C. 285f) is amended by adding at the end the following new section:

"RESEARCH CENTERS REGARDING CHRONIC FATIGUE SYNDROME

"SEC. 447. (a) The Director of the Institute, after consultation with the advisory council for the Institute, may make grants to, or enter into contracts with, public or nonprofit private entities for the development and operation of centers to conduct basic and clinical research on chronic fatigue syndrome.

"(b) Each center assisted under this section shall use the facilities of a single institution, or be formed from a consortium of cooperating institutions, meeting such requirements as may be prescribed by the Director of the Institute.".

(b) EXTRAMURAL STUDY SECTION.—Not later than 6 months after the date of enactment of this Act, the Secretary of Health and Human Services shall establish an extramural study section for chronic fatigue syndrome research.

(c) REPRESENTATIVES.—The Secretary of Health and Human Services, acting through the Director of the National Institutes of Health, shall ensure that appropriate individuals with expertise in chronic fatigue syndrome or neuromuscular diseases and representative of a variety of disciplines and fields within the research community are appointed to appropriate National Institutes of Health advisory committees and boards.

TITLE X—NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

Subtitle A—Research Centers With Respect to Contraception and Research Centers With Respect to Infertility

SEC. 1001. GRANTS AND CONTRACTS FOR RESEARCH CENTERS.

Subpart 7 of part C of title IV of the Public Health Service Act, as amended by section 3 of Public Law 101-613, is amended by adding at the end the following new section:

"RESEARCH CENTERS WITH RESPECT TO CONTRACEPTION AND INFERTILITY

"SEC. 452A. (a) The Director of the Institute, after consultation with the advisory council for the Institute, shall make grants to, or enter into contracts with, public or nonprofit private entities for the development and operation of centers to conduct activities for the purpose of improving methods of contraception and centers to conduct activities for the purpose of improving methods of diagnosis and treatment of infertility.

"(b) In carrying out subsection (a), the Director of the Institute shall, subject to the extent of amounts made available in appropriations Acts, provide for the establishment of three centers with respect to contraception and for two centers with respect to infertility.

"(c)(1) Each center assisted under this section shall, in carrying out the purpose of the center involved—

"(A) conduct clinical and other applied research, including—

"(i) for centers with respect to contraception, clinical trials of new or improved drugs and devices for use by males and females (including barrier methods); and

"(ii) for centers with respect to infertility, clinical trials of new or improved drugs and devices for the diagnosis and treatment of infertility in males and females;

"(B) develop protocols for training physicians, scientists, nurses, and other health and allied health professionals;

"(C) conduct training programs for such individuals;

"(D) develop model continuing education programs for such professionals; and

"(E) disseminate information to such professionals and the public.

"(2) A center may use funds provided under subsection (a) to provide stipends for health and allied health professionals enrolled in programs described in subparagraph (C) of paragraph (1), and to provide fees to individuals serving as subjects in clinical trials conducted under such paragraph.

"(d) The Director of the Institute shall, as appropriate, provide for the coordination of information among the centers assisted under this section.

"(e) Each center assisted under subsection (a) shall use the facilities of a single institution, or be formed from a consortium of cooperating institutions, meeting such requirements as may be prescribed by the Director of the Institute.

"(f) Support of a center under subsection (a) may be for a period not exceeding 5 years. Such period may be extended for one or more additional periods not exceeding 5 years if the operations of such center have been reviewed by an appropriate technical and scientific peer review group established by the Director and if such group has recommended to the Director that such period should be extended.

"(g) For the purpose of carrying out this section, there are authorized to be appropriated $30,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.".

SEC. 1002. LOAN REPAYMENT PROGRAM FOR RESEARCH WITH RESPECT TO CONTRACEPTION AND INFERTILITY.

Part G of title IV of the Public Health Service Act, as redesignated by section 141(a)(2) of this Act, is amended by inserting after section 487A the following section:

"LOAN REPAYMENT PROGRAM FOR RESEARCH WITH RESPECT TO CONTRACEPTION AND INFERTILITY

"SEC. 487B. (a) The Secretary, in consultation with the Director of the National Institute of Child Health and Human Development, shall establish a program of entering into agreements with qualified health professionals (including graduate students) under which such health professionals agree to conduct research with respect to contraception, or with respect to infertility, in consideration of the Federal Government agreeing to repay, for each year of such service, not more than $20,000 of the principal and interest of the educational loans of such health professionals.

"(b) The provisions of sections 338B, 338C, and 338E shall apply to the program established in subsection (a) to the same extent and in the same manner as such provisions apply to the National Health Service Corps Loan Repayment Program established in subpart III of part D of title III.

"(c) Amounts appropriated for carrying out this section shall remain available until the expiration of the second fiscal year beginning after the fiscal year for which the amounts were appropriated.".

Subtitle B—Program Regarding Obstetrics and Gynecology

SEC. 1011. ESTABLISHMENT OF PROGRAM.

Subpart 7 of part C of title IV of the Public Health Service Act, as amended by section 1001 of this Act, is amended by adding at the end the following new section:

"PROGRAM REGARDING OBSTETRICS AND GYNECOLOGY

"SEC. 452B. The Director of the Institute shall establish and maintain within the Institute an intramural laboratory and clinical research program in obstetrics and gynecology.".

Subtitle C—Child Health Research Centers

SEC. 1021. ESTABLISHMENT OF CENTERS.

Subpart 7 of part C of title IV of the Public Health Service Act, as amended by section 1011 of this Act, is amended by adding at the end the following new section:

"CHILD HEALTH RESEARCH CENTERS

"SEC. 452C. The Director of the Institute shall develop and support centers for conducting research with respect to child health. Such centers shall give priority to the expeditious transfer of advances from basic science to clinical applications and improving the care of infants and children.".

Subtitle D—Study Regarding Adolescent Health

SEC. 1031. PROSPECTIVE LONGITUDINAL STUDY.

Subpart 7 of part C of title IV of the Public Health Service Act, as amended by section 1021 of this Act, is amended by adding at the end the following new section:

"PROSPECTIVE LONGITUDINAL STUDY ON ADOLESCENT HEALTH

"SEC. 452D. (a) IN GENERAL.—Not later than November 1, 1993, the Director of the Institute shall initiate a 3-year study for the purpose of providing information on the general health and well-being of adolescents in the United States, including, with respect to such adolescents, information on—

"(1) the behaviors that promote health and the behaviors that are detrimental to health; and

"(2) the influence on health of factors particular to the communities in which the adolescents reside.

"(b) DESIGN OF STUDY.—

"(1) IN GENERAL.—The study required in subsection (a) shall be a longitudinal study in which a substantial number of adolescents participate as subjects. With respect to the purpose described in such subsection, the study shall monitor the subjects throughout the period of the study to determine the health status of the subjects and any change in such status over time.

"(2) POPULATION-SPECIFIC ANALYSES.—The study required in subsection (a) shall be conducted with respect to the population of adolescents who are female, the population of adolescents who are male, various socioeconomic populations of adolescents, and various racial and ethnic populations of adolescents. The study shall be designed and conducted in a manner sufficient to provide for a valid analysis of whether there are significant differences among such populations in health status and whether and to what extent any such differences are due to factors particular to the populations involved.

"(c) COORDINATION WITH WOMEN'S HEALTH INITIATIVE.—With respect to the national study of women being conducted by the Secretary and known as the Women's Health Initiative, the Secretary shall ensure that such study is coordinated with the component of the study required in subsection (a) that concerns adolescent females, including coordination in the design of the 2 studies.".

TITLE XI—NATIONAL EYE INSTITUTE

SEC. 1101. CLINICAL AND HEALTH SERVICES RESEARCH ON EYE CARE AND DIABETES.

(a) IN GENERAL.—Subpart 9 of part C of title IV of the Public Health Service Act (42 U.S.C. 285i) is amended by adding at the end the following new section:

"CLINICAL RESEARCH ON EYE CARE AND DIABETES

"SEC. 456. (a) PROGRAM OF GRANTS.—The Director of the Institute, in consultation with the advisory council for the Institute, may award research grants to one or more Diabetes Eye Research Institutions for the support of programs in clinical or health services aimed at—

"(1) providing comprehensive eye care services for people with diabetes, including a full complement of preventive, diagnostic and treatment procedures;

"(2) developing new and improved techniques of patient care through basic and clinical research;

"(3) assisting in translation of the latest research advances into clinical practice; and

"(4) expanding the knowledge of the eye and diabetes through further research.

"(b) USE OF FUNDS.—Amounts received under a grant awarded under this section shall be used for the following:

"(1) Establishing the biochemical, cellular, and genetic mechanisms associated with diabetic eye disease and the earlier detection of pending eye abnormalities. The focus of work under this paragraph shall require that ophthalmologists have training in the most up-to-date molecular and cell biological methods.

"(2) Establishing new frontiers in technology, such as video-based diagnostic and research resources, to—

"(A) provide improved patient care;

"(B) provide for the evaluation of retinal physiology and its affect on diabetes; and

"(C) provide for the assessment of risks for the development and progression of diabetic eye disease and a more immediate evaluation of various therapies aimed at preventing diabetic eye disease.

Such technologies shall be designed to permit evaluations to be performed both in humans and in animal models.

"(3) The translation of the results of vision research into the improved care of patients with diabetic eye disease. Such translation shall require the application of institutional resources that encompass patient care, clinical research and basic laboratory research.

"(4) The conduct of research concerning the outcomes of eye care treatments and eye health education programs as they relate to patients with diabetic eye disease, including the evaluation of regional approaches to such research.

"(c) AUTHORIZED EXPENDITURES.—The purposes for which a grant under subsection (a) may be expended include equipment for the research described in such subsection and the construction and modernization of facilities for such research.".

(b) CONFORMING AMENDMENT.—Section 455 of the Public Health Service Act (42 U.S.C. 285i) is amended in the second sentence by striking "The Director" and inserting "Subject to section 456, the Director".

TITLE XII—NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE

SEC. 1201. RESEARCH ON MULTIPLE SCLEROSIS.

Subpart 10 of part C of title IV of the Public Health Service Act (42 U.S.C. 285j et seq.) is amended by adding at the end the following new section:

"RESEARCH ON MULTIPLE SCLEROSIS

"SEC. 460. The Director of the Institute shall conduct and support research on multiple sclerosis, especially research on effects of genetics and hormonal changes on the progress of the disease.".

TITLE XIII—NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

SEC. 1301. APPLIED TOXICOLOGICAL RESEARCH AND TESTING PROGRAM.

(a) IN GENERAL.—Subpart 12 of part C of title IV of the Public Health Service Act (42 U.S.C. 285l) is amended by adding at the end the following new section:

"APPLIED TOXICOLOGICAL RESEARCH AND TESTING PROGRAM

"SEC. 463A. (a) There is established within the Institute a program for conducting applied research and testing regarding toxicology, which program shall be known as the Applied Toxicological Research and Testing Program.

"(b) In carrying out the program established under subsection (a), the Director of the Institute shall, with respect to toxicology, carry out activities—

"(1) to expand knowledge of the health effects of environmental agents;

"(2) to broaden the spectrum of toxicology information that is obtained on selected chemicals;

"(3) to develop and validate assays and protocols, including alternative methods that can reduce or eliminate the use of animals in acute or chronic safety testing;

"(4) to establish criteria for the validation and regulatory acceptance of alternative testing and to recommend a process through which scientifically validated alternative methods can be accepted for regulatory use;

"(5) to communicate the results of research to government agencies, to medical, scientific, and regulatory communities, and to the public; and

"(6) to integrate related activities of the Department of Health and Human Services.".

(b) TECHNICAL AMENDMENT.—Section 463 of the Public Health Service Act (42 U.S.C. 285l) is amended by inserting after "Sciences" the following: "(hereafter in this subpart referred to as the 'Institute')".

TITLE XIV—NATIONAL LIBRARY OF MEDICINE

Subtitle A—General Provisions

SEC. 1401. ADDITIONAL AUTHORITIES.

(a) IN GENERAL.—Section 465(b) of the Public Health Service Act (42 U.S.C. 286(b)) is amended—

(1) by striking "and" after the semicolon at the end of paragraph (5);

(2) by redesignating paragraph (6) as paragraph (8); and

(3) by inserting after paragraph (5) the following new paragraphs:

"(6) publicize the availability from the Library of the products and services described in any of paragraphs (1) through (5);

"(7) promote the use of computers and telecommunications by health professionals (including health professionals in rural areas) for the purpose of improving access to biomedical information for health care delivery and medical research; and".

(b) LIMITATION REGARDING GRANTS.—Section 474(b)(2) of the Public Health Service Act (42 U.S.C. 286b-S(b)(2)) is amended by striking "$750,000" and inserting "$1,000,000".

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) REPEAL OF CERTAIN AUTHORITY.—Section 215 of the Department of Health and Human Services Appropriations Act, 1988, as contained in section 101(h) of Public Law 100-202 (101 Stat. 1329-275), is repealed.

(2) APPLICABILITY OF CERTAIN NEW AUTHORITY.—With respect to the authority established for the National Library of Medicine in section 465(b)(6) of the Public Health Service Act, as added by subsection (a) of this section, such authority shall be effective as if the authority had been established on December 22, 1987.

SEC. 1402. AUTHORIZATION OF APPROPRIATIONS.

(a) ESTABLISHMENT OF SINGLE AUTHORIZATION.—Subpart 1 of part D of title IV of the Public Health Service Act (42 U.S.C. 286 et seq.) is amended by adding at the end the following section:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 468. (a) For the purpose of carrying out this part, there are authorized to be appropriated $150,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.

"(b) Amounts appropriated under subsection (a) and made available for grants or contracts under any of sections 472 through 476 shall remain available until the end of the fiscal year following the fiscal year for which the amounts were appropriated.".

(b) CONFORMING AMENDMENTS.—Part D of title IV of the Public Health Service Act (42 U.S.C. 286 et seq.) is amended by striking section 469 and section 478(c).

Subtitle B—Financial Assistance

SEC. 1411. ESTABLISHMENT OF PROGRAM OF GRANTS FOR DEVELOPMENT OF EDUCATION TECHNOLOGIES.

Section 473 of the Public Health Service Act (42 U.S.C. 286b-4) is amended by adding at the end the following new subsection:

"(c)(1) The Secretary shall make grants to public or nonprofit private institutions for the purpose of carrying out projects of research on, and development and demonstration of, new education technologies.

"(2) The purposes for which a grant under paragraph (1) may be made include projects concerning—

"(A) computer-assisted teaching and testing of clinical competence at health professions and research institutions;

"(B) the effective transfer of new information from research laboratories to appropriate clinical applications;

"(C) the expansion of the laboratory and clinical uses of computer-stored research databases; and

"(D) the testing of new technologies for training health care professionals.

"(3) The Secretary may not make a grant under paragraph (1) unless the applicant for

the grant agrees to make the projects available with respect to—

"(A) assisting in the training of health professions students; and

"(B) enhancing and improving the capabilities of health professionals regarding research and teaching.".

Subtitle C—National Information Center on Health Services Research and Health Care Technology

SEC. 1421. ESTABLISHMENT OF CENTER.

Part D of title IV of the Public Health Service Act (42 U.S.C. 286 et seq.) is amended by adding at the end the following new subpart:

"Subpart 4—National Information Center on Health Services Research and Health Care Technology

"NATIONAL INFORMATION CENTER

"SEC. 478A. (a) There is established within the Library an entity to be known as the National Information Center on Health Services Research and Health Care Technology (in this section referred to as the 'Center').

"(b) The purpose of the Center is the collection, storage, analysis, retrieval, and dissemination of information on health services research, clinical practice guidelines, and on health care technology, including the assessment of such technology. Such purpose includes developing and maintaining data bases and developing and implementing methods of carrying out such purpose.

"(c) The Director of the Center shall ensure that information under subsection (b) concerning clinical practice guidelines is collected and maintained electronically and in a convenient format. Such Director shall develop and publish criteria for the inclusion of practice guidelines and technology assessments in the information center database.

"(d) The Secretary, acting through the Center, shall coordinate the activities carried out under this section through the Center with related activities of the Administrator for Health Care Policy and Research.".

SEC. 1422. CONFORMING PROVISIONS.

(a) IN GENERAL.—Section 903 of the Public Health Service Act, as amended by section 3 of Public Law 102-410 (106 Stat. 2094), is amended to read as follows:

"(e) REQUIRED INTERAGENCY AGREEMENT.—The Administrator and the Director of the National Library of Medicine shall enter into an agreement providing for the implementation of section 478A.".

(b) RULE OF CONSTRUCTION.—The amendments made by section 3 of Public Law 102-410 (106 Stat. 2094), by section 1421 of this Act, and by subsection (a) of this section may not be construed as terminating the information center on health care technologies and health care technology assessment established under section 904 of the Public Health Service Act, as in effect on the day before the date of the enactment of Public Law 102-410. Such center shall be considered to be the center established in section 478A of the Public Health Service Act, as added by section 1421 of this Act, and shall be subject to the provisions of such section 478A.

TITLE XV—OTHER AGENCIES OF NATIONAL INSTITUTES OF HEALTH

Subtitle A—Division of Research Resources

SEC. 1501. REDESIGNATION OF DIVISION AS NATIONAL CENTER FOR RESEARCH RESOURCES.

Title IV of the Public Health Service Act (42 U.S.C. 281 et seq.) is amended—

(1) in section 401(b)(2)(B), by amending such subparagraph to read as follows:

"(B) The National Center for Research Resources."; and

(2) in part E—

(A) in the heading for subpart 1, by striking "Division of" and inserting "National Center for";

(B) in section 479, by striking "the Division of Research Resources" and inserting the following: "the National Center for Research Resources (hereafter in this subpart referred to as the 'Center')";

(C) in sections 480 and 481, by striking "the Division of Research Resources" each place such term appears and inserting "the Center"; and

(D) in sections 480 and 481, as amended by subparagraph (C), by striking "the Division" each place such term appears and inserting "the Center".

SEC. 1502. BIOMEDICAL AND BEHAVIORAL RESEARCH FACILITIES.

Subpart 1 of part E of title IV of the Public Health Service Act (42 U.S.C. 287 et seq.) is amended by adding at the end the following new section:

"BIOMEDICAL AND BEHAVIORAL RESEARCH FACILITIES

"SEC. 481A. (a) MODERNIZATION AND CONSTRUCTION OF FACILITIES.—

"(1) IN GENERAL.—The Director of NIH, acting through the Director of the Center, may make grants to public and nonprofit private entities to expand, remodel, renovate, or alter existing research facilities or construct new research facilities, subject to the provisions of this section.

"(2) CONSTRUCTION AND COST OF CONSTRUCTION.—For purposes of this section, the terms 'construction' and 'cost of construction' include the construction of new buildings and the expansion, renovation, remodeling, and alteration of existing buildings, including architects' fees, but do not include the cost of acquisition of land or off-site improvements.

"(b) SCIENTIFIC AND TECHNICAL REVIEW BOARDS FOR MERIT-BASED REVIEW OF PROPOSALS.—

"(1) IN GENERAL; APPROVAL AS PRECONDITION TO GRANTS.—

"(A) There is established within the Center a Scientific and Technical Review Board on Biomedical and Behavioral Research Facilities (hereafter referred to in this section as the 'Board').

"(B) The Director of the Center may approve an application for a grant under subsection (a) only if—

"(i) the Board has under paragraph (2) recommended the application for approval; or

"(ii) the Director makes a written determination (setting forth in detail the Director's reasons for rejecting the recommendations of the Board) to approve a grant despite the adverse recommendation of the Board.

"(2) DUTIES.—

"(A) The Board shall provide advice to the Director of the Center and the advisory council established under section 480 (hereafter in this section referred to as the 'Advisory Council') on carrying out this section.

"(B) In carrying out subparagraph (A), the Board shall make a determination of the merit of each application submitted for a grant under subsection (a), after consideration of the requirements established in subsection (c), and shall report the results of the determination to the Director of the Center and the Advisory Council. Such determinations shall be conducted in a manner consistent with procedures established under section 492.

"(C) In carrying out subparagraph (A), the Board shall, in the case of applications recommended for approval, make recommendations to the Director and the Advisory Council on the amount that should be provided in the grant.

"(D) In carrying out subparagraph (A), the Board shall prepare an annual report for the Director of the Center and the Advisory Council describing the activities of the Board in the fiscal year for which the report is made. Each such report shall be available to the public, and shall—

"(i) summarize and analyze expenditures made under this section;

"(ii) provide a summary of the types, numbers, and amounts of applications that were recommended for grants under subsection (a) but that were not approved by the Director of the Center; and

"(iii) contain the recommendations of the Board for any changes in the administration of this section.

"(3) MEMBERSHIP.—

"(A) Subject to subparagraph (B), the Board shall be composed of not more than 9 members appointed by the Secretary, acting through the Director of the National Institutes of Health, and ex officio members as the Director of the Center may determine.

"(B) Not more than 2 individuals who are officers or employees of the Federal Government may serve as members of the Board.

"(4) CERTAIN REQUIREMENTS REGARDING MEMBERSHIP.—In selecting individuals for membership on the Board, the Secretary shall ensure that the members are individuals who, by the virtue of their training or experience, are eminently qualified to perform peer review functions. In selecting such individuals for such membership, the Secretary shall ensure that the members of the Board collectively—

"(A) are experienced in the planning, construction, financing, and administration of entities that conduct biomedical or behavioral research sciences;

"(B) are knowledgeable in making determinations of the need of entities for biomedical or behavioral research facilities, including such facilities for the dentistry, nursing, pharmacy, and allied health professions;

"(C) are knowledgeable in evaluating the relative priorities for applications for grants under subsection (a) in view of the overall research needs of the United States; and

"(D) are experienced with emerging centers of excellence, as described in subsection (c)(3).

"(5) CERTAIN AUTHORITIES.—

"(A) In carrying out paragraph (2), the Board may establish subcommittees, convene workshops and conferences, and collect data as the Board considers appropriate.

"(B) In carrying out paragraph (2), the Board may establish subcommittees within the Board. Such subcommittees may hold meetings as determined necessary to enable the subcommittee to carry out its duties.

"(6) TERMS.—

"(A) Except as provided in subparagraph (B), each appointed member of the Board shall hold office for a term of 4 years. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which such member's predecessor was appointed shall be appointed for the remainder of the term of the predecessor.

"(B) Of the initial members appointed to the Board (as specified by the Secretary when making the appointments)—

"(i) 3 shall hold office for a term of 3 years;

"(ii) 3 shall hold office for a term of 2 years; and

"(iii) 3 shall hold office for a term of 1 year.

"(C) No member is eligible for reappointment to the Board until 1 year has elapsed after the end of the most recent term of the member.

"(7) COMPENSATION.—Members of board who are not officers or employees of the United States shall receive compensation for each day engaged in carrying out the duties of the board, including time engaged in traveling for purposes of such duties. Such compensation may not be provided in an amount in excess of the maximum rate of basic pay payable for GS-18 of the General Schedule.

"(c) REQUIREMENTS FOR GRANTS.—

"(1) IN GENERAL.—The Director of the Center may make a grant under subsection (a) only if the applicant for the grant meets the following conditions:

"(A) The applicant is determined by such Director to be competent to engage in the type of research for which the proposed facility is to be constructed.

"(B) The applicant provides assurances satisfactory to the Director that—

"(i) for not less than 20 years after completion of the construction, the facility will be used for the purposes of research for which it is to be constructed;

"(ii) sufficient funds will be available to meet the non-Federal share of the cost of constructing the facility;

"(iii) sufficient funds will be available, when construction is completed, for the effective use of the facility for the research for which it is being constructed; and

"(iv) the proposed construction will expand the applicant's capacity for research, or is necessary to improve or maintain the quality of the applicant's research.

"(C) The applicant meets reasonable qualifications established by the Director with respect to—

"(i) the relative scientific and technical merit of the applications, and the relative effectiveness of the proposed facilities, in expanding the capacity for biomedical or behavioral research and in improving the quality of such research;

"(ii) the quality of the research or training, or both, to be carried out in the facilities involved;

"(iii) the need of the applicant for such facilities in order to maintain or expand the applicant's research and training mission;

"(iv) the congruence of the research activities to be carried out within the facility with the research and investigator manpower needs of the United States; and

"(v) the age and condition of existing research facilities and equipment.

"(D) The applicant has demonstrated a commitment to enhancing and expanding the research productivity of the applicant.

"(2) CONSIDERATION OF CERTAIN FACTORS.—In making grants under subsection (a), the Director of the Center may, in addition to the requirements established in paragraph (1), consider the following factors:

"(A) To what extent the applicant has the capacity to broaden the scope of research and research training programs of the applicant by promoting—

"(i) interdisciplinary research;

"(ii) research on emerging technologies, including those involving novel analytical techniques or computational methods; or

"(iii) other novel research mechanisms or programs.

"(B) To what extent the applicant has broadened the scope of research and research training programs of qualified institutions by promoting genomic research with an emphasis on interdisciplinary research, including research related to pediatric investigations.

"(3) INSTITUTIONS OF EMERGING EXCELLENCE.—Of the amounts appropriated under subsection (i) for a fiscal year, the Director of the Center shall make available 25 percent for grants under subsection (a) to applicants that, in addition to meeting the requirements established in paragraph (1), have demonstrated emerging excellence in biomedical or behavioral research, as follows:

"(A) The applicant has a plan for research or training advancement and possesses the ability to carry out the plan.

"(B) The applicant carries out research and research training programs that have a special relevance to a problem, concern, or unmet health need of the United States.

"(C) The applicant has been productive in research or research development and training.

"(D) The applicant—

"(i) has been designated as a center of excellence under section 739;

"(ii) is located in a geographic area a significant percentage of whose population has a health-status deficit, and the applicant provides health services to such population; or

"(iii) is located in a geographic area in which a deficit in health care technology, services, or research resources may adversely affect health status of the population of the area in the future, and the applicant is carrying out activities with respect to protecting the health status of such population.

"(d) REQUIREMENT OF APPLICATION.—The Director of the Center may make a grant under subsection (a) only if an application for the grant is submitted to the Director and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Director determines to be necessary to carry out this section.

"(e) AMOUNT OF GRANT; PAYMENTS.—

"(1) AMOUNT.—The amount of any grant awarded under subsection (a) shall be determined by the Director of the Center, except that such amount shall not exceed—

"(A) 50 percent of the necessary cost of the construction of a proposed facility as determined by the Director; or

"(B) in the case of a multipurpose facility, 40 percent of that part of the necessary cost of construction that the Director determines to be proportionate to the contemplated use of the facility.

"(2) RESERVATION OF AMOUNTS.—On approval of any application for a grant under subsection (a), the Director of the Center shall reserve, from any appropriation available therefore, the amount of such grant, and shall pay such amount, in advance or by way of reimbursement, and in such installments consistent with the construction progress, as the Director may determine appropriate. The reservation of the Director of any amount by the Director under this paragraph may be amended by the Director, either on the approval of an amendment of the application or on the revision of the estimated cost of construction of the facility.

"(3) EXCLUSION OF CERTAIN COSTS.—In determining the amount of any grant under this subsection (a), there shall be excluded from the cost of construction an amount equal to the sum of—

"(A) the amount of any other Federal grant that the applicant has obtained, or is assured of obtaining, with respect to construction that is to be financed in part by a grant authorized under this section; and

"(B) the amount of any non-Federal funds required to be expended as a condition of such other Federal grant.

"(4) WAIVER OF LIMITATIONS.—The limitations imposed by paragraph (1) may be waived at the discretion of the Director for applicants meeting the conditions described in paragraphs (1) and (2) of subsection (c).

"(f) RECAPTURE OF PAYMENTS.—If, not later than 20 years after the completion of construction for which a grant has been awarded under subsection (a)—

"(1) the applicant or other owner of the facility shall cease to be a public or nonprofit private entity; or

"(2) the facility shall cease to be used for the research purposes for which it was constructed (unless the Director determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from obligation to do so);

the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the current value (as determined by an agreement between the parties or by action brought in the United States District Court for the district in which such facility is situated) of the facility as the amount of the Federal participation bore to the cost of the construction of such facility.

"(g) NONINTERFERENCE WITH ADMINISTRATION OF ENTITIES.—Except as otherwise specifically provided in this section, nothing contained in this part shall be construed as authorizing any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over, or impose any requirement or condition with respect to the administration of any entity funded under this part.

"(h) GUIDELINES.—Not later than 6 months after the date of the enactment of this section, the Director of the Center, after consultation with the Advisory Council, shall issue guidelines with respect to grants under subsection (a).

"(i) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section and section 481B, there are authorized to be appropriated $150,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.".

SEC. 1503. CONSTRUCTION PROGRAM FOR NATIONAL PRIMATE RESEARCH CENTER.

Subpart 1 of part E of title IV of the Public Health Service Act, as amended by section 1502 of this Act, is amended by adding at the end the following new section:

"CONSTRUCTION OF REGIONAL CENTERS FOR RESEARCH ON PRIMATES

"SEC. 481B. (a) The Director of the National Institutes of Health, acting through the Director of the National Center for Research Resources, may award grants and contracts to public or nonprofit private entities to construct, renovate, or otherwise improve such regional centers.

"(b) The Director of NIH may not make a grant or enter into a contract under subsection (a) unless the applicant for such assistance agrees, with respect to the costs to be incurred by the applicant in carrying out the purpose described in such subsection, to make available (directly or through donations from public or private entities) non-Federal contributions in cash toward such costs in an amount equal to not less than $1 for each $4 of Federal funds provided in such assistance.

"(c) The Secretary may reserve not more than $7,000,000 of the amounts appropriated under section 481A(i) for each fiscal year to carry out this section.".

Subtitle B—National Center for Nursing Research

SEC. 1511. REDESIGNATION OF NATIONAL CENTER FOR NURSING RESEARCH AS NATIONAL INSTITUTE OF NURSING RESEARCH.

(a) IN GENERAL.—Subpart 3 of part E of title IV of the Public Health Service Act (42 U.S.C. 287c et seq.) is amended—

(1) in section 483—

(A) in the heading for the section, by striking "CENTER" and inserting "INSTITUTE"; and

(B) by striking "The general purpose" and all that follows through "is" and inserting the following: "The general purpose of the National Institute of Nursing Research (hereafter in this subpart referred to as the 'Institute') is";

(2) in section 484, by striking "Center" each place such term appears and inserting "Institute";

(3) in section 485—

(A) in subsection (a), in each of paragraphs (1) through (3), by striking "Center" each place such term appears and inserting "Institute";

(B) in subsection (b)—

(i) in paragraph (2)(A), by striking "Center" and inserting "Institute"; and

(ii) in paragraph (3)(A), in the first sentence, by striking "Center" and inserting "Institute"; and

(C) in subsections (d) through (g), by striking "Center" each place such term appears and inserting "Institute"; and

(4) in section 485A (as redesignated by section 141(a)(1) of this Act), by striking "Center" each place such term appears and inserting "Institute".

(b) CONFORMING AMENDMENTS.—

(1) ORGANIZATION OF NATIONAL INSTITUTE OF HEALTH.—Section 401(b) of the Public Health Service Act (42 U.S.C. 281(b)) is amended—

(A) in paragraph (1), by adding at the end the following new subparagraph:

"(Q) The National Institute of Nursing Research."; and

(B) in paragraph (2), by striking subparagraph (D).

(2) TRANSFER OF STATUTORY PROVISIONS.—Sections 483 through 485A of the Public Health Service Act, as amended by subsection (a) of this section—

(A) are transferred to part C of title IV of such Act;

(B) are redesignated as sections 464V through 464Y of such part; and

(C) are inserted, in the appropriate sequence, at the end of such part.

(3) HEADING FOR NEW SUBPART.—Title IV of the Public Health Service Act, as amended by the preceding provisions of this section, is amended—

(A) in part C, by inserting before section 464V the following new heading:

"Subpart 17—National Institute of Nursing Research"; and

(B) by striking the heading for subpart 3 of part E.

(4) CROSS-REFERENCES.—Title IV of the Public Health Service Act, as amended by the preceding provisions of this section, is amended in subpart 17 of part C—

(A) in section 464W, by striking "section 483" and inserting "section 464V";

(B) in section 464X(g), by striking "section 486" and inserting "section 464Y"; and

(C) in section 464Y, in the last sentence, by striking "section 485(g)" and inserting "section 464X(g)".

SEC. 1512. STUDY ON ADEQUACY OF NUMBER OF NURSES.

(a) IN GENERAL.—The Secretary of Health and Human Services, acting through the Director of the National Institute of Nursing Research and in collaboration with the Division of Nursing of the Health Resources and Services Administration, shall enter into a contract with a public or nonprofit private entity to conduct a study for the purpose of determining whether and to what extent there is a need for an increase in the number of nurses in hospitals and nursing homes in order to promote the quality of patient care and reduce the incidence among nurses of work-related injuries and stress.

(b) NATIONAL ACADEMY OF SCIENCES.—The Secretary shall request the National Academy of Sciences to enter into the contract under subsection (a) to conduct the study described in such subsection. If such Institute declines to conduct the study, the Secretary shall carry out such subsection through another public or nonprofit private entity.

(c) DEFINITIONS.—For purposes of this section:

(1) The term "nurse" means a registered nurse, a licensed practical nurse, a licensed vocational nurse, and a nurse assistant.

(2) The term "Secretary" means the Secretary of Health and Human Services.

(d) REPORTS.—The Secretary shall ensure that, not later than 18 months after the date of enactment of this Act, an interim report describing the preliminary findings of the study conducted under this section will be issued, and not later than 3 years after such date of enactment, a final report shall be issued. Such reports shall be submitted to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate.

Subtitle C—National Center for Human Genome Research

SEC. 1521. PURPOSE OF CENTER.

Title IV of the Public Health Service Act, as amended by sections 141(a)(1) and 1611(b)(1)(B) of this Act, is amended—

(1) in section 401(b)(2), by adding at the end the following new subparagraph:

"(D) The National Center for Human Genome Research."; and

(2) in part E, by adding at the end the following new subpart:

"Subpart 4—National Center for Human Genome Research

"PURPOSE OF THE CENTER

"SEC. 485B. (a) The general purpose of the National Center for Human Genome Research (hereafter in this subpart referred to as the 'Center') is to characterize the structure and function of the human genome, including the mapping and sequencing of individual genes. Such purpose includes—

"(1) planning and coordinating the research goal of the genome project;

"(2) reviewing and funding research proposals;

"(3) developing training programs;

"(4) coordinating international genome research;

"(5) communicating advances in genome science to the public; and

"(6) reviewing and funding proposals to address the ethical and legal issues associated with the genome project.

"(b)(1) Except as provided in paragraph (2), of the amounts appropriated to carry out subsection (a) for a fiscal year, the Director of the Center is authorized to make available not less than 5 percent for carrying out paragraph (6) of such subsection.

"(2) With respect to providing funds under subsection (a)(6) for proposals to address the ethical and legal issues, including the issuing of patents, associated with the genome project, paragraph (1) shall not apply for a fiscal year if the Director of the Center certifies to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, that the Director has determined that an insufficient number of such proposals meet the applicable requirements of sections 491 and 492.

"(3) In carrying out the provisions of paragraph (1), the Director of the Center shall consider proposals from qualified public and nonprofit academic or research facilities.".

TITLE XVI—AWARDS AND TRAINING

Subtitle A—National Research Service Awards

SEC. 1601. REQUIREMENT REGARDING WOMEN AND INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS.

Section 487(a) of the Public Health Service Act (42 U.S.C. 288(a)(4)) is amended by adding at the end the following paragraph:

"(4) The Secretary shall carry out paragraph (1) in a manner that will result in the recruitment of women, and members from underrepresented minority groups, into fields of biomedical or behavioral research and in the provision of research training to women and such individuals.".

SEC. 1602. SERVICE PAYBACK REQUIREMENTS.

Paragraph (2) of section 487(c) of the Public Health Service Act (42 U.S.C. 288(c)(2)) is amended to read as follows:

"(2)(A) For the initial year for which an individual receives a National Research Service Award for the conduct of postdoctoral training or research, such individual shall engage in one year of health research or teaching or any combination thereof which is in accordance with the usual patterns of academic employment, or complete a second year of training or research under such Award.

"(B) Service obligations for National Research Service Awards that are less than 12 months may be satisfied—

"(i) by the conduct of health research or teaching or any combination thereof which is in accordance with the usual patterns of academic employment for a period of time equal to the amount of time under the Award; or

"(ii) by reimbursing the Federal Government for the amounts provided to such individual under the Award.".

Subtitle B—Acquired Immune Deficiency Syndrome

SEC. 1611. LOAN REPAYMENT PROGRAM.

Section 487A of the Public Health Service Act (42 U.S.C. 288-1) is amended to read as follows:

"LOAN REPAYMENT PROGRAM FOR RESEARCH WITH RESPECT TO ACQUIRED IMMUNE DEFICIENCY SYNDROME

"SEC. 487A. (a) IN GENERAL.—

"(1) AUTHORITY FOR PROGRAM.—Subject to paragraph (2), the Secretary shall carry out a program of entering into agreements with appropriately qualified health professionals under which such health professionals agree to conduct, as employees of the National Institutes of Health, research with respect to acquired immune deficiency syndrome in consideration of the Federal Government agreeing to repay, for each year of such service, not more than $20,000 of the principal and interest of the educational loans of such health professionals.

"(2) LIMITATION.—The Secretary may not enter into an agreement with a health professional pursuant to paragraph (1) unless such professional—

"(A) has a substantial amount of educational loans relative to income; and

"(B)(i) was not employed at the National Institutes of Health during the 1-year period preceding the date of the enactment of the Health Professions Reauthorization Act of 1988; or

"(ii) agrees to serve as an employee of such Institutes for purposes of paragraph (1) for a period of not less than 3 years.".

"(b) APPLICABILITY OF CERTAIN PROVISIONS.—With respect to the National Health Service Corps Loan Repayment Program established in subpart III of part D of title III, the provisions of such subpart shall, except as inconsistent with subsection (a) of this section, apply to the program established in such subsection (a) in the same manner and to the same extent as such provisions apply to the National Health Service Corps Loan Repayment Program established in such subpart.

"(c) FUNDING; REIMBURSABLE TRANSFERS.—

"(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1994 through 1996.

"(2) TRANSFERS FOR RELATED PROGRAM.—The Commissioner of Food and Drugs may carry out for the Food and Drug Administration a program similar to the program established in subsection (a), which program shall be carried out with respect to the review of applications concerning acquired immune deficiency syndrome that are submitted to such Commissioner. From the amounts appropriated under paragraph (1) for a fiscal year, the Secretary may transfer amounts to the Commissioner for the purpose of carrying out such program. The Commissioner shall provide a reimbursement to the Secretary for the amount so transferred, and the reimbursement shall be available only for the program established in subsection (a). Any transfer and reimbursement made for purposes of this paragraph for a fiscal year shall be completed by April 1 of such year.".

Subtitle C—Loan Repayment for Research Generally

SEC. 1621. ESTABLISHMENT OF PROGRAM.

Part G of title IV of the Public Health Service Act, as redesignated by section 141(a)(2) of this Act and as amended by section 1002 of this Act, is amended by inserting after section 487B the following new section:

"LOAN REPAYMENT PROGRAM FOR RESEARCH GENERALLY

"SEC. 487C. (a) IN GENERAL.—

"(1) AUTHORITY FOR PROGRAM.—Subject to paragraph (2), the Secretary shall carry out a program of entering into agreements with appropriately qualified health professionals under which such health professionals agree to conduct research, as employees of the National Institutes of Health, in consideration of the Federal Government agreeing to repay, for each year of such service, not more than $20,000 of the principal and interest of the educational loans of such health professionals.

"(2) LIMITATION.—The Secretary may not enter into an agreement with a health professional pursuant to paragraph (1) unless such professional—

"(A) has a substantial amount of educational loans relative to income; and

"(B)(i) was not employed at the National Institutes of Health during the 1-year period preceding the date of the enactment of the Health Professions Reauthorization Act of 1988; or

"(ii) agrees to serve as an employee of such Institutes for purposes of paragraph (1) for a period of not less than 3 years.".

"(b) APPLICABILITY OF CERTAIN PROVISIONS.—With respect to the National Health Service Corps Loan Repayment Program established in subpart III of part D of title III, the provisions of such subpart shall, except as inconsistent with subsection (a) of this section, apply to the program established in such subsection (a) in the same manner and to the same extent as such provisions apply to the National Health Service Corps Loan Repayment Program established in such subpart.

"(c) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section other than with respect to acquired immune deficiency syndrome, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1994 through 1996.".

Subtitle D—Scholarship and Loan Repayment Programs Regarding Professional Skills Needed by Certain Agencies

SEC. 1631. ESTABLISHMENT OF PROGRAMS FOR NATIONAL INSTITUTES OF HEALTH.

Part G of title IV of the Public Health Service Act, as redesignated by section 141(a)(2) of this Act and as amended by section 1621 of this Act, is amended by inserting after section 487C the following new sections:

"UNDERGRADUATE SCHOLARSHIP PROGRAM REGARDING PROFESSIONS NEEDED BY NATIONAL RESEARCH INSTITUTES

"SEC. 487D. (a) ESTABLISHMENT OF PROGRAM.—

"(1) IN GENERAL.—Subject to section 487(a)(1)(C), the Secretary, acting through the Director of NIH, may carry out a program of entering into contracts with individuals described in paragraph (2) under which—

"(A) the Director of NIH agrees to provide to the individuals scholarships for pursuing, as undergraduates at accredited institutions of higher education, academic programs appropriate for careers in professions needed by the National Institutes of Health; and

"(B) the individuals agree to serve as employees of the National Institutes of Health, for the period described in subsection (c), in positions that are needed by the National Institutes of Health and for which the individuals are qualified.

"(2) INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS.—The individuals referred to in paragraph (1) are individuals who—

"(A) are enrolled or accepted for enrollment as full-time undergraduates at accredited institutions of higher education; and

"(B) are from minority groups that are underrepresented in the fields of biomedical or behavioral research.

"(b) FACILITATION OF INTEREST OF STUDENTS IN CAREERS AT NATIONAL INSTITUTES OF HEALTH.—In providing employment to individuals pursuant to contracts under subsection (a)(1), the Director of NIH shall carry out activities to facilitate the interest of the individuals in pursuing careers as employees of the National Institutes of Health.

"(c) PERIOD OF OBLIGATED SERVICE.—

"(1) DURATION OF SERVICE.—For purposes of subparagraph (B) of subsection (a)(1), the period of service for which an individual is obligated to serve as an employee of the National Institutes of Health is 12 months for each academic year for which the scholarship under such subsection is provided.

"(2) SCHEDULE FOR SERVICE.—

"(A) Subject to subparagraph (B), the Director of NIH may not provide a scholarship under subsection (a) unless the individual applying for the scholarship agrees that—

"(i) the individual will serve as an employee of the National Institutes of Health full-time for not less than 10 consecutive weeks of each year during which the individual is attending the educational institution involved and receiving such a scholarship;

"(ii) the period of service as such an employee that the individual is obligated to provide under clause (i) is in addition to the period of service as such an employee that the individual is obligated to provide under subsection (a)(1)(B); and

"(iii) not later than 60 days after obtaining the educational degree involved, the individual will begin serving full-time as such an employee in satisfaction of the period of service that the individual is obligated to provide under subsection (a)(1)(B).

"(B) The Director of NIH may defer the obligation of an individual to provide a period of service under subsection (a)(1)(B), if the Director determines that such a deferral is appropriate.

"(3) APPLICABILITY OF CERTAIN PROVISIONS RELATING TO APPOINTMENT AND COMPENSATION.—For any period in which an individual provides service as an employee of the National Institutes of Health in satisfaction of the obligation of the individual under subsection (a)(1)(B) or paragraph (2)(A)(i), the individual may be appointed as such an employee without regard to the provisions of title 5, United States Code, relating to appointment and compensation.

"(d) PROVISIONS REGARDING SCHOLARSHIP.—

"(1) APPROVAL OF ACADEMIC PROGRAM.—The Director of NIH may not provide a scholarship under subsection (a) for an academic year unless—

"(A) the individual applying for the scholarship has submitted to the Director a proposed academic program for the year and the Director has approved the program; and

"(B) the individual agrees that the program will not be altered without the approval of the Director.

"(2) ACADEMIC STANDING.—The Director of NIH may not provide a scholarship under subsection (a) for an academic year unless the individual applying for the scholarship agrees to maintain an acceptable level of academic standing, as determined by the educational institution involved in accordance with regulations issued by the Secretary.

"(3) LIMITATION ON AMOUNT.—The Director of NIH may not provide a scholarship under subsection (a) for an academic year in an amount exceeding $20,000.

"(4) AUTHORIZED USES.—A scholarship provided under subsection (a) may be expended only for tuition expenses, other reasonable educational expenses, and reasonable living expenses incurred in attending the school involved.

"(5) CONTRACT REGARDING DIRECT PAYMENTS TO INSTITUTION.—In the case of an institution of higher education with respect to which a scholarship under subsection (a) is provided, the Director of NIH may enter into a contract with the institution under which the amounts provided in the scholarship for tuition and other educational expenses are paid directly to the institution. Payments to the institution under the contract may be made without regard to section 3324 of title 31, United States Code.

"(e) PENALTIES FOR BREACH OF SCHOLARSHIP CONTRACT.—The provisions of section 338E shall apply to the program established

in subsection (a) to the same extent and in the same manner as such provisions apply to the National Health Service Corps Loan Repayment Program established in section 338B.

"(f) REQUIREMENT OF APPLICATION.—The Director of NIH may not provide a scholarship under subsection (a) unless an application for the scholarship is submitted to the Director and the application is in such form, is made in such manner, and contains such agreements, assurances, and information as the Director determines to be necessary to carry out this section.

"(g) AVAILABILITY OF AUTHORIZATION OF APPROPRIATIONS.—Amounts appropriated for a fiscal year for scholarships under this section shall remain available until the expiration of the second fiscal year beginning after the fiscal year for which the amounts were appropriated.

"LOAN REPAYMENT PROGRAM REGARDING CLINICAL RESEARCHERS FROM DISADVANTAGED BACKGROUNDS

"SEC. 487E. (a) IMPLEMENTATION OF PROGRAM.—

"(1) IN GENERAL.—Subject to section 487(a)(1)(C), the Secretary, acting through the Director of NIH may, subject to paragraph (2), carry out a program of entering into contracts with appropriately qualified health professionals who are from disadvantaged backgrounds under which such health professionals agree to conduct clinical research as employees of the National Institutes of Health in consideration of the Federal Government agreeing to pay, for each year of such service, not more than $20,000 of the principal and interest of the educational loans of the health professionals.

"(2) LIMITATION.—The Director of NIH may not enter into a contract with a health professional pursuant to paragraph (1) unless such professional has a substantial amount of education loans relative to income.

"(3) APPLICABILITY OF CERTAIN PROVISIONS REGARDING OBLIGATED SERVICE.—Except to the extent inconsistent with this section, the provisions of sections 338C and 338E shall apply to the program established in paragraph (1) to the same extent and in the same manner as such provisions apply to the National Health Service Corps Loan Repayment Program established in section 338B.

"(b) AVAILABILITY OF AUTHORIZATION OF APPROPRIATIONS.—Amounts appropriated for a fiscal year for contracts under subsection (a) shall remain available until the expiration of the second fiscal year beginning after the fiscal year for which the amounts were appropriated.".

SEC. 1632. FUNDING.

Section 487(a)(1) of the Public Health Service Act (42 U.S.C. 288(a)(1)) is amended—

(1) in subparagraph (A), by striking "and" after the semicolon at the end;

(2) in subparagraph (B), by striking the period at the end and inserting "; and"; and

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

"(C) provide contracts for scholarships and loan repayments in accordance with sections 487D and 487E, subject to providing not more than an aggregate 50 such contracts during the fiscal years 1994 through 1996.".

Subtitle E—Funding

SEC. 1641. AUTHORIZATION OF APPROPRIATIONS.

Section 487(d) of the Public Health Service Act (42 U.S.C. 288(d)) is amended—

(1) in the first sentence, by amending the sentence to read as follows: "For the purpose of carrying out this section, there are authorized to be appropriated $400,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996."; and

(2) in paragraph (3)—

(A) by striking "one-half of one percent" each place such term appears and inserting "1 percent"; and

(B) by striking "780, 784, or 786" and inserting "747, 748, or 749".

TITLE XVII—NATIONAL FOUNDATION FOR BIOMEDICAL RESEARCH

SEC. 1701. NATIONAL FOUNDATION FOR BIOMEDICAL RESEARCH.

Section 499 of the Public Health Service Act, as redesignated by section 121(b), is amended—

(1) in subsection (a), by striking ", except for" and all that follows through "Transfer Act";

(2) by redesignating subsections (c), (d), (e), (f), (g), (h), and (i) as subsections (d), (f), (g), (h), (i), (j), and (m), respectively;

(3) by striking subsection (b) and inserting in lieu thereof the following new subsections:

"(b) PURPOSE OF FOUNDATION.—The purpose of the Foundation shall be to support the National Institutes of Health in its mission, and to advance collaboration with biomedical researchers from universities, industry, and nonprofit organizations.

"(c) CERTAIN ACTIVITIES OF FOUNDATION.—

"(1) IN GENERAL.—In carrying out subsection (b), the Foundation may solicit and accept gifts, grants, and other donations, establish accounts, and invest and expend funds in support of the following activities with respect to the purpose described in such subsection:

"(A) A program to provide and administer endowed positions that are associated with the research program of the National Institutes of Health. Such endowments may be expended for the compensation of individuals holding the positions, for staff, equipment, quarters, travel, and other expenditures that are appropriate in supporting the endowed positions.

"(B) A program to provide and administer fellowships and grants to research personnel in order to work and study in association with the National Institutes of Health. Such fellowships and grants may include stipends, travel, health insurance benefits and other appropriate expenses. The recipients of fellowships shall be selected by the donors and the Foundation upon the recommendation of the National Institutes of Health employees in the laboratory where the fellow would serve, and shall be subject to the agreement of the Director of the National Institutes of Health and the Executive Director of the Foundation.

"(C) Supplementary programs to provide for—

"(i) scientists of other countries to serve in research capacities in the United States in association with the National Institutes of Health or elsewhere, or opportunities for employees of the National Institutes of Health or other public health officials in the United States to serve in such capacities in other countries, or both;

"(ii) the conduct and support of studies, projects, and research, which may include stipends, travel and other support for personnel in collaboration with national and international non-profit and for-profit organizations;

"(iii) the conduct and support of forums, meetings, conferences, courses, and training workshops that may include undergraduate, graduate, post-graduate, and post-doctoral accredited courses and the maintenance of accreditation of such courses by the Foundation at the State and national level for college or continuing education credits or for degrees;

"(iv) programs to support and encourage teachers and students of science at all levels of education and programs for the general public which promote the understanding of science;

"(v) programs for writing, editing, printing, publishing, and vending of books and other materials; and

"(vi) the conduct of other activities to carry out and support the purpose described in subsection (b).

"(2) FEES.—The Foundation may assess fees for the provision of professional, administrative and management services by the Foundation in amounts determined reasonable and appropriate by the Executive Director.

"(3) AUTHORITY OF FOUNDATION.—The Foundation shall be the sole entity responsible for carrying out the activities described in this subsection.";

(4) in subsection (d) (as so redesignated)—

(A) in paragraph (1)—

(i) by striking "members of the Foundation" in subparagraph (A) and inserting "appointed members of the Board";

(ii) by striking "Council" in subparagraph (B) and inserting "Board";

(iii) by striking "Council" in subparagraph (C) and inserting "Board"; and

(iv) by adding at the end thereof the following new subparagraphs:

"(D)(i) Not later than 30 days after the date of enactment of the National Institutes of Health Revitalization Act of 1993, the Director of the National Institutes of Health shall convene a meeting of the ex officio members of the Board to—

"(I) incorporate the Foundation and establish the general policies of the Foundation for carrying out the purposes of subsection (b), including the establishment of the bylaws of the Foundation; and

"(II) appoint the members of the Board in accordance with subparagraph (C).

"(ii) Upon the appointment of the members of the Board under clause (i)(II), the terms of service of the ex officio members of the Board as members of the Board shall terminate.

"(E) The agreement of not less than three-fifths of the members of the ex officio members of the Board shall be required for the appointment of each member to the initial Board.

"(F) No employee of the National Institutes of Health shall be appointed as a member of the Board.

"(G) The Board may, through amendments to the bylaws of the Foundation, provide that the number of members of the Board shall be greater than the number specified in subparagraph (C).";

(B) in paragraph (2)—

(i) by inserting "(A)" before "The ex";

(ii) by striking "an appointed member of the Board to serve as the Chair" and inserting "an individual to serve as the initial Chairperson"; and

(iii) by adding at the end thereof the following new subparagraph:

"(B) Upon the termination of the term of service of the initial Chairperson of the Board, the appointed members of the Board shall elect a member of the Board to serve as the Chairperson of the Board.";

(C) in paragraph (3)(A), by striking "(2)(C)" and inserting "(1)(C)"; and

(D) by adding at the end thereof the following new paragraphs:

"(5) MEETINGS AND QUORUM.—A majority of the members of the Board shall constitute a

quorum for purposes of conducting the business of the Board.

"(6) CERTAIN BYLAWS.—

"(A) In establishing bylaws under this subsection, the Board shall ensure that the following are provided for:

"(i) Policies for the selection of the officers, employees, agents, and contractors of the Foundation.

"(ii) Policies, including ethical standards, for the acceptance, solicitation, and disposition of donations and grants to the Foundation and for the disposition of the assets of the Foundation. Policies with respect to ethical standards shall ensure that officers, employees and agents of the Foundation (including members of the Board) avoid encumbrances that would result in a conflict of interest, including a financial conflict of interest or a divided allegiance. Such policies shall include requirements for the provision of information concerning any ownership or controlling interest in entities related to the activities of the Foundation by such officers, employees and agents and their spouses and relatives.

"(iii) Policies for the conduct of the general operations of the Foundation.

"(iv) Policies for writing, editing, printing, publishing, and vending of books and other materials.

"(B) In establishing bylaws under this subsection, the Board shall ensure that such bylaws (and activities carried out under the bylaws) do not—

"(i) reflect unfavorably upon the ability of the Foundation or the National Institutes of Health to carry out its responsibilities or official duties in a fair and objective manner; or

"(ii) compromise, or appear to compromise, the integrity of any governmental agency or program, or any officer or employee involved in such program.";

(5) in subsection (i) (as so redesignated)—

(A) by inserting ", and define the duties of the officers and employees" before the semicolon in paragraph (4);

(B) by striking paragraph (5);

(C) by redesignating paragraphs (6) through (14), as paragraphs (5) through (13), respectively;

(D) by striking paragraph (8) (as so redesignated), and inserting the following new paragraph:

"(8) establish a process for the selection of candidates for positions under subsection (c);"

(E) by inserting "solicit" after the paragraph designation in paragraph (11) (as so redesignated);

(F) by striking "Executive" in paragraph (12) (as so redesignated);

(G) by striking "and" at the end of paragraph (13) (as so redesignate); and

(H) by inserting after paragraph (13) (as so redesignated), the following new paragraph:

"(14) enter into such other contracts, leases, cooperative agreements, and other transactions as the Director considers appropriate to conduct the activities of the Foundation; and";

(6) by inserting after subsection (j) (as so redesignated), the following new subsections:

"(k) GENERAL PROVISIONS.—

"(1) FOUNDATION INTEGRITY.—The members of the Board shall be accountable for the integrity of the operations of the Foundation and shall ensure such integrity through the development and enforcement of criteria and procedures relating to standards of conduct (including those developed under subsection (d)(2)(B)(i)(II)), financial disclosure statements, conflict of interest rules, recusal and waiver rules, audits and other matter determined appropriate by the Board.

"(2) FINANCIAL CONFLICTS OF INTEREST.—Any individual who is an officer, employee, or member of the Board of the Foundation may not (in accordance with policies and requirements developed under subsection (d)(2)(B)(i)(II)) personally or substantially participate in the consideration or determination by the Foundation of any matter that would directly or predictably affect any financial interest of the individual or a relative (as such term is defined in section 109(16) of the Ethics in Government Act of 1978) of the individual, of any business organization or other entity, or of which the individual is an officer or employee, or is negotiating for employment, or in which the individual has any other financial interest.

"(3) AUDITS; AVAILABILITY OF RECORDS.—The Foundation shall—

"(A) provide for annual audits of the financial condition of the Foundation; and

"(B) make such audits, and all other records, documents, and other papers of the Foundation, available to the Secretary and the Comptroller General of the United States for examination or audit.

"(4) REPORTS.—

"(A) Not later than 5 months following the end of each fiscal year, the Foundation shall publish a report describing the activities of the Foundation during the preceding fiscal year. Each such report shall include for the fiscal year involved a comprehensive statement of the operations, activities, financial condition, and accomplishments of the Foundation.

"(B) With respect to the financial condition of the Foundation, each report under subparagraph (A) shall include the source, and a description of, all gifts or grants to the Foundation of real or personal property, and the source and amount of all gifts or grants to the Foundation of money. Each such report shall include a specification of any restrictions on the purposes for which gifts or grants to the Foundation may be used.

"(C) The Foundation shall make copies of each report submitted under subparagraph (A) available for public inspection, and shall upon request provide a copy of the report to any individual for a charge not exceeding the cost of providing the copy.

"(D) The Board shall annually hold a public meeting to summarize the activities of the Foundation and distribute written reports concerning such activities and the scientific results derived from such activities.

"(5) SERVICE OF FEDERAL EMPLOYEES.—Federal employees may serve on committees advisory to the Foundation and otherwise cooperate with and assist the Foundation in carrying out its function, so long as the employees do not direct or control Foundation activities.

"(6) RELATIONSHIP WITH EXISTING ENTITIES.—The Foundation may, pursuant to appropriate agreements, merge with, acquire, or use the resources of existing nonprofit private corporations with missions similar to the purposes of the Foundation, such as the Foundation for Advanced Education in the Sciences.

"(7) INTELLECTUAL PROPERTY RIGHTS.—The Board shall adopt written standards with respect to the ownership of any intellectual property rights derived from the collaborative efforts of the Foundation prior to the commencement of such efforts.

"(8) NATIONAL INSTITUTES OF HEALTH AMENDMENTS OF 1990.—The activities conducted in support of the National Institutes of Health Amendments of 1990 (Public Law 101-613) and the amendments made by such Act, shall not be nullified by the enactment of this section.

"(9) LIMITATION OF ACTIVITIES.—The Foundation shall exist solely as an entity to work in collaboration with the research programs of the National Institutes of Health. The Foundation may not undertake activities (such as the operation of independent laboratories or competing for Federal research funds) that are independent of those of the National Institutes of Health research programs.

"(l) DUTIES OF THE DIRECTOR.—

"(1) APPLICABILITY OF CERTAIN STANDARDS TO NON-FEDERAL EMPLOYEES.—In the case of any individual who is not an employee of the Federal Government and who serves in association with the National Institutes of Health, with respect to financial assistance received from the Foundation, the Foundation may not provide the assistance of, or otherwise permit the work at the National Institutes of Health to begin until a memorandum of understanding between the individual and the Director of the National Institutes of Health, or the designee of such Director, has been executed specifying that the individual shall be subject to such ethical and procedural standards of conduct relating to duties performed at the National Institutes of Health, as the Director of the National Institutes of Health determines is appropriate.

"(2) SUPPORT SERVICES.—The Director of the National Institutes of Health may provide facilities, utilities and support services to the Foundation if it is determined by the Director to be advantageous to the research programs of the National Institutes of Health.";

(7) in subsection (m) (as so redesignated)—

(A) by striking "$200,000" each place that such appears and inserting "$500,000"; and

(B) by striking "1995" in paragraph (1) and inserting "1996"; and

(8) by adding at the end thereof the following new subsections:

"(n) LIMITATION.—The Secretary shall ensure that no extramural funds made available by the National Institutes of Health are provided to the Foundation or for activities provided for under subparagraphs (A) and (B) of subsection (c)(1).

"(o) REPORT ON ADEQUACY OF COMPLIANCE.—

"(1) IN GENERAL.—With respect to the mission and function of the Foundation, the Comptroller General of the United States shall conduct an audit to determine—

"(A) whether the Foundation is in compliance with the guidelines established under this section; and

"(B) whether the procedures utilized under this section are adequate to prevent conflicts of interest involving the Foundation, the employees of the Foundation or members of the Board of the Foundation.

"(2) REPORT.—Not later than 18 months after the date on which the Foundation is incorporated, the Comptroller General of the United States shall complete the audit required under paragraph (1) and 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 describing the findings made with respect to such audit.".

TITLE XVIII—RESEARCH WITH RESPECT TO ACQUIRED IMMUNE DEFICIENCY SYNDROME

SEC. 1801. REVISION AND EXTENSION OF VARIOUS PROGRAMS.

(a) AMENDMENTS.—Title XXIII of the Public Health Service Act (42 U.S.C. 300cc et seq.) is amended—

(1) in section 2304(c)(1)—

(A) in the matter preceding subparagraph (A), by inserting after "Director of such Institute" the following: "(and may provide advice to the Directors of other agencies of the National Institutes of Health, as appropriate)"; and

(B) in subparagraph (A), by inserting before the semicolon the following: ", including recommendations on the projects of research with respect to diagnosing immune deficiency and with respect to predicting, diagnosing, preventing, and treating cancers, opportunistic infections, and infectious diseases";

(2) in section 2311(a)(1), by inserting before the semicolon the following: ", including evaluations of methods of diagnosing immune deficiency and evaluations of methods of predicting, diagnosing, preventing, and treating cancers, opportunistic infections, and infectious diseases";

(3) in section 2315(a)(2), by striking "international research" and all that follows and inserting "international research and training concerning the natural history and pathogenesis of the human immunodeficiency virus and the development and evaluation of vaccines and treatments for acquired immune deficiency syndrome and opportunistic infections.";

(4) in section 2318—

(A) in subsection (a)(1)—

(i) by inserting after "The Secretary" the following: ", acting through the Director of the National Institutes of Health and after consultation with the Administrator for Health Care Policy and Research,"; and

(ii) by striking "syndrome" and inserting "syndrome, including treatment and prevention of HIV infection and related conditions among women"; and

(B) in subsection (e), by striking "1991." and inserting the following: "1991, and such sums as may be necessary for each of the fiscal years 1994 through 1996.";

(5) in section 2320(b)(1)(A), by striking "syndrome" and inserting "syndrome and the natural history of such infection";

(6) in the part heading for part D, by striking "DIRECTOR OF THE NATIONAL INSTITUTES OF HEALTH" and inserting "OFFICE OF AIDS RESEARCH";

(7) in section 2351—

(A) by redesignating subsections (a), (b) and (c) as subsections (c), (d) and (e), respectively;

(B) by inserting after the section heading the following new subsections:

"(a) IN GENERAL.—In carrying out research with respect to acquired immune deficiency syndrome, the Secretary, acting through the Director of the National Institutes of Health—

"(1) shall establish an office to be known as the Office of AIDS Research, which Office shall be headed by a Director who shall—

"(A) be appointed by the Secretary;

"(B) be determined by the Secretary to be an individual who is an outstanding scientist and a highly skilled administrator;

"(C) report directly to the Director of the National Institutes of Health; and

"(D) be the primary Federal official responsible for the conduct of AIDS-related research at the National Institutes of Health; and

"(2) shall provide administrative support and support services to the Director of such Office and shall ensure that such support takes maximum advantage of existing administrative structures at the institutes, centers and divisions of the National Institutes of Health to the fullest extent practicable.

"(b) ACTIVITIES OF THE OFFICE OF AIDS RESEARCH.—

"(1) IN GENERAL.—The Secretary, acting through the director of the Office of AIDS Research, shall ensure that AIDS research activities are coordinated across and throughout the institutes, centers, and divisions of the National Institutes of Health.

"(2) GENERAL DUTIES.—The Director of the Office of AIDS Research shall, based upon a strategic plan as defined in paragraph (3), develop and oversee the implementation of a scientifically justified budget for AIDS-related research at the National Institutes of Health and coordinate all AIDS-related research activities conducted at the institutes, centers, and divisions of the National Institutes of Health, and conduct evaluations on all such programs.

"(3) STRATEGIC PLAN.—

"(A) DEVELOPMENT.—The Director of the Office of AIDS Research shall, based on the advice of the directors of the institutes, centers, and divisions of the National Institutes of Health, and in consultation with the advisory council established in paragraph (5) and the coordinating groups established in subparagraph (B), develop and oversee the implementation of a comprehensive, long-range plan for the conduct and support of such research by the institutes, centers and divisions of the National Institutes of Health. Such plan shall be updated annually, and shall—

"(i) determine the appropriate overall balance between basic and applied research and between intramural and extramural research;

"(ii) determine and prioritize among critical scientific AIDS-related questions;

"(iii) based upon such determinations, specify the broad short and long range objectives to be achieved, and provide an estimate of the resources needed to achieve such objectives;

"(iv) evaluate the sufficiency of existing AIDS research programs to meet such objectives, and establish evaluation criteria, timelines and objectives for future program evaluation activities; and

"(v) make recommendations for changes and necessary resource allocation in and among such programs.

"(B) COORDINATING GROUPS.—The Director of the Office of AIDS Research shall establish AIDS coordinating groups for each research discipline within the AIDS research program, composed of representatives of relevant agencies of the National Institutes of Health and qualified extramural scientists, to evaluate and assess the efforts of the AIDS Research Program at the National Institutes of Health, to advise on the development of the strategic plan described in subparagraph (A), and to determine the extent to which such efforts are in accordance with such strategic plan.

"(4) COORDINATION.—The Director of the Office of AIDS Research shall act as the primary Federal official with responsibility for overseeing all AIDS-related research efforts undertaken by the National Institutes of Health, and

"(A) shall serve to represent the National Institutes of Health AIDS Research Program at all relevant Executive branch task forces and committees; and

"(B) shall maintain communications with all relevant Public Health Service agencies and with various other departments of the Federal Government, to ensure the timely transmission of information concerning advances in AIDS-related research and the clinical treatment of AIDS and its related conditions, between these various agencies for dissemination to affected communities and health care providers.

"(5) ADVISORY COUNCIL.—

"(A) ESTABLISHMENT.—The Secretary shall, consistent with section 406, establish an advisory council to be known as the Office of AIDS Research Advisory Council (hereafter referred to as the 'Council'), which shall serve to replace the AIDS Program Advisory Committee which is operating on the date of enactment of this subsection.

"(B) COMPOSITION.—The Council shall be composed of biomedical, behavioral, and social scientists, and representatives of diverse HIV affected communities, and shall be appointed by the Secretary.

"(C) AUTHORITY.—The Council shall—

"(i) advise the Director of the Office of AIDS Research and make recommendations concerning the development of the AIDS-related research budget, and the development and implementation of the strategic plan for AIDS-related research at the National Institutes of Health;

"(ii) provide the second level of peer review for awards made directly from the Office of AIDS Research from the discretionary fund described in paragraph (7); and

"(iii) carry out such other activities determined appropriate by the Director of the Office of AIDS Research.

"(6) BUDGETARY AUTHORITY.—The Director of the Office of AIDS Research shall—

"(A) in accordance with the strategic plan established under paragraph (3), in consultation with the Council, and based on budget requests and additional advice from the directors of the institutes, centers and divisions of the National Institutes of Health, prepare and submit directly to the President for review and transmittal to Congress, an annual, scientifically justified budget estimate for AIDS-related research conducted within the agencies of the National Institutes of Health, after reasonable opportunity for comment (but without change) by the Secretary and the Director of the National Institutes of Health, which shall include the amount of funds required (as requested by the directors of such institutes, centers and divisions) for—

"(i) the continued funding of the commitment base (ongoing program initiatives) at the sole discretion of the directors of such institutes, centers and divisions; and

"(ii) the funding of new and competing program initiatives through such institutes, centers and divisions, at the discretion of the Director of the Office of AIDS Research;

"(B) receive from the President and the Office of Management and Budget directly all AIDS-related research funds appropriated by Congress for transfer to, and obligation and expenditure by, the institutes, centers and divisions of the National Institutes of Health in accordance with the budget delineated under clauses (i) and (ii) of subparagraph (A); and

"(C) distribute AIDS research funding to the various institutes, centers, and divisions of the National Institutes of Health in accordance with the budget delineated under clauses (i) and (ii) of subparagraph (A).

The provisions of this paragraph shall become effective in the fiscal year following

the submission of the consolidated AIDS budget.

"(7) DISCRETIONARY FUND.—

"(A) AVAILABILITY OF FUNDS.—The Secretary shall ensure that not to exceed 25 percent of the funds available in excess of the amount of baseline AIDS research spending during the previous fiscal year, be made available to the Director of the Office of AIDS Research for the establishment of an AIDS research discretionary fund.

"(B) USE.—The Director of the Office of AIDS Research, in consultation with the advisory council established under paragraph (5), shall use amounts in the AIDS research discretionary fund, either through the institutes, centers and divisions of the National Institutes of Health or grants made directly by the Office of AIDS Research, to—

"(i) fund emergency AIDS research programs;

"(ii) fund programs for the conduct of research aimed at filling gaps that exist in existing research programs;

"(iii) conduct conferences, convene committees, hold meetings or carry out other activities determined appropriate by the Director.

"(C) REDUCTION IN ADMINISTRATIVE IMPEDIMENTS.—Notwithstanding any other provision of law relating to the number of individuals who may be employed as full-time equivalent individuals, with respect to the number of full-time equivalent individuals so employed, the Director of the Office of AIDS Research shall be permitted to authorize the employment of such full-time equivalent individuals to perform AIDS-related research through the institutes, centers and divisions of the National Institutes of Health as described in clauses (i) and (ii) of subparagraph (B) and subject to appropriations.";

(C) in subsection (c) (as so redesignated)—

(i) by striking the subsection designation and all that follows through paragraph (1) and inserting the following:

"(c) OTHER DUTIES.—The director of the office—";

(ii) by redesignating paragraphs (2) through (8) as paragraphs (1) through (7), respectively;

(iii) by striking "for the appropriate national research institute of the National Institutes of Health" in paragraph (4) (as so redesignated); and

(iv) by inserting "cannot reasonably be accomplished within the United States and" after "if such research" in paragraph (4)(A) (as so redesignated); and

(D) by adding at the end thereof the following new subsection:

"(f) EVALUATION AND REPORT.—

"(1) EVALUATION.—Not later than 5 years after the date of enactment of this Act, the Secretary shall conduct an evaluation to—

"(A) determine the effect of this section on the planning and coordination of the AIDS research programs at the institutes, centers and divisions of the National Institutes of Health;

"(B) evaluate the extent to which this section has eliminated the duplication of administrative resources among such institutes, centers and divisions; and

"(C) provide recommendations concerning future alterations with respect to this section.

"(2) REPORT.—Not later than 1 year after the date on which the evaluation is commenced under paragraph (1), the Secretary shall prepare and submit to the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives, a report concerning the results of such evaluation.";

(8) in section 2361, by striking "For purposes" and all that follows and inserting the following:

"For purposes of this title:

"(1) The term 'infection', with respect to the etiologic agent for acquired immune deficiency syndrome, includes cancers, opportunistic infections, and infectious diseases and any other conditions arising from infection with such etiologic agent.

"(2) The term 'treatment', with respect to the etiologic agent for acquired immune deficiency syndrome, includes primary and secondary prophylaxis.";

(9) in section 2315(f), by striking "there are authorized" and all that follows and inserting "there are authorized to be appropriated such sums as may be necessary for each fiscal year.";

(10) in section 2320(e)(1), by striking "there are authorized" and all that follows and inserting "there are authorized to be appropriated such sums as may be necessary for each fiscal year."; and

(11) in section 2341(d), by striking "there are authorized" and all that follows and inserting "there are authorized to be appropriated such sums as may be necessary for each fiscal year.".

TITLE XIX—STUDIES

SEC. 1901. ACQUIRED IMMUNE DEFICIENCY SYNDROME.

(a) CERTAIN DRUG-RELEASE MECHANISMS.—

(1) The Secretary of Health and Human Services shall, subject to paragraph (2), enter into a contract with a public or nonprofit private entity to conduct a study for the purpose of determining, with respect to acquired immune deficiency syndrome, the impact of parallel-track drug-release mechanisms on public and private clinical research, and on the activities of the Commissioner of Food and Drugs regarding the approval of drugs.

(2) The Secretary of Health and Human Services shall request the Institute of Medicine of the National Academy of Sciences to enter into the contract under paragraph (1) to conduct the study described in such paragraph. If such Institute declines to conduct the study, the Secretary shall carry out paragraph (1) through another public or nonprofit private entity.

(b) THIRD-PARTY PAYMENTS REGARDING CERTAIN CLINICAL TRIALS.—The Secretary of Health and Human Services shall conduct a study for the purpose of—

(1) determining the policies of third-party payors regarding the payment of the costs of appropriate health services that are provided incident to the participation of individuals as subjects in clinical trials conducted in the development of drugs with respect to acquired immune deficiency syndrome; and

(2) developing recommendations regarding such policies.

(c) ADVISORY COMMITTEES.—The Secretary of Health and Human Services, acting through the Director of the National Institutes of Health, shall conduct a study for the purpose of determining—

(1) whether the activities of the various advisory committees established in the National Institutes of Health regarding acquired immune deficiency syndrome are being coordinated sufficiently; and

(2) whether the functions of any of such advisory committees should be modified in order to achieve greater efficiency.

(d) VACCINES FOR HUMAN IMMUNODEFICIENCY VIRUS.—

(1) IN GENERAL.—The Secretary of Health and Human Services, acting through the National Institutes of Health, shall develop a plan for the appropriate inclusion of HIV-infected women, including pregnant women, HIV-infected infants, and HIV-infected children in studies conducted by or through the National Institutes of Health concerning the safety and efficacy of HIV vaccines for the treatment and prevention of HIV infection. Such plan shall ensure the full participation of other Federal agencies currently conducting HIV vaccine studies and require that such studies conform fully to the requirements of part 46 of title 45, Code of Federal Regulations.

(2) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Health and Human Services 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 plan developed under paragraph (1).

(3) IMPLEMENTATION.—Not later than 12 months after the date of the enaotment of this Act, the Secretary of Health and Human Services shall implement the plan developed under paragraph (1), including measures for the full participation of other Federal agencies currently conducting HIV vaccine studies.

(4) For the purpose of carrying out this subsection, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1994 through 1996.

SEC. 1902. MALNUTRITION IN THE ELDERLY.

(a) STUDY.—

(1) IN GENERAL.—The Secretary of Health and Human Services (referred to in this section as the "Secretary"), acting through the National Institute on Aging, coordinating with the Agency for Health Care Policy and Research and, to the degree possible, in consultation with the head of the National Nutrition Monitoring System established under section 1428 of the Food and Agriculture Act of 1977 (7 U.S.C. 3178), shall conduct a 3-year nutrition screening and intervention activities study of the elderly.

(2) EFFICACY AND COST-EFFECTIVENESS OF NUTRITION SCREENING AND INTERVENTION ACTIVITIES.—In conducting the study, the Secretary shall determine the efficacy and cost-effectiveness of nutrition screening and intervention activities conducted in the elderly health and long-term care continuum, and of a program that would institutionalize nutrition screening and intervention activities. In evaluating such a program, the Secretary shall determine—

(A) if health or quality of life is measurably improved for elderly individuals who receive routine nutritional screening and treatment;

(B) if federally subsidized home or institutional care is reduced because of increased independence of elderly individuals resulting from improved nutritional status;

(C) if a multidisciplinary approach to nutritional care is effective in addressing the nutritional needs of elderly individuals; and

(D) if reimbursement for nutrition screening and intervention activities is a cost-effective approach to improving the health status of elderly individuals.

(3) POPULATIONS.—The populations of elderly individuals in which the study will be conducted shall include populations of elderly individuals who are—

(A) living independently, including—

(i) individuals who receive home and community-based services or family support;

(ii) individuals who do not receive additional services and support;

(iii) individuals with low incomes; and

(iv) individuals who are minorities;

(B) hospitalized, including individuals admitted from home and from institutions; and

(C) institutionalized in residential facilities such as nursing homes and adult homes.

(b) MALNUTRITION STUDY.—The Secretary, acting through the National Institute on Aging, shall conduct a 3-year study to determine the extent of malnutrition in elderly individuals in hospitals and long-term care facilities and in elderly individuals who are living independently.

(c) REPORT.—The Secretary shall submit a report to the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives containing the findings resulting from the studies described in subsections (a) and (b), including a determination regarding whether a program that would institutionalize nutrition screening and intervention activities should be adopted, and the rationale for the determination.

(d) ADVISORY PANEL.—

(1) ESTABLISHMENT.—The Secretary, acting through the Director of the National Institute on Aging, shall establish an advisory panel that shall oversee the design, implementation, and evaluation of the studies described in subsections (a) and (b).

(2) COMPOSITION.—The advisory panel shall include representatives appointed for the life of the panel by the Secretary from the Health Care Financing Administration, the Social Security Administration, the National Center for Health Statistics, the Administration on Aging, the National Council on the Aging, the American Dietetic Association, the American Academy of Family Physicians, and such other agencies or organizations as the Secretary determines to be appropriate.

(3) COMPENSATION AND EXPENSES.—

(A) COMPENSATION.—Each member of the advisory panel who is not an employee of the Federal Government shall receive compensation for each day engaged in carrying out the duties of the panel, including time engaged in traveling for purposes of such duties. Such compensation may not be provided in an amount in excess of the maximum rate of basic pay payable for GS-18 of the General Schedule.

(B) TRAVEL EXPENSES.—Each member of the advisory panel shall receive travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, for each day the member is engaged in the performance of duties away from the home or regular place of business of the member.

(4) DETAIL OF FEDERAL EMPLOYEES.—On the request of the advisory panel, the head of any Federal agency shall detail, without reimbursement, any of the personnel of the agency to the advisory panel to assist the advisory panel in carrying out its duties. Any detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

(5) TECHNICAL ASSISTANCE.—On the request of the advisory panel, the head of a Federal agency shall provide such technical assistance to the advisory panel as the advisory panel determines to be necessary to carry out its duties.

(6) TERMINATION.—Notwithstanding section 15 of the Federal Advisory Committee Act (5 U.S.C. App.), the advisory panel shall terminate 3 years after the date of enactment of this Act.

SEC. 1903. RESEARCH ACTIVITIES ON CHRONIC FATIGUE SYNDROME.

The Secretary of Health and Human Services shall, not later than May 1, 1993, and annually thereafter for the next 3 years, 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 that summarizes the research activities conducted or supported by the National Institutes of Health concerning chronic fatigue syndrome. Such report should include information concerning grants made, cooperative agreements or contracts entered into, intramural activities, research priorities and needs, and a plan to address such priorities and needs.

SEC. 1904. REPORT ON MEDICAL USES OF BIOLOGICAL AGENTS IN DEVELOPMENT OF DEFENSES AGAINST BIOLOGICAL WARFARE.

The Secretary of Health and Human Services, in consultation with other appropriate executive agencies, shall report to the House Energy and Commerce Committee and the Senate Labor and Human Resources Committee on the appropriateness and impact of the National Institutes of Health assuming responsibility for the conduct of all Federal research, development, testing, and evaluation functions relating to medical countermeasures against biowarfare threat agents. In preparing the report, the Secretary shall identify the extent to which such activities are carried out by agencies other than the National Institutes of Health, and assess the impact (positive and negative) of the National Institutes of Health assuming responsibility for such activities, including the impact under the Budget Enforcement Act and the Omnibus Budget Reconciliation Act of 1990 on existing National Institutes of Health research programs as well as other programs within the category of domestic discretionary spending. The Secretary shall submit the report not later than 12 months after the date of the enactment of this Act.

SEC. 1905. PERSONNEL STUDY OF RECRUITMENT, RETENTION AND TURNOVER.

(a) STUDY OF PERSONNEL SYSTEM.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Health and Human Services, acting through the Director of the National Institutes of Health, shall conduct a study to review the retention, recruitment, vacancy and turnover rates of support staff, including firefighters, law enforcement, procurement officers, technicians, nurses and clerical employees, to ensure that the National Institutes of Health is adequately supporting the conduct of efficient, effective and high quality research for the American public. The Director of NIH shall work in conjunction with appropriate employee organizations and representatives in developing such a study.

(b) SUBMISSION TO CONGRESS.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to the Committee on Energy and Commerce of the House of Representatives, and to the Committee on Labor and Human Resources of the Senate, a report containing the study conducted under subsection (a) together with the recommendations of the Secretary concerning the enactment of legislation to implement the results of such study.

SEC. 1906. PROCUREMENT.

(a) IN GENERAL.—The Director of the National Institutes of Health and the Administrator of the General Services Administration shall jointly conduct a study to develop a streamlined procurement system for the National Institutes of Health that complies with the requirements of Federal law.

(b) REPORT.—Not later than March 1, 1994, the officials specified in subsection (a) shall complete the study required in such subsection and shall 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 describing the findings made as a result of the study.

SEC. 1907. REPORT CONCERNING LEADING CAUSES OF DEATH.

(a) REPORT.—The Secretary of Health and Human Services shall, not later than October 1, 1993, prepare a report that lists—

(1) the 20 illnesses that, in terms of mortality, number of years of expected life lost, and of number of preventable years of life lost, are the leading causes of death in the United States and the number of deaths from each such cause, the age-specific and age-adjusted death rates for each such cause, the death rate per 100,000 population for each such cause, the percentage of change in cause specific death rates for each age group, and the percentage of total deaths for each such cause;

(2) the amount expended by the Department of Health and Human Services for research, prevention, and education with respect to each of the 20 illnesses described in paragraph (1) for the most recent year for which the actual expenditures are known;

(3) an estimate by the Secretary of the amount to be expended on research, prevention, and education with respect to each of the 20 illnesses described in paragraph (1) for the year for which the report is prepared; and

(4) with respect to the years specified in paragraphs (2) and (3), the percentage of the total of the annual expenditures for research, prevention, and education on the 20 illnesses described in paragraph (1) that are attributable to each illness.

(b) SUBMISSION TO CONGRESS.—The Secretary of Health and Human Services shall submit the report required under subsection (a), together with relevant budget information, to the Committee on Energy and Commerce and the Committee on Appropriations of the House of Representatives and the Committee on Labor and Human Resources and the Committee on Appropriations of the Senate.

SEC. 1908. RELATIONSHIP BETWEEN THE CONSUMPTION OF LEGAL AND ILLEGAL DRUGS.

(a) IN GENERAL.—The Secretary of Health and Human Services, acting through the Commissioner of Food and Drugs, shall review and consider all existing relevant data and research concerning whether there is a relationship between an individual's receptivity to use or consume legal drugs and the consumption or abuse by the individual of illegal drugs. On the basis of such review, the Secretary shall determine whether additional research is necessary. If the Secretary determines additional research is required, the Secretary shall conduct a study of those subjects where the Secretary's review indicates additional research is needed, including, if necessary, a review of—

(1) the effect of advertising and marketing campaigns that promote the use of legal drugs on the public;

(2) the correlation of legal drug abuse with illegal drug abuse; and

(3) other matters that the Secretary determines appropriate.

(b) REPORT.—Not later than 12 months after the date of enactment of this Act, the

Secretary shall prepare and submit, to the Committee on Energy and Commerce of the House of Representatives and Committee on Labor and Human Resources of the Senate, a report containing the results of the review conducted under subsection (b). If the Secretary determines additional research is required, no later than 2 years after the date of enactment of this Act, the Secretary shall prepare and submit, to the Committee on Energy and Commerce of the House of Representatives and Committee on Labor and Human Resources of the Senate, a report containing the results of the additional research conducted under subsection (b).

SEC. 1909. COST OF CARE IN LAST 6 MONTHS OF LIFE.

(a) STUDY.—

(1) IN GENERAL.—The Secretary of Health and Human Services (referred to in this section as the "Secretary"), acting through the Agency for Health Care Policy and Research and, to the degree possible, in consultation with the Health Care Financing Administration, shall conduct a study, using the most recent National Medical Expenditure Survey database, to estimate the average amount of health care expenditures incurred during the last 6 months of life and during the last 3 months of life by—

(A) the population of individuals who are 65 years of age and older; and

(B) the total population, broken down based on noninstitutionalized and institutionalized populations.

(2) ELEMENTS OF STUDY.—The study conducted under paragraph (1) shall—

(A) be designed in a manner that will produce estimates of health care costs expended for health care provided to individuals during the last 3 and 6 months of life;

(B) be designed to produce estimates of such costs for the populations identified in subparagraphs (A) and (B) of paragraph (1);

(C) include a calculation of the estimated amount of total health care expenditures during such periods of time; and

(D) include a calculation of the estimate described in subparagraph (C)—

(i) as a percentage of the total national health care expenditures; and

(ii) for those age 65 years and over, as a percentage of the total Medicare expenditures for those age 65 years and over.

(b) REPORT.—Not later than 6 months after the date of enactment of this section, the Secretary shall prepare and submit to the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives, a report containing the findings resulting from the study described in subsection (a).

(c) 1996 NATIONAL MEDICAL EXPENDITURE SURVEY.—

(1) IN GENERAL.—The Secretary, acting through the Agency for Health Care Policy and Research, shall ensure that the 1996 National Medical Expenditure Survey is designed in a manner that will produce an estimate of the amount expended for health care provided to individuals during the last 3 and 6 months of life.

(2) POPULATIONS.—In designing the Survey under paragraph (1), the Secretary shall ensure that such Survey produces the data required under such paragraph for the population of individuals who are 65 years of age or older, broken down based on noninstitutionalized and institutionalized populations.

(d) EXPENDITURE STUDY.—

(1) IN GENERAL.—Not later than 6 months after that date of enactment of this section, the Secretary, acting through the Agency for Health Care Policy and Research, shall design a study to produce estimates of expenditures for health care provided to children who are less than 1 year of age during the last 3 and 6 months of life, and prepare and submit to the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives, a report concerning such design. The Secretary shall ensure that such study is carried out not later than 2 years after the date on which such study is designed.

(2) REPORT.—Not later than 30 months after the date of enactment of this section, the Secretary shall prepare and submit to the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives, a report concerning the study described in paragraph (1).

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this subsection.

SEC. 1910. REDUCING ADMINISTRATIVE HEALTH CARE COSTS.

The Secretary of Health and Human Services, acting through the Agency for Health Care Policy and Research and, to the extent possible, in consultation with the Health Care Financing Administration, may fund research to develop a text-based standardized billing process, through the utilization of text-based information retrieval and natural language processing techniques applied to automatic coding and analysis of textual patient discharge summaries and other text-based electronic medical records, within a parallel general purpose (shared memory) high performance computing environment. The Secretary shall determine whether such a standardized approach to medical billing, through the utilization of the text-based hospital discharge summary as well as electronic patient records can reduce the administrative billing costs of health care delivery.

SEC. 1911. STUDY CONCERNING RADIOISOTOPES.

(a) STUDY.—The Secretary of Health and Human Services, in collaboration with the Secretary of Energy, shall, subject to the availability of funds, conduct a study concerning the use and availability of radioisotopes in the United States for medical (both diagnostic and therapeutic) uses in relationship to other uses.

(b) SUBJECT OF STUDY.—In carrying out the study under subsection (a), the Secretary shall—

(1) analyze the domestic isotope availability and production in the United States as it relates to medical (both diagnostic and therapeutic) needs;

(2) make recommendations concerning—

(A) isotope availability and production to meet domestic demand; and

(B) the need for additional production capacity.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives, a report concerning the results of the study conducted under this section together with the recommendations developed in such study.

SEC. 1912. MEDICAL TECHNOLOGIES PRODUCTIVITY STUDY.

(a) FINDINGS.—Congress finds that—

(1)(A) the Congressional Budget Office, the General Accounting Office, and the Office of Technology Assessment have cited health care technology as a primary source of medical inflation; and

(B) data from the Office of Technology Assessment suggest that no more than one quarter of the 12 to 13 percent annual increase in health care expenditures, or an estimated 3 percent increase in such expenditures, is attributable to health care technology;

(2)(A) the 3 percent increase represents the maximum increase in such expenditures, because the Office of Technology Assessment arrives at the estimate by exclusion; and

(B) the increase attributable to health care technology may nevertheless amount to a direct increase of as much as $27,000,000,000 in health care costs in 1993 and an even greater indirect increase in such health care costs;

(3) one reason for the high increase in health care costs attributable to health care technology is that few incentives exist in the national research institutes of the National Institutes of Health to encourage the development of technology that improves the productivity of health care delivery; and

(4) since the National Institutes of Health is a major engine determining the direction of medical technology as well as basic biomedical research, it is appropriate, in the process of directing the medical research and development resources of the National Institutes of Health, to provide incentives that encourage the development of technology to improve the productivity of health care delivery.

(b) STUDY.—The Secretary of Health and Human Services shall conduct a study concerning—

(1) methods by which to encourage the development of medical technologies that improve the productivity, and thereby reduce the cost, of health care delivery through changes in the scientific peer review process; and

(2) methods by which to reduce the costs of the production of new medical technologies and increase the availability of such technologies through changes in the scientific peer review process.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives, a report concerning the study conducted under subsection (b). Such report shall contain the findings of the Secretary with respect to the study and the recommendations of the Secretary for the implementation of measures to encourage enhanced productivity of medical technologies and increase the availability of such technologies through changes in the scientific peer review process. Such report shall also contain the steps that the Secretary proposes to implement the recommendations.

SEC. 1913. SENTINEL DISEASE CONCEPT STUDY.

(a) IN GENERAL.—The Director of the National Institutes of Health, in cooperation with the Agency for Toxic Substances and Disease Registry and the Centers for Disease Control and Prevention, may design and implement a pilot sentinel disease surveillance and follow-up system.

(b) PURPOSE.—The purpose of the study conducted under subsection (a) shall be to determine the applicability of and the difficulties associated with the implementation of the sentinel disease concept for identifying the relationship between the occupation of household members and the incidence of

subsequent conditions or diseases in other members of the household.

(c) REPORT.—Not later than 4 years after the date of enactment of this Act, the Director of the National Institutes of Health shall prepare and submit to the appropriate committees of Congress, a report concerning the results of the study conducted under subsection (a).

SEC. 1914. CONGRESSIONAL APPROPRIATION OF FEDERALLY SUPPORTED DISEASE RESEARCH.

(a) FINDINGS.—Congress finds that—

(1) it is in the public interest to support necessary and valuable biomedical research on diseases and conditions that harm or kill individuals and that threaten public health;

(2) it is in the public interest to allocate scarce Federal taxpayer money for research that is based on scientific merit and cost-effectiveness; and

(3) it is in the public interest for Members of Congress to have a criteria or methodologies to inform and assist them in the decision making process when allocating Federal taxpayer money for specific biomedical research.

(b) STUDY.—

(1) CONTRACT.—The Secretary of Health and Human Services shall, subject to the availability of appropriations and subject to paragraph (2), enter into a contract with a public or nonprofit private entity to develop criteria or methodologies which Members of Congress may use to assist and inform them during consideration of allocations for biomedical research.

(2) INSTITUTE OF MEDICINE.—The Secretary of Health and Human Services shall request the Institute of Medicine of the National Academy of Sciences to enter into the contract under paragraph (1) to conduct the study described in such paragraph. If such Institute declines to conduct the study, the Secretary shall carry out paragraph (1) through another public or nonprofit private entity.

(3) ITEMS.—Items that may be considered in the development of the criteria of methodologies may include, but are not limited to, the following—

(A) the populations affected by, or potentially affected by diseases and conditions that are targets for research;

(B) the incidence and prevalence rates of disease and conditions;

(C) mortality rates of the diseases and conditions;

(D) rates of morbidity, impairment disability, and health status and functional outcomes of the diseases and conditions;

(E) the economic burden of the diseases and conditions including past and projected expenditures on diagnosis and treatment;

(F) other economic and social burdens; and

(G) potential for medical research on specific diseases to assist basic research efforts.

(c) SUBMISSION TO CONGRESS.—Not later than 1 year after the date on which the contract under subsection (b)(1) is signed, the Institutes of Medicine of the National Academy of Sciences shall prepare and submit to the Secretary of Health and Human Services, and the appropriate committees of Congress, a report that includes the recommendations developed under subsection (b). Not later than 90 days after the receipt of such report, the Secretary of Health and Human Services shall submit comments on the recommendations to the appropriate committees of Congress.

(d) COSTS.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for fiscal years 1994 and 1995.

TITLE XX—MISCELLANEOUS PROVISIONS

SEC. 2001. DESIGNATION OF SENIOR BIOMEDICAL RESEARCH SERVICE IN HONOR OF SILVIO O. CONTE, AND LIMITATION ON NUMBER OF MEMBERS.

(a) IN GENERAL.—Section 228(a) of the Public Health Service Act (42 U.S.C. 237(a)), as added by section 304 of Public Law 101-509, is amended to read as follows:

"(a)(1) There shall be in the Public Health Service a Silvio O. Conte Senior Biomedical Research Service, not to exceed 350 members.

"(2) The authority established in paragraph (1) regarding the number of members in the Silvio O. Conte Senior Biomedical Research Service is in addition to any authority established regarding the number of members in the commissioned Regular Corps, in the Reserve Corps, and in the Senior Executive Service. Such paragraph may not be construed to require that the number of members in the commissioned Regular Corps, in the Reserve Corps, or in the Senior Executive Service be reduced to offset the number of members serving in the Silvio O. Conte Senior Biomedical Research Service (hereafter in this section referred to as the 'Service').".

(b) CONFORMING AMENDMENT.—Section 228 of the Public Health Service Act (42 U.S.C. 237), as added by section 304 of Public Law 101-509, is amended in the heading for the section by amending the heading to read as follows:

"SILVIO O. CONTE SENIOR BIOMEDICAL RESEARCH SERVICE".

SEC. 2002. TECHNICAL CORRECTIONS.

(a) TITLE III.—Subsection (c) of section 316 of the Public Health Service Act (42 U.S.C. 247a(c)) is repealed.

(b) TITLE IV.—Title IV of the Public Health Service Act (42 U.S.C. 281 et seq.) is amended—

(1) in section 406—

(A) in subsection (b)(2)(A), by striking "Veterans' Administration" each place such term appears and inserting "Department of Veterans Affairs"; and

(B) in subsection (h)(2)(A)(v), by striking "Veterans' Administration" and inserting "Department of Veterans Affairs";

(2) in section 408, in subsection (b) (as redesignated by section 501(c)(1)(C) of this Act), by striking "Veterans' Administration" and inserting "Department of Veterans Affairs";

(3) in section 421(b)(1), by inserting a comma after "may";

(4) in section 428(b), in the matter preceding paragraph (1), by striking "the the" and inserting "the";

(5) in section 430(b)(2)(A)(i), by striking "Veterans' Administration" and inserting "Department of Veterans Affairs";

(6) in section 439(b), by striking "Veterans' Administration" and inserting "Department of Veterans Affairs";

(7) in section 442(b)(2)(A), by striking "Veterans' Administration" and inserting "Department of Veterans Affairs";

(8) in section 464D(b)(2)(A), by striking "Veterans' Administration" and inserting "Department of Veterans Affairs";

(9) in section 464E—

(A) in subsection (d), in the first sentence, by inserting "Coordinating" before "Committee"; and

(B) in subsection (e), by inserting "Coordinating" before "Committee" the first place such term appears;

(10) in section 464P(b)(6) (as added by section 123 of Public Law 102-321 (106 Stat. 362)), by striking "Administration" and inserting "Institute";

(11) in section 466(a)(1)(B), by striking "Veterans' Administration" and inserting "Department of Veterans Affairs";

(12) in section 480(b)(2)(A), by striking "Veterans' Administration" and inserting "Department of Veterans Affairs";

(13) in section 485(b)(2)(A), by striking "Veterans' Administration" and inserting "Department of Veterans Affairs";

(14) in section 487(d)(3), by striking "section 304(a)(3)" and inserting "section 304(a)"; and

(15) in section 496(a), by striking "Such appropriations," and inserting the following: "Appropriations to carry out the purposes of this title,".

(c) TITLE XV.—Title XV of the Public Health Service Act is amended—

(1) in section 1501(b) (42 U.S.C. 300k(b)), by striking "nonprofit"; and

(2) in section 1505(3) (42 U.S.C. 300n-1(3)), by striking "nonprivate" and inserting "private".

(d) TITLE XXIII.—Part A of title XXIII of the Public Health Service Act (42 U.S.C. 300cc et seq.) is amended—

(1) in section 2304—

(A) in the heading for the section, by striking "**CLINICAL RESEARCH REVIEW COMMITTEE**" and inserting "**RESEARCH ADVISORY COMMITTEE**"; and

(B) in subsection (a), by striking "AIDS Clinical Research Review Committee" and inserting "AIDS Research Advisory Committee";

(2) in section 2312(a)(2)(A), by striking "AIDS Clinical Research Review Committee" and inserting "AIDS Research Advisory Committee";

(3) in section 2314(a)(1), in the matter preceding subparagraph (A), by striking "Clinical Research Review Committee" and inserting "AIDS Research Advisory Committee";

(4) in section 2317(d)(1), by striking "Clinical Research Review Committee" and inserting "AIDS Research Advisory Committee established under section 2304"; and

(5) in section 2318(b)(3), by striking "Clinical Research Review Committee" and inserting "AIDS Research Advisory Committee".

(e) SECRETARY.—Section 2(c) of the Public Health Service Act (42 U.S.C. 201(c)) is amended by striking "Health, Education, and Welfare" and inserting "Health and Human Services".

(f) DEPARTMENT.—Section 201 of the Public Health Service Act (42 U.S.C. 202) is amended—

(1) by striking "Health, Education, and Welfare" and inserting "Health and Human Services"; and

(2) by striking "Surgeon General" and inserting "Assistant Secretary for Health".

(g) DEPARTMENT.—Section 202 of the Public Health Service Act (42 U.S.C. 203) is amended—

(1) by striking "Surgeon General" the second and subsequent times that such term appears and inserting "Secretary"; and

(2) by inserting ", and the Agency for Health Care Policy and Research" before the first period.

(h) VOLUNTEER SERVICES.—Section 223 of the Public Health Service Act (42 U.S.C. 217b) is amended by striking "Health, Education, and Welfare" and inserting "Health and Human Services".

SEC. 2003. TECHNICAL CORRECTIONS WITH RESPECT TO THE AGENCY FOR HEALTH CARE POLICY AND RESEARCH.

Title IX of the Public Health Service Act is amended—

(1) in section 904(d) (42 U.S.C. 299a-2(d))—

(A) by striking "IN GENERAL" in paragraph (1) and inserting "ADDITIONAL ASSESSMENTS";

(B) by redesignating paragraphs (1) and (2) as paragraphs (3) and (4), respectively;

(C) by inserting after the subsection designation the following new paragraphs:

"(1) RECOMMENDATIONS WITH RESPECT TO HEALTH CARE TECHNOLOGY.—The Administrator shall make recommendations to the Secretary with respect to whether specific health care technologies should be reimbursable under federally financed health programs, including recommendations with respect to any conditions and requirements under which any such reimbursements should be made.

"(2) CONSIDERATIONS OF CERTAIN FACTORS.—In making recommendations respecting health care technologies, the Administrator shall consider the safety, efficacy, and effectiveness, and, as appropriate, the appropriate uses of such technologies. The Administrator shall also consider the cost effectiveness of such technologies where cost information is available and reliable."; and

(D) by adding at the end thereof the following new paragraph:

"(5) CONSULTATIONS.—In carrying out this subsection, the Administrator shall cooperate and consult with the Director of the National Institutes of Health, the Commissioner of Food and Drugs, and the heads of any other interested Federal department or agency."; and

(2) in section 914(a)(2)(C), by striking "904(c)(2)" and inserting "904(d)(2)".

SEC. 2004. TECHNICAL CORRECTIONS WITH RESPECT TO THE HEALTH PROFESSIONS EDUCATION EXTENSION AMENDMENTS OF 1992.

(a) ASSISTANCE IN COLLECTION OF LOANS.—Subpart I of part A of title VII of the Public Health Service Act is amended—

(1) in section 705(a)(2)—

(A) by inserting "and" after the semicolon at the end of subparagraph (G);

(B) by striking subparagraph (H); and

(C) by redesignating subparagraph (I) as subparagraph (H); and

(2) by adding at the end of section 707 the following new subsection:

"(j) SCHOOL COLLECTION ASSISTANCE.—An institution or postgraduate training program attended by a borrower may assist in the collection of any loan of that borrower made under this subpart which becomes delinquent. The institution or postgraduate training program will not be subject to section 809 of the Fair Debt Collection Practices Act for purposes of assisting in the collection of any such loan.".

(b) FINANCIAL NEED REQUIREMENT.—Subsection (b) of section 722 is amended—

(1) by inserting "and" after the semicolon at the end of paragraph (1);

(2) by striking paragraph (2); and

(3) by redesignating paragraph (3) as paragraph (2).

(c) CENTERS OF EXCELLENCE.—Section 739(i)(2)(C) is amended by adding after the period the following new sentence: "Health professional schools described in paragraph (2) of subsection (c) are eligible for funding under this subsection.".

(d) TRAINEESHIPS FOR ADVANCED NURSE EDUCATION.—Subsection (a) of section 830 of the Public Health Service Act is amended to read as follows:

"(a) IN GENERAL.—The Secretary may make grants to public and nonprofit private entities to meet the cost of—

"(1) traineeships for individuals in advanced-degree programs in order to educate the individuals to serve as nurse practitioners, nurse midwives, nurse educators, or public health nurses, or in other clinical nursing specialities determined by the Secretary to require advanced education; and

"(2) traineeships for nurses in certificate nurse midwifery programs which conform to guidelines established by the Secretary under section 822(b), to educate the nurses to serve as nurse midwives.".

(e) CERTAIN GENERALLY APPLICABLE PROVISIONS.—Subsection (d) of section 860 of the Public Health Service Act is amended by striking "821, 822, 830, and 831" and inserting in lieu thereof "821, 822, and 827".

SEC. 2005. BIENNIAL REPORT ON CARCINOGENS.

Section 301(b)(4) of the Public Health Service Act (42 U.S.C. 241(b)(4)) is amended by striking "an annual" and inserting in lieu thereof "a biennial".

SEC. 2006. MASTER PLAN FOR PHYSICAL INFRASTRUCTURE FOR RESEARCH.

Not later than June 1, 1994, the Secretary of Health and Human Services, acting through the Director of the National Institutes of Health, shall present to the Congress a master plan to provide for the replacement or refurbishment of less than adequate buildings, utility equipment and distribution systems (including the resources that provide electrical and other utilities, chilled water, air handling, and other services that the Secretary, acting through the Director, deems necessary), roads, walkways, parking areas, and grounds that underpin the laboratory and clinical facilities of the National Institutes of Health. Such plan may make recommendations for the undertaking of new projects that are consistent with the objectives of this section, such as encircling the National Institutes of Health Federal enclave with an adequate chilled water conduit.

SEC. 2007. TRANSFER OF PROVISIONS OF TITLE XXVII.

(a) IN GENERAL.—The Public Health Service Act (42 U.S.C. 201 et seq.), as amended by section 101 of Public Law 101-381 and section 304 of Public Law 101-509, is amended—

(1) by transferring sections 2701 through 2714 to title II;

(2) by redesignating such sections as sections 231 through 244, respectively;

(3) by inserting such sections, in the appropriate sequence, after section 228;

(4) by inserting before section 201 the following new heading:

"PART A—ADMINISTRATION"; and

(5) by inserting before section 231 (as redesignated by paragraph (2) of this subsection) the following new heading:

"PART B—MISCELLANEOUS PROVISIONS".

(b) CONFORMING AMENDMENTS.—The Public Health Service Act (42 U.S.C. 201 et seq.) is amended—

(1) in the heading for title II, by inserting "AND MISCELLANEOUS PROVISIONS" after "ADMINISTRATION";

(2) in section 406(a)(2), by striking "2701" and inserting "231";

(3) in section 465(f), by striking "2701" and inserting "231";

(4) in section 480(a)(2), by striking "2701" and inserting "231";

(5) in section 485(a)(2), by striking "2701" and inserting "231";

(6) in section 497, by striking "2701" and inserting "231";

(7) in section 505(a)(2), by striking "2701" and inserting "231";

(8) in section 926(b), by striking "2711" each place such term appears and inserting "241"; and

(9) in title XXVII, by striking the heading for such title.

SEC. 2008. CERTAIN AUTHORIZATION OF APPROPRIATIONS.

Section 399L(a) of the Public Health Service Act (42 U.S.C. 280e-4(a)), as added by Public Law 102-515 (106 Stat. 3376), is amended—

(1) in the first sentence, by striking "the Secretary" and all that follows and inserting the following: "there are authorized to be appropriated $30,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1997."; and

(2) in the second sentence, by striking "Out of any amounts used" and inserting "Of the amounts appropriated under the preceding sentence".

SEC. 2009. PROHIBITION AGAINST SHARP ADULT SEX SURVEY AND THE AMERICAN TEENAGE SEX SURVEY.

The Secretary of Health and Human Services may not during fiscal year 1993 or any subsequent fiscal year conduct or support the SHARP survey of adult sexual behavior or the American Teenage Study of adolescent sexual behavior. This section becomes effective on the date of enactment of this Act.

SEC. 2010. SUPPORT FOR BIOENGINEERING RESEARCH.

(a) STUDY.—The Secretary of Health and Human Services, acting through the Director of the National Institutes of Health, shall conduct a study for the purpose of—

(1) determining the sources and amounts of public and private funding devoted to basic research in bioengineering, including biomaterials sciences, cellular bioprocessing, tissue and rehabilitation engineering;

(2) evaluating whether that commitment is sufficient to maintain the innovative edge that the United States has in these technologies;

(3) evaluating the role of the National Institutes of Health or any other Federal agency to achieve a greater commitment to innovation in bioengineering; and

(4) evaluating the need for better coordination and collaboration among Federal agencies and between the public and private sectors.

In conducting such study, the Director shall work in conjunction with appropriate organizations and representatives including academics, industry leaders, bioengineering societies, and public agencies.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to the Committee on Labor and Human Resources of the Senate, and the Committee on Energy and Commerce of the House of Representatives, a report containing the findings of the study conducted under subsection (a) together with recommendations concerning the enactment of legislation to implement the results of such study.

SEC. 2011. ADMISSION TO THE UNITED STATES OF ALIENS INFECTED WITH THE AIDS VIRUS.

(a) ADMISSION.—Notwithstanding any other provision of law, regulations or directives concerning the exclusion of aliens on health related grounds, infection with HIV, the human immunodeficiency virus, shall constitute a communicable disease of public health significance for purposes of section 212(a)(1)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(1)(A)(i)).

(b) REPORT REQUIRED.—The President shall submit a report by September 1, 1993, containing—

(1) an assessment of the anticipated costs of the admission to the United States of persons with HIV to public health care pro-

grams, including such costs as will be borne by States and municipalities, and private insurers and health care providers;

(2) an estimate of the number and origins of persons infected with HIV likely to seek entry into the United States before December 31, 2003;

(3) an assessment of the effectiveness of the Immigration and Nationality Act in preventing persons entering the United States likely to become a public charge, as well as the ability to enforce this Act with regard to persons infected with potentially costly health conditions including, but not limited to HIV;

(4) the cost implications of refugees entering or likely to enter the United States, who carry the HIV virus;

(5) a comparison of the anticipated public and private health care costs associated with aliens infected with HIV with the costs attributable to the entry of aliens suffering from other health conditions.

(c) HIV TESTING.—Except as otherwise provided in subsection (d) the Attorney General, in consultation with the Secretary of Health and Human Services, shall provide for the testing of aliens for infection with HIV in accordance with the policy in effect on January 1, 1993.

(d) WAIVER AUTHORITY.—Subsection (c) may be waived by the Attorney General, in consultation with the Secretary of Health and Human Services for non-immigrants who, except for the provisions of this Act, would be admissible to the United States, and who seek admission for 30 days or less for the purpose of—

(1) attending educational or medical conferences;

(2) receiving medical treatment;

(3) visiting close family members;

(4) conducting temporary business activities; or

(5) visiting for pleasure (tourism);

and in addition such non-immigrants may be admitted without questions as to whether they are carriers of the HIV virus, at the discretion of the Attorney General.

(e) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to limit the authority of the Secretary of HHS to prescribe regulations concerning communicable diseases of public health significance, other than infection with the human immunodeficiency virus in accordance with section 212(a)(1)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(1)(A)(i)).

SEC. 2012. SENSE OF THE CONGRESS REGARDING ACTION ON A REQUEST FOR CERTAIN WAIVERS UNDER THE MEDICAID PROGRAM.

It is the sense of the Congress that—

(1) the Secretary of Health and Human Services should be commended for her commitment to either approve or deny the application for waivers to conduct a demonstration project under section 1115(a) of the Social Security Act submitted by the Oregon Department of Human Services on November 13, 1992, (hereafter referred to in this section as the "application") by March 19, 1993, and

(2) because the application for waivers has been pending for one and a half years and the Oregon State legislature faces a biennium budget currently under consideration, a decision must be reached by March 19, 1993, in order for the legislature to appropriate the funds necessary to implement the Oregon plan.

SEC. 2013. AUTHORIZATION OF APPROPRIATIONS.

Section 2602 of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621) is amended—

(1) in the first sentence of subsection (b), by striking "1993 and 1994" and inserting "1993, 1994, and 1995"; and

(2) in subsection (d), by striking "in each of the fiscal years 1993 and 1994" and inserting "for each of the fiscal years 1993, 1994, and 1995".

SEC. 2014. VACCINE INJURY COMPENSATION PROGRAM.

Section 2111(a) of the Public Health Service Act (42 U.S.C. 300aa-11(a)) is amended by adding at the end thereof the following new paragraph:

"(10) The Clerk of the United States Claims Court is authorized to continue to receive, and forward, petitions for compensation for a vaccine-related injury or death associated with the administration of a vaccine on or after October 1, 1992.".

TITLE XXI—EFFECTIVE DATES

SEC. 2101. EFFECTIVE DATES.

Subject to section 155, this Act and the amendments made by this Act take effect upon the date of the enactment of this Act.

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

Mrs. KASSEBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. Mr. President, I ask unanimous consent that material pertaining to AIDS research be printed in the RECORD at this point.

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

AMFAR,
Washington, DC, February 16, 1993.

DEAR SENATOR: As AIDS researchers, we are writing to strongly support the AIDS research reforms included in S.1, the NIH Revitalization Act of 1993. These reforms were developed by Senators Kennedy, Kassebaum and Hatch, and received the unanimous approval of the Senate Committee on Labor & Human Resources.

HHS Secretary Shalala testified before the House of Representatives that these reforms "provide an important framework for the improved planning and coordination of AIDS research." We hope that the Senate will swiftly enact S. 1 legislation that will significantly strengthen our national AIDS research effort. Specifically, we enthusiastically endorse the Title XVIII provisions which will:

Strengthen the NIH Office of AIDS Research (OAR) by providing it with the resources, staff and authority to develop and implement, in conjunction with the NIH institutes, a long-term strategic plan for AIDS research throughout the NIH.

Consolidate the NIH AIDS research budget into a single line item, to be appropriated to OAR and distributed by OAR to the institutes in accordance with the strategic plan' and give the OAR Director authority to submit a bypass (professional judgment) budget, similar to that of the National Cancer Institute, directly to the President; and the authority to distribute the NIH AIDS research budget in accordance with the strategic plan.

Strengthen the Office of AIDS Research by making its Director a full-time Presidential appointee who is an outstanding scientist and an experienced administrator, and give OAR an expert, diverse advisory committee, the OAR Advisory Committee (OARAC).

Create a discretionary fund for the Office of AIDS Research to be used for emergency research projects, fast-track research initiatives, or programs targeting gaps in current research.

We stand in bipartisan majority in Congress, and with the new Administration, in supporting this worthwhile legislation.

We all have a truly precious opportunity to accelerate AIDS research—and the quest for effective treatments and a vaccine.

This research has the potential to improve and lengthen the lives of over 1.5 million Americans. In addition, according to the OTA, because so much of AIDS research is basic science, this research has far-reaching implications for all Americans.

We are writing in the name of the many prominent AIDS researchers from around the country who join in this appeal.

The NIH Revitalization Act of 1993 with its AIDS research reforms is an essential step forward. We urge you to support its immediate passage without amendment.

Yours truly,

MATHILDE KRIM, PH.D,
Founding Co.-Chair, American Foundation for AIDS Research (AmFAR), Adjunct Professor of Public Health, Columbia University.

ARTHUR J. AMMANN, M.D., PH.D,
Chairman, Health Advisory Board, Pediatric AIDS Foundation (PAF), Director, the Ariel Project for Prevention of HIV Transmission from Mother to Infant.

SCIENTISTS SUPPORTING AIDS PROVISIONS IN S. 1/H.R. 4

[Affiliations for Identification Purposes Only]

[List in Formation]

Donald I. Abrams, M.D., Assistant Director, AIDS Activities, S.F. General Hospital Professor of Clinical Medicine, UC San Francisco.

Naffees Ahmand, Ph.D., Assistant Member, Virology Division, James N. Gamble Institute of Medical Research.

Lisa Al-Hashimi, M.S.M., R.N., Director, Wisconsin Community Based Research Consortium.

David Amato, Ph.D., Director, Statistics & Data Analysis Center, Harvard School of Public Health.

Arthur J. Ammann, M.D., Ph.D., Chairman, Health Advisory Board, Pediatric AIDS Foundation (PAF), Member, IOM AIDS Roundtable.

Rajiv Anand, M.D., Assistant Professor, U. Texas Southwest Medical Center.

Michael T. Anderson, Ph.D., Department of Genetics, Stanford University School of Medicine.

John G. Bartlett, M.D., Professor of Microbiology & Infectious Diseases, Johns Hopkins University School of Medicine.

Debajit K. Biswas, Ph.D., Dana-Farber Cancer Institute.

Benjamin Bonavida, Ph.D., Professor of Microbiology & Immunology, UCLA School of Medicine.

William Borkowsky, M.D., Associate Professor of Pediatrics, NYU Medical Center.

Carole A. Brosgart, M.D., Chairman, Scientific Advisory Committee, Community Consortium, San Francisco, CA.

Yvonne J. Bryson, M.D., Professor of Pediatrics, UCLA AIDS Clinical Trials Unit.

Susan Buchbinder, M.D., Chief, Clinical Studies Research Branch, S.F. AIDS Office.

Bruce C. Byrne, Ph.D., Adjunct Professor of Medicine, Cooper Hospital University Medical Center.

Carol A. Carter, Ph.D., Associate Professor of Microbiology, SUNY Stonybrook, NY.

David D. Cenantano, Sc.D., Professor of Behavioral Sciences, Johns Hopkins University.

Terrence G. Chew, M.D., Medical Director, HIV Care, St. Francis Memorial Hospital.

James Chin, M.D., M.P.H., Professor of Epidemiology, UC Berkeley School of Public Health.

Francis Paine Conant, Ph.D., Professor, Hunter College AIDS Task Force.

Ellen C. Cooper, M.D., M.P.H., Director of Infectious Diseases, Syntex Research.

Victor DeGruttola, Ph.D., Associate Professor of Biostatistics, Harvard School of Public Health.

Roger Detels, M.D., M.S., Professor of Epidemiology, UCLA School of Public Health.

Gail Dinter-Gottlieb, Ph.D., Department of Bioscience & Biotechnology, Drexel University.

Donald T. Dubin, M.D., Professor of Molecular Genetics & Microbiology, UMDNJ/Robert Wood Johnson Medical School.

Lorna S. Ehrlich, Ph.D., Department of Microbiology, SUNY Stonybrook, NY.

Leon Epstein, M.D., Professor of Pediatric Neurology, U. Rochester Medical Center.

Judith Feinberg, M.D., Assistant Professor of Medicine and Infectious Diseases, Johns Hopkins University.

Harvey V. Fineberg, M.D., M.P.H., Dean, Harvard School of Public Health, Harvard University.

Jeffrey D. Fisher, Ph.D., Professor of Psychology, AIDS Risk Reduction Project, University of Connecticut.

Gerald H. Friedland, M.D., Director, AIDS Program; Professor of Medicine, Epidemiology & Public Health, Yale University School of Medicine.

Beatrice Hahn, Ph.D., Human Retrovirology Laboratory, U. Alabama at Birmingham.

Matthias von Herrath, Ph.D., Division of Virology, Scripps Research Institute, La Jolla, CA.

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Leonore A. Herzenberg, Ph.D., Professor, Stanford University School of Medicine.

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Sandra R. Hernandez, M.D., County Health Officer/Deputy Director, S.F. Dept. Public Health.

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Robert Klitzman, M.D., HIV Center for Clinical & Behavioral Studies, New York State Psychiatric Institute.

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Richard S. Kornbluth, M.D., Ph.D., Assistant Adjunct Professor of Medicine, UC San Diego.

Mathilde Krim, Ph.D., Founding Co-Chair, American Foundation for AIDS Research (AmFAR), Adjunct Professor of Public Health, Columbia University.

Belle L. Lee, Pharm.D., Assistant Professor of Medicine & Pharmacy, UC San Francisco.

Robert J. Levine, M.D., Professor of Medicine, Yale University School of Medicine.

Sarah S. Martin-Munley, Ph.D., Associate Director for Clinical Research, Astra Pharmaceuticals.

Kenneth H. Mayer, M.D., Assistant Professor of Medicine and Community Health, Brown U.

Justin C. McArthur, M.B., B.S., M.P.H., Associate Professor of Neurology; Associate Professor of Epidemiology, Johns Hopkins University.

J. Michael McCune, M.D., Ph.D., Vice President, New Research, SySteMix Inc.

Thomas C. Merigan, Jr., M.D., Professor of Medicine; Director, Center for AIDS Research, Stanford University School of Medicine.

Charles D. Mitchell, M.D., Associate Professor, Dept. of Pediatrics, University of Miami.

John P. Moore, Ph.D., Aaron Diamond AIDS Research Center; Associate Professor of Microbiology, New York University School of Medicine.

David Ostrow, M.D., Ph.D., Associate Professor of Psychiatry, AIDS Psychobiology Program, University of Michigan School of Medicine.

Robert G. Newman, M.D., President, Beth Israel Medical Center, New York, NY.

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Douglas D. Richman, M.D., Professor of Pathology and Medicine, UC San Diego.

Mario Roederer, Ph.D., Department of Genetics, Stanford University School of Medicine.

John J. Rossi, Ph.D., Chairman, Div. Biology, City of Hope Beckman Research Institute.

Michael S. Saag, M.D., Associate Professor of Medicine, U. Alabama at Birmingham.

Peter A. Selwyn, M.D., Associate Professor of Medicine, Epidemiology & Public Health, Yale University School of Medicine.

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Evan B. Siegal, Ph.D., Senior Director, Regulatory Affairs, Astra Pharmaceuticals.

Frederick P. Siegal, M.D., F.A.C.P., Professor of Medicine, Albert Einstein College of Medicine.

Mervyn F. Silverman, M.D., M.P.H., President, AmFAR; Adjunct Professor, UC San Francisco.

Leonard Simpson, M.D., Chairman, Social Policy Committee, Community Consortium, San Francisco, CA.

Edward E. Telzak, M.D., Chief, Division of Infectious Diseases, Bronx-Lebanon Hospital.

Fred Valentine, M.D., Professor of Immunology, New York University Medical Center.

Gwen vanServellen, R.N., Ph.D., F.A.A.N., Professor and Vice Chair, Psychiatric-Mental Health & Nursing Administration, UCLA School of Nursing.

Bruce Voeller, Ph.D., President, Mariposa Education & Research Foundation.

Steven S. Witkin, Ph.D., Associate Professor; Director, Immunology Division, The New York Hospital-Cornell Medical Center.

Richard Young, Ph.D., Associate Professor, Massachusetts Institute of Technology, Whitehead Institute for Biomedical Research.

THE SECRETARY OF HEALTH AND HUMAN SERVICES,
Washington, DC, January 28, 1993.

Hon. ALBERT GORE, Jr.,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: We wish to offer our views on S. 1, the National Institutes of Health Revitalization Act of 1993, as reported by the Labor and Human Resources Committee. It is our understanding that this bill is scheduled for a floor vote on Tuesday, February 2.

In summary, we support the bill.

We fully support extending specific authorities for selected NIH activities. NIH's important functions are vital to the health of Americans and help enhance the competitiveness of this Nation through strengthening our science and biomedical research base.

We have some reservations about the detailed research and administrative directives and other overly specific requirements in the bill. However, we understand Congress's decision to move in this direction given the history of this bill and the disagreements over it between Congress and the past Administration.

We are particularly supportive of provisions in S. 1 which are aimed at improving the health of women. It is important that we all ensure that resources are devoted to conditions which uniquely affect women and expand efforts to include women in clinical trials.

Finally, the Clinton Administration supports strengthening AIDS research programs. We believe the bill provides a framework for directing AIDS research in an effective manner.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report and that enactment of S. 1 would be in accord with the program of the President.

Sincerely,

DONNA E. SHALALA.

[From the National Commission on Acquired Immune Deficiency Syndrome, Jan. 28, 1993]

STATEMENT ON NATIONAL COMMISSION ON AIDS

Congress should strengthen the NIH Office of AIDS Research in the upcoming reauthorization of the National Institutes of Health legislation.

The role of the NIH Office of AIDS Research (OAR) should be to promote, develop, coordinate, prioritize, and integrate research on HIV/AIDS throughout all relevant Institutes at the NIH. It should have responsibility for articulating an NIH-wide cross-Institute AIDS research plan, and the budget authority to set priorities. Additionally, the Director should have the authority to make awards rapidly throughout the Institutes from a discretionary fund (initially at a minimum of $100 million) for projects responding to emerging opportunities of high priority. The OAR and its director should be independent of the individual Institutes, yet have coordinating responsibility over their AIDS-related activities. The workload of such an office, particularly in light of the additional responsibility to monitor and guide NIAAA, NIDA, and NIMH HIV/AIDS related research is now such that a full-time director is needed. The director should coordinate closely with the Institute Directors, the Director of NIH, the Secretary of HHS, and the Presidentially-appointed AIDS coordinator. The director of this office should serve as the government's leading authority on matters pertaining to HIV/AIDS biomedical, basic, clinical and behavioral research. Staffing the Office should be increased so that coordination across all Institutes in the various subject areas of concern can be adequately undertaken.

The Office should immediately develop a coordinated NIH-wide plan for research on

behavioral HIV/STD risk reduction and the behavioral aspects of drug and vaccine use, as a component of the overall NIH HIV/AIDS research plan. The NIH AIDS Program Advisory Committee should also be strengthened through the addition of at least two members with experience in behavioral research.

PEDIATRIC AIDS FOUNDATION,
Santa Monica, CA, February 15, 1993.

DEAR SENATOR: I have AIDS, I have lost my daughter to AIDS, my eight year old son is infected with HIV. I want you to know that this amendment is our hope for the future.

I have known for a long time that the government can do better, not just with money but with better and coordinated organization. However, there seemed little hope of anything really changing. Now there is a chance, a window of opportunity for so many. By strengthening the office of AIDS research we will speed up, not slow down research. As a country we will be able to strategize prioritize and move quickly to action. How can we settle for less?

My family, myself and millions of others need this chance. Those uninfected need a vaccine. We are in a fight for our life, I am fighting hard, meet me half way and pass this bill.

Most seriously,

ELIZABETH GLASER.

P.S. As chair of PAF we have funded over 10 million dollars in basic research. I feel qualified to evaluate this as a professional as well as a mother.

THE ARIEL PROJECT,
Novato, CA, January 15, 1993.

To: Mike Iskowitz, U.S. Senate
From: Art Ammann

I received your comments on NIH reform, attached are comments reviewed by Elizabeth Glaser, Susan DeLauratnis and myself.

COMMENTS ON THE NIH AIDS PROGRAMS

The NIH plays a critical and essential role in supporting and directing research for life threatening illnesses. It needs to be recognized however that the NIH is not an integrated institution necessarily capable of responding rapidly (or correctly) to new or established research directions, as was evidenced in its delayed response to AIDS. Now that HIV infection has been thoroughly integrated into the to extramural and intramural programs of the NIH for over a decade, there is a significant risk that this "institutionalization of HIV" will result in priority issues not being addressed. The basic mechanism of NIH is to view research as being generated by individual investigators. Both the extramural and intramural programs are in reality composed of individual researchers with emphases that fall under specific institutes. Communication is not necessarily present between institutes or investigators and individuals or institutes are not required to avoid duplication or to meet research deadlines. However, since the present NIH mechanism has been partially successful in making major discoveries, the question is how to preserve critical individual research and still meet national priorities.

Fture effective NIH sponsored research in HIV infection will only be successful to its fullest extent if (1) evaluation of the current program occurs, (2) critical areas of research are identified, (3) priorities are established, (4) integration of research occurs, (5) mechanisms are defined as to how the research can best be accomplished and, (6) greater individual and institute accountability is required.

The Office of AIDS Research should be preserved. The head of the OAR should be an individual who is knowledgeable in basic and clinical research (does not have to be in AIDS directly) and who will be empowered to make decisions across institutes and in both intramural and extramural programs. The director of OAR must not have any conflict of interest. That is, there should be no direct or indirect gain to the individual. Of necessity, it should not be a person directly or indirectly involved in AIDS research. The basic task of OAR is to address the questions of what research needs to be done in the interest of national health, who should do it, and what are the priorities? At the same time OAR should review current research for duplication and productivity. In matters of national health, grants should not be awarded without a mechanism to evaluate output. The current peer review system lends itself to abuse a perpetuation of "like minded thinking". Investigators should be required to answer to a stricter level of accountability.

OAR should determine whether research is best accomplished for a specific area by extramural research, intramural research, contracts, RFAs, industry or a combination of these. In this regard, the question is, how can the work be accomplished most rapidly?

The director of OAR should have an advisory group which represents the major research areas—biomedical research, treatment and care and behavioral research. In each of these areas there should be a representative of each NIH institution and an outside representative from the community industry, ACT-Up, academics. Although diverse representation is essential, the group should not be larger than 20 since this would impede rapid decisions. This group, along with the OAR director would establish priorities. They should determine what work is being done and whether there is duplication of effort or, no work at all. The director would then report to the Interdepartmental Task Force on AIDS headed by the special assistant to the president.

Tough questions must be asked. For example. Why is this work being duplicated? Why is it taking so long? Why is this work being done by both NIH and the CDC or by two different NIH institutes? Who could do it faster? Why has this question been giving such a low priority? And, one of the more difficult question—should this program be discontinued?

Attention needs to be given to programs which might need to be strengthened. Because the budget will not have enough money to support all the research, some redistribution will be required. In spite of the new administrations support of AIDS there will be increasing competition for research dollars. The AIDS community should insist that the current AIDS research agenda be evaluated thoroughly if it wishes to remain credible when asking for more research money. This should be done carefully with the message being, "We will evaluate ongoing research to be certain that priorities are correct while we seek additional funding to perform the research of critical national health importance".

JOHNS HOPKINS MEDICINE,
DIVISION OF INFECTIOUS DISEASES,
Baltimore, MD, January 20, 1993.

Senator EDWARD KENNEDY, Chair,
Senator NANCY LANDON KASSEBAUM, Ranking Member,
Senate Committee on Labor and Human Resources, U.S. Senate, Washington, DC.

DEAR SENATORS KENNEDY AND KASSEBAUM: From my perspective as a former key staff member in the National Institute of Allergy and Infectious Disease AIDS effort and more recently as a university-based AIDS researcher, I am writing to strongly support provisions in the NIH Reauthorization Bill (S.1) that would strengthen efforts to coordinate AID Research at the National Institutes of Health. These provisions are necessary to provide NIH with the ability to carry out much-needed strategic planning and coordination of AIDS research. Currently this important work is being done piecemeal by myriad institutes without truly effective long-range planning, integration and coordination.

Specifically, I strongly urge the inclusion of the following provisions:

Provide the NIH Office of AIDS Research (OAR) with the resources, staff and authority to develop and implement a long-term strategic plan for AIDS research throughout the NIH, including budgetary authority to move resources among institutes to ensure that the strategic plan is carried out. Fiscal authority is the key to ensuring effective use of research resources.

Give the OAR Director authority to submit a bypass (professional judgment) budget similar to that of the National Cancer Institute, directly to the President, and authority to distribute the NIH AIDS research budget to the Institutes in accordance with the annually-revised strategic plan.

Enhance the position of Director of the Office of AIDS Research to become a full-time, presidential appointee who will; (1) report directly to the Director of the NIH, (2) sit on relevant executive branch AIDS task forces, and (3) coordinate research efforts within NIH, other research institutions and industry.

Establish the Office of AIDS Research Advisory Council (OARAC) to advise the OAR director.

Create a discretionary fund within the Office of AIDS Research, exempt from routine procurement rules and civil service restrictions, to be used for (1) emergency research projects, (2) fast track research initiatives, or (3) directed programs to address gaps in current research.

Together Congress, the new Administration, and researchers around the country have a truly precious opportunity to accelerate the search for effective treatments and vaccines for AIDS and HIV infection.

Yours truly,

JUDITH FEINBERG,
Assistant Professor of Medicine and Infectious Diseases.

January 20, 1993.

Senator EDWARD KENNEDY,
Chair,
Senator NANCY LANDON KASSEBAUM,
Ranking Member,
Senate Committee on Labor & Human Resources, U.S. Senate, Washington, DC.

DEAR SENATORS KENNEDY AND KASSEBAUM: I urge you to support new provisions in the NIH Reauthorization Bill (S.1) that are intended to increase the authority of the Office of AIDS Research at NIH. As the founding director of the Division of Antiviral Drug Products at the FDA, which is responsible for regulating and approving new AIDS drugs, I had the opportunity to observe firsthand the inefficiencies that result from an uncoordinated and inadequately managed national AIDS research effort. After leaving government a little over a year ago, I have also had the opportunity to experience it from the other side, as a director of clinical research at a mid-sized pharmaceutical com-

pany seeking to work with the government in the development of new therapies for AIDS and other life-threatening diseases.

Although many important new discoveries have been made during the last decade as a result of government funding for AIDS research, it remains a lethal disease, with no near term prospect of a cure or preventive vaccine. In addition to the heart rending personal tragedies for the infected individuals and their families, our society is losing too many of its most talented citizens, and it has already begun to experience the unprecedented impact this epidemic will have on the health care system and drug development establishment in this country. As the epidemic continues to grow, we must be cognizant of the tremendous political and social upheaval that this disease is likely to cause worldwide. For all of these reasons, it is critical that the preeminent medical research entity in the world, the NIH, provide a model for inspired leadership and broad-based strategic planning in the ongoing war on this devastating disease.

Thus, a redoubling of support for the AIDS research effort in this country is as vital to our national interest as it is to our collective well-being. A substantial part of this effort must come from public funds, where bottom line business factors are not a driving consideration, and the potential for broadly-based, strategic planning exists. It is important that one office be given the responsibility and authority to guide and coordinate the complex, interdisciplinary research that this disease demands, and to hold accountable the various institutes at NIH that play a critical role in carrying out and overseeing various pieces of the research effort. To be effective, this office must be relatively independent of entrenched interests, reporting to the Director of the NIH. It must be adequately staffed with competent scientist managers, and headed by a full-time director who has the experience and clout to provide the scientific and social leadership that this challenge requires. It must also be given the authority to control and disperse the funds that NIH receives for AIDS research, both through existing institutes and through a discretionary research fund. Finally, this office and its director must be advised, both formally and informally, by broadly representative groups of experts from all important areas impacted by AIDS research efforts, for it is as important that the work of this office be influenced and supported by those outside government as by those within.

As leaders of a powerful Senate committee, your support for these changes is crucial. As a result, I look forward, from both a professional and personal perspective, to a new era in AIDS research, where government funds are prudently invested in accordance with a carefully constructed, broadly vetted strategic plan that is revised periodically as new information and research needs come to light.

Sincerely yours,

ELLEN C. COOPER, *M.D., M.P.H.*

THE ARIEL PROJECT,
Novato, CA, January 18, 1993.

To MIKE ISKOWITZ.

DEAR MIKE: I previously faxed to you some recommendations from the Pediatric AIDS Foundation concerning NIH AIDS Program reorganization. It is important for members of congress to understand that the majority of the recommendations submitted by us and by TAG reflect the opinion of the AIDS community as a whole. Although I cannot speak for each person at the Institute of Medicine meeting on Friday, January 15th (to which your office had faxed the TAG recommendations for that committee's response) there was consensus that the recommendations were appropriate and would result in a more appropriate priority driven AIDS program, which would result in more rapid solutions. Attached is a list of the members attending the Institute of Medicine meeting.

Sincerely,

ART AMMANN, M.D.

AMFAR,
Washington, DC, January 15, 1993.

SENATOR EDWARD KENNEDY,
Chairman, Committee on Labor and Human Resources, Dirksen Senate Office Bldg., Washington, DC.

DEAR MR. CHAIRMAN: On behalf of the Public Policy Committee of the American Foundation for AIDS Research (AmFAR), we write to formally endorse the document "Reforming the NIH AIDS Research Program", dated December 16, 1992, that has become known as the Treatment Action Group (TAG) proposal.

This proposal concerns the AIDS research program of the National Institutes of Health. We, like many others in the public health and AIDS communities, believe that coordination of AIDS efforts across all agencies of the federal government is critical to managing and ultimately controlling the human immunodeficiency virus (HIV) epidemic. Strong coordination within the agencies is equally important, particularly at the NIH, which is entrusted with the bulk of federal funds available for laboratory and clinical research on AIDS. We believe that the principles listed in the TAG document should be included in the upcoming NIH reauthorization legislation.

We urge you to review this proposal carefully and encourage you to seek its inclusion in the NIH reauthorization legislation.

Sincerely,

MATHILDE KRIM, Ph.D.,
*Founding Co-chair and Chairman of the Board, American Foundation for AIDS Research, Adjunct Professor of Public Health, Columbia University.**

MERVYN F. SILVERMAN, M.D., M.P.H,
*President, American Foundation for AIDS Research; Adjunct Professor, University of California San Francisco.**

HARVEY V. FINEBERG, M.D., Ph.D.,
*Chair, Public Policy Committee, American Foundation for AIDS Research, Dean, Harvard School of Public Health.**

*Affiliation for identification purposes only.

[From the Treatment Action Group, New York, NY, Dec. 16, 1992.]

REFORMING THE NIH AIDS RESEARCH PROGRAM

["I have called for increases in funding for both AIDS-specific and general biomedical research, and have pledged to reinvest every dollar cut from defense R&D into civilian research . . ."—Bill Clinton, Science, 10.16.92, p. 492]

Current AIDS research efforts supported by the National Institutes of Health (NIH) have enormous productive potential locked inside an inefficient structure. The AIDS caseload climbs to over 50,000 new cases per year, yet the research budget is falling.[1] Congress appropriated $1.077 billion for AIDS in FY 1993, yet the funds are to be spent by 21 separate institutes with little central coordination. The distribution of AIDS research among many institutes has its benefits, since AIDS demands a multidisciplinary response, but the current NIH structure fails to provide AIDS research with the coordinating and planning functions carried out for other major diseases at their own disease-specific institutes. Consolidating all AIDS research into a single institute would cause yet more disruption and delay. How, then, can the strengths of the current AIDS research program be preserved while increasing its efficiency? What new efforts are needed?

These recommendations are distilled from reports by the Institute of Medicine in 1991 and the Treatment Action Group (TAG) in 1992.[2]

Revitalizing the NIH AIDS research effort requires: (1) Restructuring: strengthening the NIH Office of AIDS Research (OAR); and (II) Resources: increasing the NIH AIDS research budget.

I. RESTRUCTURING

The following changes [#1–7] should be authorized in the NIH Reauthorization Bill (S. 1 and its House counterpart). The NIH Office of AIDS Research (OAR) was authorized by Congress in 1988 (P.L. 100–607). This authorization ran out in 1991 and should be renewed. OAR currently serves in an advisory capacity only. It cannot fulfill its mission without additional resources, staff and authority.

1. Strengthening the OAR. When it is reauthorized, the OAR should be directed to develop a meaningful long-range strategic plan for AIDS research at NIH. OAR should also be given the budgetary authority to implement the plan by distributing the NIH AIDS research budget among the 21 institutes now carrying out AIDS-related programs.

2. OAR Director. The OAR Director should be a Presidential appointee [as the NCI Director has been since 1972]. The OAR Director, in consultation with the new OAR Advisory Council (OARAC; see #3) should be the lead executive overseeing the entire NIH AIDS research effort, and should sit on relevant Executive Branch AIDS task forces. The OAR Director should be an outstanding scientist and a highly skilled administrator. The OAR Director should report directly to the NIH Director. The OAR Director, in consultation with OARAC, should develop the NIH AIDS budget, implement the strategic plan, and distribute resources among the institutes. Directing the OAR should be a full-time job. Institutes should continue to develop and administer AIDS research programs under their jurisdiction.

3. Advisory Committees. OAR's new role necessitates an expanded advisory committee. The current AIDS Program Advisory Committee (APAC) should be replaced with an OAR Advisory Council (OARAC) of biomedical, behavioral and social scientists along with representatives of the diverse HIV affected communities. OARAC will oversee the NIH AIDS budget, the strategic plan, periodic program evaluations [#5], and awards made from the OAR discretionary fund [#6]. OAR will continue to chair the

[1] NIH AIDS spending for FY 1993 is rising by 2.65%, non-AIDS spending by 3.05% [NIH]; the biomedical research and development price index (BRDPI) inflation rate is 5.1% [Commerce Department].

[2] The AIDS Research Program of the National Institute of Health. Report of a Study by a Committee of the Institute of Medicine (IOM), National Academy Press, Washington, D.C., 1991; Gregg Gonsalves + Mark Harrington for TAG, New York, NY USA. AIDS Research at the NIH: A Critical Review. VIII International Conference on AIDS, July 1992.

NIH AIDS Executive Committee (NAEC: institute directors and AIDS coordinators), and should convene a community advisory committee.

4. Strategic Planning. The OAR should prepare an NIH Strategic Plan for AIDS Research which must prioritize among critical scientific issues, evaluate current AIDS programs, suggest changes, and recommend necessary resource reallocation or new programs. The Strategic Plan should include critical questions, goals, timelines, obstacles, resource needs, and evaluation criteria. Annual budget priorities should reflect the strategic plan.

5. Program Evaluation. The OAR should conduct program evaluation of AIDS research across institute lines. OAR should establish and staff NIH AIDS coordinating groups (representative of relevant institutes) to cover pathogenesis, natural history and epidemiology, drug development and clinical trials, vaccine development, and behavioral research. OAR should assess existing efforts, target gaps and redundancies, and identify new opportunities for collaboration.

6. Discretionary Fund. At least $150 million should be made available to the OAR, acting in consultation with OARAC, as a discretionary fund. This fund should be used to fund a) emergency projects (such as tuberculosis), b) fast track research initiatives, or c) programs to fill the gaps in current research. OAR could distribute the funds through institutes or directly as OARAC-approved awards. The discretionary fund should be exempt from routine procurement rules on use of equipment, facilities and civil service restrictions on personnel. The discretionary fund could be used to pilot directed research projects, such as immune reconstitution.

7. Streamlining Bureaucracy. The accelerated review cycle for AIDS awards should be renewed. Travel-related restrictions on NIH employees should be removed. Arbitrary caps or ceilings on the number of research-related full-time equivalents (FTEs) should be abolished. The OAR Director should be able to authorize the hiring of necessary AIDS-related FTEs at the institutes, the Division of Research Grants (DRG), and OAR itself. Restrictions imposed by the NIH Office of Protection from Research Risks (OPRR) on basic research materials should be scaled back.

II. RESOURCES

While new resources for AIDS research are desperately needed, they will be most useful if they are secured in the context of the structural reforms listed above, enabling them to be spent most efficiently on the highest priority research questions. Consolidating budgetary authority at OAR is the key to assuring that existing and new AIDS research monies are well spent.

President Bush and Congress cut over $350 million from the NIH's original AIDS research request for FY 1993. The cuts impacted on every program area, from basic research to drug discovery, vaccine development and prevention-oriented behavioral research. [At the same time, an artificial boost was injected into the apparent NIH AIDS budget due to the addition of NIMH, NIDA and NIAAA, which brought $250 million in ongoing AIDS programs to the new FY 1993 NIH total.]

8. AIDS Research Budget Consolidation. All NIH AIDS research programs should be consolidated into a single, separate line item in the federal budget, which shall be appropriated to the OAR. This budget should be a bypass budget, like that of the NCI. OAR should distribute the NIH AIDS research budget in accordance with the strategic plan, which will be binding on institute AIDS research programs.

9. Supplemental FY 1993 Budget/Revised FY 1994 Budget. OAR should develop a new supplemental budget for FY 1993 and a revised budget for FY 1994. New scientific opportunities justify an increase of 60% in support for AIDS research. This would add $600 million to the current $1.077 billion AIDS research budget; $350 million cut from the original NIH request, $100 million for new behavioral research, and $150 million for the OAR discretionary fund.

10. NIH-Wide Growth. We support an eventual doubling of overall NIH support, with the lion's share going to life-threatening diseases. Many problems afflicting AIDS research affect other areas too. Decaying research facilities, inadequate training programs, and the lack of long-range strategic planning characterize biomedical research in general, though their effects are most apparent in acute crises such as AIDS.

UNIVERSITY OF CALIFORNIA,
La Jolla, CA, January 22, 1993.

Senator EDWARD KENNEDY,
Chair,
Senator NANCY LANDON KASSEBAUM,
Ranking Member,
Senate Committee on Labor & Human Resources, U.S. Senate, Washington, DC.

DEAR SENATORS KENNEDY AND KASSEBAUM: As an investigator in the chemotherapy and pathogenesis of AIDS, I am distressed that budgetary support for quality and peer reviewed research has significantly diminished and that governmental interference and lack of support have undermined constructive efforts to address the important problems facing us in AIDS. Administrative changes need to be made and additional well directed funding needs to be identified.

As an AIDS researcher, I am writing also to support provisions in the NIH Reauthorization Bill (S. 1) which would strengthen efforts to coordinate AIDS research at the National Institutes of Health. These provisions will provide NIH with the critical ability to carry out strategic planning and coordination to AIDS research throughout NIH.

Specifically, I strongly urge the inclusion of the following provisions:

Provide the NIH Office of AIDS Research (OAR) with the resources, staff and authority to develop and implement a long-term strategic plan for AIDS research throughout the NIH, including budgetary authority to move resources among Institutes to ensure that the strategic plan is carried out.

Give the OAR Director authority to submit a bypass (professional judgment) budget similar to that of the National Cancer Institute, directly to the President, and authority to distribute the NIH AIDS research budget to the Institutes in accordance with the annually-revised strategic plan.

Enhance the position of Director of the Office of AIDS Research to become a full-time, presidential appointee who will: (1) report directly to the Director of the NIH, (2) sit on relevant executive branch AIDS task forces, and (3) coordinate research efforts between NIH Institutes, other research institutes and industry.

Establish the Office of AIDS Research Advisory Council (OARAC) to advise the OAR Director.

Create a discretionary fund within the Office of AIDS Research, exempt from routine procurement rules and civil service restrictions, to be sued for (1) emergency research projects, (2) fast track research initiatives, or (3) directed programs to address gaps in current research.

Together the Congress, the new Administration, and researchers around the country have a truly precious opportunity to accelerate the search for effective treatments and vaccines for AIDS and HIV infection.

Yours sincerely,

DOUGLAS D. RICHMAN, M.D.,
Professor of Pathology and Medicine.

MEMORIAL HOSPITAL, OF RHODE ISLAND, DEPARTMENT OF MEDICINE, BROWN UNIVERSITY, SCHOOL OF MEDICINE,
January 21, 1993.

Senator EDWARD M. KENNEDY,
Chairman Committee on Labor and Human Resources, U.S. Senate, Washington, DC.

DEAR SENATOR KENNEDY: As as active AIDS/HIV clinical researcher, I am writing to offer my strong support for the NIH Reauthorization Bill (S. 1), including the provisions to reform the NIH AIDS research program. These provisions will at last provide AIDS research with the leadership, strategic planning and coordination that are so essential to research into other life-threatening diseases. Specifically, I support the provisions to:

Authorize the Office of AIDS Research to develop and implement a strategic plan and bypass (professional judgment) budget for AIDS research at the NIH, including planning and budget authority across institute lines;

Enhance the position of Director of the Office of AIDS Research to become a full-time, presidential appointee who will: (1) report directly to the Director of the NIH, (2) sit on relevant executive branch AIDS task forces, and (3) hold no other government posts.

Establish the Office of AIDS Research Advisory Council (OARAC) to advise the Director.

Create a discretionary fund within the Office of AIDS Research, exempt from routine procurement rules and civil service restrictions, to be used for (1) emergency research projects, (2) fast track research initiatives, or (3) programs to address gaps in current research.

With these provisions, Senator Kennedy, you hold the opportunity to put AIDS research on track at last. I strongly support their inclusion in the NIH Reauthorization bill, and urge its swift passage. Thank you for your leadership.

Sincerely,

KENNETH H. MAYER, M.D.
Chief, Infectious Disease Division, Memorial Hospital of Rhode Island.

UAB SCHOOL OF MEDICINE, DEPARTMENT OF MEDICINE, DIVISION OF INFECTIOUS DISEASES,
January 20, 1993.

Senator EDWARD M. KENNEDY,
Chairman, Committee on Labor and Human Resources, Washington, DC.

DEAR SENATOR KENNEDY: I am writing to endorse the recommendations prepared by the Treatment Action Group (TAG) regarding the NIH Office of AIDS Research (OAR). As an AIDS researcher and a member of the American Foundation for AIDS Research Scientific Advisory Board, I feel it is critical that we consolidate our research efforts in a more structured fashion, especially with regard to long-range planning. The change in administration of the Executive Branch should help dramatically in creating a comprehensive, logical, and pro-active approach

to dealing with HIV prevention and treatment. At the core of this approach is a coordinated research plan in basic, clinical, and social science. I certainly encourage you to carefully review the recommendations as put forth by the Treatment Action Group. We have a wonderful opportunity to get the AIDS research effort back onto an efficient track.

Please feel free to contact me if you have any specific questions or comments.

With best regards,

MICHAEL S. SAAG, M.D.,
Associate Professor of Medicine, Director, UAB AIDS Outpatient Clinic, Associate Director for Clinical Care and Therapeutics, UAB AIDS Center.

UNIVERSITY OF CALIFORNIA,
SCHOOL OF MEDICINE,
San Francisco, January 20, 1993.

Senator EDWARD KENNEDY, Chair,
Senator NANCY LANDON KASSEBAUM, Ranking Member,
Senate Committee on Labor & Human Resources, U.S. Senate, Washington, DC.

DEAR SENATORS KENNEDY AND KASSEBAUM: I am writing you on this first day of a new era to strongly support provisions in the NIH Reauthorization Bill (S.1) which would strengthen efforts to coordinate AIDS research at the National Institutes of Health. I have been involved in AIDS care and research since the beginning of the epidemic in 1981. I have a close affiliation with the NIH through their Division of AIDS in the National Institute of Allergy and Infectious Disease. I believe that the provisions in this bill will provide the NIH with the critical ability to conduct strategic planning and coordination of AIDS research throughout the Institute.

I believe to be most effective that the following provisions should be included in the bill:

The NIH Office of AIDS Research (OAR) should be provided with the resources, staff and authority to develop and implement a long-term strategic plan for AIDS research throughout the NIH, including budgetary authority to move resources among Institutes to ensure that the strategic plan can be carried out.

The Office of AIDS Research Director should be given the authority to submit a bypass budget similar to that of the National Cancer Institute, directly to the President, as well authority to distribute NIH AIDS research budget to the Institutes in accordance with the annually revised strategic plan.

The position of Director of the Office of AIDS Research should become a full-time presidential appointee who will report directly to the Director of the NIH, sit on relevant Executive Branch AIDS task forces, and coordinate research efforts between the NIH Institutes, other research institutions and industry.

An Office of AIDS Research Advisory Council should be established to advise the Office of AIDS Research Director.

Finally, a discretionary fund should be created within the Office of AIDS Research, exempt from routine procurement rules and civil service restrictions to be used for (1) emergency research projects, (2) fast track research initiatives, and (3) directed programs to address gaps in current research.

As we stand at the brink of a new era, the new administration, the Congress, and AIDS researchers around the country have a truly unique opportunity to accelerate the search for effective therapies and vaccines for AIDS and HIV infection. I urge you to strongly support the provisions in the NIH Reauthorization Bill.

Thanking you for your cooperation.

Sincerely,

DONALD I. ABRAMS,
Assistant Director, AIDS Activities, San Francisco General Hospital.

LONG ISLAND JEWISH MEDICAL CENTER,
New Hyde Park, NY, January 15, 1993.

Senator EDWARD M. KENNEDY,
Chairman, Committee on Labor and Human Resources, Washington, DC.

DEAR SENATOR KENNEDY: I want you to know that I support the statement of the AIDS Treatment Action Group entitled "Reforming the NIH AIDS Research Program," dated 16 December 1992. I am a clinical immunologist who has worked in the area of immunodeficiency diseases since 1970 and on AIDS since 1979. I care for a large group of people with HIV related problems on suburban Long Island, and conduct research on basic immunology and clinical issues relating to HIV vaccines and drug therapy. I am a member of an NIH Study Section and of the Scientific Advisory Committee of AmFAR.

To me, the set of recommendations put forth by TAG are reasonable and would better serve both those affected by this plague and the AIDS research community than the morass that currently exists.

Perhaps most important to our entire society is the last paragraph of the TAG recommendations. General support for biomedical research, and for trainees to continue our current ability to carry out such research in the future, is crucial. This seems now to be critical especially in the area of infectious diseases, as I said in my testimony before the late Ted Weiss' subcommittee of the Committee on Governmental Operations in 1983.

Thank you for your continued leadership on health issues.

Sincerely yours,

FREDERICK P. SIEGAL,
Professor of Medicine, Albert Einstein College of Medicine.

UNIVERSITY OF MEDICINE & DENTISTRY OF NEW JERSEY, ROBERT WOOD JOHNSON MEDICAL SCHOOL,
Piscataway, NJ, January 15, 1993.

Senator EDWARD M. KENNEDY,
Chairman, Committee on Labor and Human Resources, Washington, DC.

DEAR SENATOR KENNEDY: I have been engaged in research on AIDS for six years, primarily as an NIH grantee in an ACTU. Our work, and that of our Clinical Trials Unit as a whole, has been significantly hampered by shortages of funds.

I write this letter in support of the document of December 16, "Reforming the NIH AIDS Research Program," sent to the Clinton Transition Team. The restructuring and strengthening of the NIH Office of AIDS Research, as proposed in the document, will certainly help to optimize the use of funds available. Even more important is the recommendation to substantially increase those funds, so as to intensify the needed multifaceted attack on this major threat to our nation and the world.

Sincerely,

DONALD T. DUBIN, M.D.,
Professor of Molecular Genetics and Microbiology.

THE NEW YORK HOSPITAL-CORNELL MEDICAL CENTER, DEPARTMENT OF OBSTETRICS AND GYNECOLOGY,
New York, NY, January 15, 1993.

Senator EDWARD M. KENNEDY,
Chairman, Committee on Labor and Human Resources, Washington, DC.

DEAR SENATOR KENNEDY: As a member of the scientific community, I urge you to support the recently proposed reforms for the NIH AIDS Research Program. Specifically, the NIH Office of AIDS Research (OAR) must be restructured and strengthened. The OAR Director should be a Presidential appointee who will oversee the entire NIH AIDS research effort. In addition, all NIH AIDS research programs should be consolidated into a single, separate line item in the federal budget, and should be appropriated to the OAR.

Thank you for your continued support of basic biomedical research.

Sincerely,

STEVEN S. WITKIN, PH.D.,
Associate Professor, Director, Immunology Division.

UNIVERSITY OF CALIFORNIA,
Los Angeles, January 20, 1993.

Senator EDWARD M. KENNEDY,
Chairman, Committee on Labor and Human Resources, Washington, DC.

DEAR SENATOR KENNEDY: I am an Associate Professor of Ophthalmology at the UCLA Jules Stein Eye Institute, and am actively involved in AIDS research. I am writing to express my support for the enclosed document prepared by the Treatment Action Group (TAG) and hope that it will be incorporated into the National Institutes of Health (NIH) Reauthorization Bill which will be reintroduced in Congress on January 21, 1993. I strongly support the Treatment Action Group's recommendations and feel that the proposed changes would be beneficial to AIDS research.

Sincerely,

GARY N. HOLLAND, M.D.,
Associate Professor of Ophthalmology, Jules Stein Eye Institute.

UNIVERSITY OF CALIFORNIA,
LOS ANGELES, SCHOOL OF NURSING,
January 20, 1993.

Senator EDWARD M. KENNEDY,
Chairman, Committee on Labor and Human Resources, Dirksen Senate Office Bldg., Washington, DC.

DEAR SENATOR KENNEDY: I am writing to support the changes proposed in the TAG report entitled "Reforming the NIH AIDS Research Programs" dated 12/16/92. As an AIDS researcher I am aware of a wide variety of problems with respect to the care and treatment of those infected with HIV and those who have full-blown AIDS. I fully support those measures of reform outlined in the statements put forth in this report.

Additionally, as a health care provider and educator I submit that any measures aimed at improving federal research spending is just one step closer to promising those infected, their families and communities a window of hope.

Thank you for your time and attention to this important matter.

Sincerely,

GWEN VANSERVELLEN, R.N., Ph.D.,
Professor and Vice Chair Psychiatric—Mental Health and Nursing Administration.

CITY AND COUNTY OF SAN FRANCISCO, DEPARTMENT OF PUBLIC HEALTH,

January 19, 1993.

Senator EDWARD M. KENNEDY,
Chairman, Committee on Labor and Human Resources, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR KENNEDY: I am writing to urge your support of the specific recommendations submitted by the Treatment Action Group [TAG] for incorporation into the National Institutes of Health [NIH] reauthorization bill which will be reintroduced in Congress on January 21.

These recommendations outline restructuring and allocation of resources for AIDS research, which, if implemented, will greatly enhance the quality of AIDS research. The Public Policy Committee of AmFAR and other interested organizations have also endorsed these recommendations.

I urge your full support of these changes recommended by TAG in the NIH Reauthorization Bill (S.1).

Sincerely,

SUSAN BUCHBINDER, M.D.,
Chief, Clinical Studies, Research Branch, San Francisco AIDS Office.

JOHNS HOPKINS, NEUROLOGY,
Baltimore, MD, January 20, 1993.

Senator EDWARD M. KENNEDY,
Chairman, Committee on Labor and Human Resources,
Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR KENNEDY. As a neurologist involved both in clinical care and research AIDS, I, like many others, have become frustrated by the lack of central coordination of AIDS funding at the National Institutes of Health. I would like to endorse and support the recommendations of the Institute of Medicine and the Treatment Action Group to renew and strengthen the NIH Office of AIDS Research. I fell strongly that the Office of AIDS Research should be given appropriate resources and authority to coordinate and direct the entire NIH AIDS research effort. I feel that with a strengthened central planning and coordinating office, collaborations among the Institutes will be facilitated and duplication of research effort avoided. A central planning office would also allow for appropriate resources to be quickly used to respond to crises, such as the emergence of multi-drug resistent tuberculosis or to fund pilot studies in new areas of AIDS research.

Sincerely,

JUSTIN C. MCARTHUR,
Associate Professor of Neurology, Associate Professor of Epidemiology.

UAB SCHOOL OF MEDICINE,
DEPARTMENT OF MEDICINE, DIVISION OF INFECTIOUS DISEASES,
Birmingham, AL, January 20, 1993.

Senator EDWARD M. KENNEDY,
Chairman, Committee on Labor and Human Resources, Dirksen Senate Office Building Washington, D.C.

DEAR SENATOR KENNEDY: I am writing to endorse the recommendations prepared by the Treatment Action Group (TAG) regarding the NIH Office of AIDS Research (OAR). As an AIDS researcher and a member of the American Foundation for AIDS Research Scientific Advisory Board, I feel it is critical that we consolidate our research efforts in a more structured fashion, especially with regard to long range planning. The change in administration of the Executive Branch should help dramatically in creating a comprehensive, local, and pro-active approach to dealing with HIV prevention and treatment. At the core of this approach is a coordinated research plan in basic, clinical, and social science. I certainly encourage you to carefully review the recommendations as put forth by the Treatment Action Group. We have a wonderful opportunity to get the AIDS research effort back onto an efficient tract.

Please feel free to contact me if you have any specific questions or comments.

With best regards,

MICHAEL S. SAAG, M.D.,
Associate Professor of Medicine, Director, UAB AIDS Outpatient Clinic, Associate Director for Clinical Care and Therapeutics, UAB AIDS Center.

UNIVERSITY OF CALIFORNIA,
LOS ANGELES,
DEPARTMENT OF EPIDEMIOLOGY,
Los Angeles, CA, January 19, 1993.

Senator EDWARD M. KENNEDY,
Chairman, Committee on Labor and Human Resources, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR KENNEDY: I would like to endorse the proposal put forwarded by the AIDS Action Treatment Group and others proposing the restructuring of the Office of AIDS Research within the NIH as an independent office responsible in association with an Advisory Council for administering the HIV/AIDS budget and reporting directly to the Director of NIH. I would also like to endorse their proposal for a supplement to the FY 1993 budget and Revision of the FY 1994 budget calling for an increase of 60% in support for AIDS research.

Sincerely,

ROGER DETELS, M.D. M.S.
Professor.

AN AIDS AGENDA FOR THE CLINTON ADMINISTRATION AND THE 103D CONGRESS

This bill should become the vehicle for strengthening the structure of the NIH's AIDS research effort. Among the key issues that have been identified is the need for a strengthened coordinating function for the AIDS research conducted at the various institutes and centers. This need is highlighted by the integration into NIH of the National Institute on Alcoholism and Alcohol Abuse, the National Institute on Drug Abuse, and the National Institute of Mental Health. Also of concern is a vehicle for assuring that the real budgetary needs of these agencies are properly communicated throughout the decision-making process and the need for more explicit planning of the AIDS research effort. The NIH Reauthorization bill can address these needs by authorizing and strengthening the authority of the NIH Office for AIDS Research by giving it administrative and budgetary authority across institute and center lines. The OAR should be mandated to adopt and implement an AIDS research plan with clearly stated biomedical and behavioral research goals and objectives with resource needs attached to those objectives. The OAR should be given budget authority to identify and advocate for NIH AIDS funding needs based on the priorities set in its plan.

Current research activities have failed to include sufficient representation of minorities and women. The importance of addressing women-specific research needs, including the natural history of HIV in women, the transmission of HIV to women (including HIV barrier methods that women control) HIV treatment needs of women (including but not limited to treatments of women-specific opportunistic infections), and successful prevention strategies for women. Research designed specifically to determine any differences in natural history, treatment needs, or drug reactions in minority populations should be initiated.

There is significant concern regarding the appropriate balance in the NIH portfolio between behavioral, social, and biomedical research needs. Structures must be set in place to address the need for equity between biomedical and behavioral research throughout the budgeting, goal-setting, and administrative structures of the OAR. In addition, restrictions on sexual behavior research represent enormous obstacles to AIDS prevention and epidemiology and should be removed.

The following NORA members have endorsed this document as of Nov. 16, 1992:

AIDS Action Council.
American Association for Marriage and Family Therapy.
American Association of Mental Retardation.
American Association of Public Schools.
American Counseling Association.
American Foundation for AIDS Research.
American Medical Student Association.
American Nurse's Association.
American Psychiatric Association.
American Psychological Association.
American Public Health Association.
Americans for Democratic Action.
Association of Schools of Public Health.
Center for Population Options.
Coalition for the Homeless.
Committee for Children.
Consortium of Social Science Associations.
Corporate Health Management Consultants, Inc.
Council of Jewish Federations.
Federation of Parents and Friends of Lesbians and Gays.
Human Rights Campaign Fund.
Legal Action Center.
National AIDS Health Network.
National Association of Children's Hospitals and Related Institutions.
National Association of Community Health Centers, Inc.
National Association of Counties.
National Association of People with AIDS.
National Association of Protection and Advocacy Systems.
National Association of Public Hospitals.
National Association of Social Workers.
National Catholic AIDS Network.
National Community AIDS Partnership.
National Council of Jewish Women.
National Gay and Lesbian Task Force.
National Health Care for the Homeless Council.
National Minority AIDS Council.
National Native American AIDS Prevention Center.
National Women's Health Network.
Northwest AIDS Foundation.
Rainbow Lobby.
Synagogue Council of America.
Therapeutic Communities of America.
Union of American Hebrew Congregations.

AIDS ACTION COUNCIL,
Washington, DC, January 21, 1993.

Senator EDWARD M. KENNEDY,
Chairman, Committee on Labor and Human Relations, U.S. Senate, Washington, DC.

DEAR SENATOR: We, the undersigned organizations, are writing to offer our strong support for the NIH Reauthorization Bill (S.1), including the provisions to reform the NIH AIDS research program. These provisions will at last provide for AIDS research

the leadership, strategic planning and coordination that are so essential to research into other life-threatening diseases. Specifically, we support the provisions to:

Authorize the Office of AIDS Research to develop and implement a strategic plan and bypass (professional judgment) budget for AIDS research at the NIH, including planning and budget authority across institute lines.

Enhance the position of Director of the Office of AIDS Research to become a full-time, presidential appointee who will: (1) report directly to the Director of the NIH, (2) sit on relevant executive branch AIDS task forces, and (3) hold no other government posts.

Establish the Office of AIDS Research Advisory Council (OARAC) to advise the Director.

Create a discretionary fund within the Office of AIDS Research, exempt from routine procurement rules and civil service restrictions, to be used for (1) emergency research projects, (2) fast track research initiatives, or (3) programs to address gaps in current research.

With these reforms, Senator, you hold the opportunity to put AIDS research on track at last. We strongly support their inclusion in the NIH Reauthorization bill, and urge its swift passage. Thank you for your leadership.

Sincerely,

AIDS Action Baltimore.

ATOM (AIDS Trust of Maryland), Baltimore.

AIDS Medicine and Miracles, 303-447-8777.

Project AIDS Lafayette, Lafayette, Indiana.

AIDS Volunteers of Lexington, Lexington, KY.

AIDS Commission of Greater Cleveland, Ohio.

Women and AIDS Resource Center (WARN).

HERO Baltimore, MD.

Statewide Health Council, Tallahasee, FL.

Black Hills AIDS Project, Rapid City, SD.

Maine AIDS Alliance, Portland.

AIDS Mental Health Project, New York.

Gay and Lesbian Resource Center, New York.

Iowa Dignity and Equality Advocates.

PEPS, Washington, DC.

Foundation of Children with AIDS, Boston.

Vermont AIDS Council.

Continuum HIV Day Services, San Francisco.

AIDS Alliance of Martha's Vineyard, Inc., Boston

18th Street Services, Mike Shriver, San Francisco.

National Lawyers Guild Network, San Francisco.

From All Walks of Life, Philadelphia, PA.

So. Carolina AIDS Education Network.

ACT UP Golden Gate, San Francisco, CA.

Early Advocacy and Care for HIV Program, San Francisco, CA.

State Representative Glen Maxey, Austin, TX.

Vermont Cares, Burlington, VT.

Homeless Health Care, Los Angeles.

National Health Care for the Homeless Council, Nashville, TN.

National Rural AIDS Network, New Mexico.

American Indian AIDS Institure, San Francisco, CA.

Regional AIDS Interfaith Network, New Orleans, LA.

Ground Zero, San Broomall, Colorado Springs, CO.

American Association of Physicians for Human Rights, San Francisco.

Dallas Tibido Community Clinic for AIDS Resource Center.

Dizinger Foundation, Houston, TX.

Women and AIDS Committee, Detroit.

Collier AIDS Resource and Education Services (CARES), Naples, FL.

St. Joseph's Mercy Care, Atlanta, GA.

Connecticut AIDS Residency Program.

AIDS Supportive Housing Newsletter, New Haven, CT.

Tampa AIDS Network.

Palmetto AIDS Life, Columbia, SC.

DC Prisoners Legal Services Project, Inc., Washington, DC.

AIDS RESEARCH AT THE NIH: A CRITICAL REVIEW

(By Gregg Gonsalves and Mark Harrington)

PART 1: SUMMARY

Acknowledgments

First thanks go to Derek Link, who originally proposed this project and worked on it in its early stages. We also thank Derek, Chris DeBlasio, and Garance Franke-Ruta for helping us with the final agonizing edit. David Gold and Rich Lynn offered helpful suggestions and comments on work in progress. We are grateful to Derek Hodel and the PWA Health Group for the use of their computers. At the NIH, warmest thanks go to Linda Reck and Stan Katzman of the Office of AIDS Research, and their colleagues, Wendy Wertheimer and Jack Whitescarver, who provided much of the source material for this document. Each of the institutes' AIDS coordinators also deserve special mention for sending us additional information on their programs: Judith Karp, NCI; Jim Hill and Deborah Katz. NIAID; Elaine Sloand, NHLBI; Carl Leventhal, NINDS; Marvin Cassman, NIGMS; Joan Welentz, NIDR; Judith Fradkin, NIDDK; Richard Mowery, NEI; Kenneth Bridord, FIC; Janet Guthrie, NIEHS; Martha Ann Carey, NCNR; Stanley Pillemer, NIAMS; Samuel Korper, NIA; Henry Kissman, NLM; James Snow and Pat Sparks, NIDCD.

TAG's mission statement

The Treatment Action Group (TAG) fights to find a curer for AIDS and to ensure that all people living with HIV receive the necessary treatment, care, and information they need to save their lives. TAG focuses on the AIDS research effort, both private and public, the drug development process, and our nation's health care delivery systems. We meet with researchers, pharmaceutical companies, and government officials, and resort when necessary to acts of civil disobedience. We strive to develop the scientific and political expertise needed to transform policy. TAG is committed to working for and with all communities affected by HIV.

"President Bush and HHS [the Department of Health] have failed to meet fully their responsibilities in leading the national response to the monumental human suffering and economic loss from the HIV/AIDS epidemic."—US National Commission on AIDS, 25 June 1992[1]

"A lot of research is like shining a flashlight on a dark street corner. We feel good because we're looking where the light is. But who knows how big the darkness is?"—Dan Hoth, MD, Director, Division of AIDS (DAIDS), NIAID, NIH[2]

"I don't think that we have a mechanism within the executive branch that looks at science priorities."—Bernadine Healy, MD, Director, NIH[3]

ABSTRACT

Our goal was to obtain a comprehensive picture of the AIDS programs administered by the US National Institutes of Health (NIH) in order to recommend changes to expedite a cure. We reviewed the $800M NIH AIDS program from fiscal year (FY) 1991, including 2,625 extramural grants and contracts and hundreds of intramural projects. We read abstracts of these projects generated by the NIH Office of AIDS Research (OAR) AIDS Research Information System (ARIS) database. We reviewed the NIH "Annual Report to Congress" on AIDS achievements for FY 1991, the quarterly "Institute AIDS Science Reports," and the list of new programs requested by NIH for AIDS in FY 1993, which cannot be funded due to President Bush's budget cuts. Finally, we compared a draft of "The NIH Strategic Plan for HIV-Related Research," the Institute of Medicine's 1991 report on the AIDS program, and the recommendations of the National Commission on AIDS to the government.

NIH spent $800M on AIDS in FY 1991, 9.7% of its total budget. Each of the NIH's 18 Institutes, Centers, and Divisions administers AIDS programs, all of which remain uncoordinated and underfunded. 73% of the programs are administered by two instituted, NIAID (53%) and NCI (20%). Under the President's FY93 Budget Request, AIDS programs will increase only 3.8%, or less than scientific inflation. This is a cut of $456M from the institute directors original requests. Over a hundred new initiatives and expansions of existing programs cannot be funded. When new initiatives are mandated by Congress or the Executive Branch, existing programs are cannibalized. For instance, the NIAID pool of basic AIDS research grants shrank by half in 1992 to pay for the ACTG Recompetition and Congressionally-mandated pediatrics research.

We conclude that the entire NIH budget should be doubled, to $16 billion a year. The AIDS budget should rise to $1.6 billion. The rate at which AIDS basic research grants are funded should be restored to 40%. The NIH Associate Director for AIDS Research should be given authority to allocate resources and programs across institute boundaries. Pathogenesis research should be emphasized. Developmental clinical immunology programs should be expanded. The six institutes conducting clinical trials (NIAID, NCI, NICHD, NEI, NINDS, NHLBI) should mandate collaboration among their research networks. Orphan research areas such as wasting, neurology, and immune-based therapies should receive special support. NIH should develop a large scale screening program to search for cytokine inhibitors and synthetic immune modulators. Clinical trials should be analyzed and published faster. Community activists should participate in the oversight of basic research programs.

Dear Fellow Warrior in the Fight Against this Plague of AIDS, this is one of the most important documents about the AIDS plague and our present moment in this crisis that you will ever be asked to read. I not only urge you to read it as quickly as possible, I implore you to read it as thoroughly as you can. While it may appear, on the surface, to be dry and fact-filled, every figure, every statistic, clothes a scandal or a tragedy or both. Never before has there been such a look at all the AIDS programs at all the institutes that comprise the National Institutes of Health. Even the report issued by the Institute of Medicine only dealt with broad structural issues, deferring the idea of looking at the programs themselves in detail to some future unspecified moment in far-off time.

Why is this report so important for you to read?

Footnotes at end of article.

Because, for the first time, eighteen institutes, each with its own programs, each with its own goals, each with many strengths and many weaknesses, each completely unable to criticize itself, comes under a long-needed scrutiny.

What does this report conclude?

The AIDS plague is utterly and completely devoid of leadership. At the NIH, no one is at the center, nothing is coordinated, no one is asking the life-saving (and money-saving) questions: what is missing from our efforts, what is being duplicated, why are we being forced into competition with our own fellow institutes, right here on our own campus, when budgets are shrinking and shrinking?

In the middle of this tragically sad situation, as the figures of the newly infected and the newly dead mount and mount to heights once thought inconceivable, sits the Presidents' Point Man for AIDS, Dr. Anthony Fauci, who some of us would like to see removed and many of us prefer to see as helpless, rendered powerless in a quagmire—forced as he is to bow to the brainless whims of a heartless President, a Congress which claims compassion and a desire to increase the budget but an inability actually to do so, and an inept Secretary of Health and Human Services whose every utterance in defense of his boss is so lie-filled as to make it hard to accept that the man is a Christian much less a doctor.

Is it, at this late stage of this plague, intemperate or rude to ask what kind of country (or world) is this where a plague can be allowed to rage out of control, where its supposedly premiere scientific research establishment can be allowed to present such a second-rate face to the realities and sufferings it was founded and funded to alleviate?

Is it, at this stage of this plague, intemperate or rude to suggest that this present state of AIDS affairs leads us even more to the fact that the only out that has not been tried, that still must be tried, is a Manhattan- or Apollo-type project, wherein the leading experts in all areas are granted emergency powers and sent off into the seclusion necessary to produce the cure that must be there if our civilization is to survive?

I salute this incredible amount of work and energy and insight and perseverance and heartfelt need that gave birth to this report and sustained its creators to its completion. May bureaucrats learn from this report and gain courage to speak out at last. May activists learn from this report and renew their commitment, now so understandably wounded from discouragement. With this information, may we all enter a new stage of holding our system—now so dreadfully and woefully off-course—accountable.

Whoever you are, whatever you do in fighting this plague, you must know this information and respond to it. Do not, as so many have before us, go quiet into the night.—Larry Kramer

INTRODUCTION

Since 1987, the activist critique of AIDS research has worked its way back: from drug approval at the regulatory level of the US Food and Drug Administration (FDA), to expanded access for drugs still under study (Parallel Track), to the design and conduct of the controlled clinical trials themselves by the National Institutes of Health (NIH), pharmaceutical companies and, community-based clinical trial centers. While this work has generated some useful reforms in an inefficient system (and expanded access and expedited approval for several useful therapies), it often seems that all these accomplishments go for naught. HIV keeps spreading, AIDS keeps striking people down, and researchers appear to have little confidence in the rapid development of a therapeutic cure or an effective vaccine.

Against a background of deepening political reaction, declining research subsidies, and pervasive pessimism about the prospects for a scientific breakthrough, some activists have grown unsure of the continued value of engaging the scientific infrastructure. What is the point of streamlining access and approval when the result is merely to replace AZT with other mediocre, toxic, expensive nucleoside analogues? What is the point of developing prophylaxis and better treatment for opportunistic infections when these measures simply allow someone to survive long enough to develop lymphoma, visceral Kaposi's sarcoma, wasting syndrome or neuropathology?

If the reforms won by activists are not to become mere stratagems for craven pharmaceutical companies swiftly to develop and market a whole series of additional nucleoside analogues (d4T, FLT, 3TC, etc.), activists must become more involved in the basic research process itself, forcing academic and industrial researchers to turn their attention to novel treatment approaches of HIV-induced immune suppression, including immune based therapy, cytokine inhibition, and active immunotherapy, with the ultimate goals of elucidating the pathogenesis of AIDS, stopping its progression, and reversing its damage.

The task requires that activists become as familiar with the $800 million AIDS program of the NIH as they have with its major clinical component, the AIDS Clinical Trials Group (ACTG).

This report is a preliminary effort to map the NIH AIDS Program, evaluate it, suggest useful reforms, and highlight the gruesome cost of the Bush administration's refusal to adjust AIDS research funding to even the rate of inflation, to say nothing of the adjustment appropriate to the opportunities now within reach. These opportunities are graphically documented in the institute directors' "Wish List" for fiscal year 1993, which contains hundreds of urgent new programs, few or none of which may be funded.

As a consequence of Administration policy, new initiatives are being smothered in the cradle to pay for large ongoing programs. Prevention competes with care for limited funds. Basic research competes with clinical trials. Immunology competes with virology. Treatment research competes with vaccine research. Adult clinical trials compete with pediatric ones. Entire areas such as oncology, gynecology, wasting, and neurology go begging for funds.

Just as the precondition for access to therapies for all who need it is single-payor national health care, so the prerequisite for a rational national biomedical research policy is the immediate doubling of the NIH budget to $16 billion a year, with high-priority, high-mortality areas like AIDS, cancer and Alzheimer's disease given the lion's share of the newly released funds.

In order to justify such new public investment, the NIH must take steps to incorporate community views in its work across the board—not just in the ACTG or in AIDS—but for all the other diseases against which its efforts are directed.

If AIDS activists ever leave any legacy other than their own bodies, it will be, among other things, a movement for national health care and the democratization of research.

The pattern of Federal AIDS research funding from 1981 through 93 is:

NIH AIDS BUDGET BY YEAR

[With rate of increase from previous year]

	Amount	Percent
Year:		
1982	$3,355,000	.....
1983	21,668,000	5115
1984	44,121,000	103
1985	63,737,000	44
1986	134,667,000	111
1987	260,907,000	94
1988	473,285,000	81
1989	601,316,000	27
1990	743,532,000	24
1991	799,821,000	7.6
1992	841,417,000	5.2
1993	873,377,000	3.8

After several years (in the mid 1980s) of program growth, the NIH AIDS budget is now falling relative to inflation (a 3.8% increase for AIDS research next year, while inflation is predicted to reach 5.1%, according to the Biomedical Research and Development Price Index computed by the Commerce Department). From 1982 to 1989, Congress always appropriated much more for AIDS than the Administration requested. That pattern has now been reversed. In 1991, Congress authorized $3 million less than the President requested for AIDS research. For several years, Congress has imposed new demands on the NIH AIDS program without authorizing new funds with which to carry them out. For example, in 1990 the Congress earmarked $40M for research on children with AIDS, especially for clinical trials. Since there was no new money appropriated for this purpose, the funds came directly from the adult AIDS Clinical Trials Group (ACTG). The result is that now, in 1992, the US Government is spending $105.00 for research on every child with AIDS in America, compared with just $1.00 for each adult. The Pediatric ACTG is now as large as the adult ACTG, which has been cut to make ends meet.

When it comes to research policy, Congress is often like a bull in a china shop, dropping in to make a mess and then storming out again. For example, also in 1991, Congress imposed new restrictions on the right of NIH personnel to travel for work. This was ostensibly because some Congressmen feared that junketeering NIH employees would litter the streets of Florence swilling cappucino rather than negotiating with drug companies and attending seminars. The result of this miniscandal was a $10-million reduction in the overall NIH AIDS budget and severe, ongoing restrictions on NIH travel. This makes it even more humiliating to work for the government. For the last two years, activist groups have sent more members to the international AIDS conferences than has the NIAID Division of AIDS, the lead agency charged with conducting Federal AIDS research. NIH can still spend other funds sending extramural experts to Bethesda for meetings, but its own employees are virtual prisoner on the campus.

While Congress is careless and capricious, the Administration, from the White House down to the Secretary of Health + Human Services [HHS], has adopted an AIDS strategy of "malign neglect," apparently hoping the problem will solve itself. Recently, the US National Commission on AIDS, a third of whose members were named by the President, condemned the Administration for its inadequate, inconsistent, and heavily politicized AIDS policy.[4] Barring a change in ad-

ministration, it would be foolish to expect leadership from the White House or HHS on AIDS anytime soon. This creates a conundrum; officials relatively low within the Executive Branch are delegated leadership on AIDS policy more or less by default.

At the NIH level, de facto AIDS policy decisions are made by Associate NIH Director for AIDS Research Anthony S. Fauci, who is Director of the Office of AIDS Research (OAR), Director of the National Institute of Allergy + Infectious Diseases (NIAID), and Chief of the Laboratory of Immunoregulation. Extraordinary responsibilities rest by default on a man who turned down the chance to become NIH Director in order to stay more in contact with AIDS research, yet who wears so many hats which demand very different skills and decisions.

In addition, there is a dizzying array of advisory committees which advise every level of NIH, from the overall AIDS effort to specific Institute and Division councils. Every major new program initiative must be approved by an external advisory council, yet these decisions are often simply an elaborately choreographed rubber stamp.

The NIH is actually a collection of fiercely autonomous fiefdoms (designated Institutes, Centers, or Divisions, known as ICDs) loosely administered under an NIH Director. Each ICD Director develops and administers his or her own budget, and there is little the NIH Director can do to allocate resources across institutes (although she now has her own $20M "emergency fund"). Some ICDs, such as the National Cancer Institute (NCI), have worked out special privileges within the Executive Branch—the NCI "Bypass Budget" skips the desks of Assistant Secretary for Health Mason, Health and Human Services Secretary Sullivan, and Office of Management and Budget Director Darman, and goes straight to the President's desk. (This didn't stop the President from slashing the 1993 NCI request just as much as he slashed those of every other ICD.) OAR Director Fauci, who is supposed to coordinate AIDS research across ICDs, has little real say in the half he does not directly control as NIAID Director. Thus, there is no truly centralized planning and execution of AIDS research, and no adequate oversight from either Congress or the Administration. Neither is there enough systematic, comprehensive information about existing NIH AIDS programs. Since 1990, activists, the Congress, and the Institute of Medicine (IOM) have all encouraged the NIH to develop a comprehensive plan for its AIDS efforts, and NIH has been working for the last year on a "Strategic Plan for HIV-Related Research."

MATERIALS AND METHODS

This report is based on the following sources:

NIH budget information from 1982–1993;

"The NIH Strategic Plan for HIV-Related Research," DRAFT of 11.8.91;

"The NIH Five-Year Plan for HIV-Related Research," a similar DRAFT of 4.29.92;

"The AIDS Research Program of the NIH" by the Institute of Medicine, NAS, 1991;

The NIH's "Annual Report to Congress" for 1991;

The Office of AIDS Research's "Institute AIDS Science Reports", which periodically chronicle AIDS work done by the various ICDs every three (now 6) months;

Abstracts of 2,625 extramural NIH AIDS awards in Fiscal Year (FY) 1991 obtained from the OAR AIDS Research Information System (ARIS) database, which obtained them from the DRG (Division of Research Grants) CRISP database;

Abstracts of the intramural Z01 projects from CRISP;

A list by institute of all 2,624 extramural AIDS awards in FY 1991 obtained from ARIS [this list was not identical to the abstracts from CRISP];

Letters, budget information and plans from staff at each Institute, Center or Division;

A list of the original AIDS budget requests for FY 1993 from each ICD Director, and the subsequent budget history.

The uses and weaknesses of these sources are discussed below.

Office of AIDS Research (OAR)

Since OAR is supposed to coordinate NIH AIDS research, we began this project at OAR. OAR coordinates the AIDS budget request for the 18 Institutes, Centers and Divisions. OAR also coordinates the NIH presence at the twice-monthly meetings of the PHS AIDS Leadership Committee (a "small, free-wheeling, leak-free forum") composed of Agency Directors (or their deputies) and AIDS Coordinators. This is where the PHS agencies duked out the CDC's proposed health-care worker guidelines. Sometimes CDC Director Roper appears on closed circuit TV from Atlanta. There is also a PHS Executive Task Force on AIDS (ETFA) coordinated by National AIDS Program Office (under the Assistant Secretary for Health), which chairs it. The ETFA meets monthly. It's a forum for information dissemination among agencies.

OAR and the NIH AIDS Budget Cycle

Every winter, NIH Building One (the Office of the Director) sends out guidelines for budget preparation. Program priorities are issued for "New Areas" and "Significant Expansions" within existing areas. Institutes, Centers and Divisions (ICDs) are asked to be "realistic." The ICD Directors' requests specify the amount of new funds requested, the project to be funded, its mechanism (grant, contract, intra- or extramural, etc.), and how many (if any) new full-time equivalents (e.g., staff) are needed to administer (if extramural) or conduct (if intramural) the research. Planning starts 18 months in advance. When we were at OAR in February, 1992, the Fiscal Year 1994 (October 1, 1993 to September 30, 1994) budget requests were coming in from the Institute Directors, and the President's Budget for Fiscal Year 1993 was being dismantled on Capitol Hill.

A Sample Year: The Gutting of FY 1993's AIDS Budget

For FY 1993, the institute directors requested $1,329,359,000 for AIDS research. In spring 1991 OAR Director Fauci made the first cut (to $1.195 billion) and sent it on to NIH Director Healy, who changed nothing. Apparently Healy wants AIDS to grow at the same rate as non-AIDS, though the President apparently disagrees. The last level where specific programs are considered is the office of the Assistant Secretary for Health Mason, who coordinates the entire PHS budget and sends it on to superiors at the Department of Health & Human Services. For FY 1993, Mason cut the request by about $200M, to $1,009,561,000. By the time Sullivan's flunkeys finished with it, the FY 1993 request was down another $120 million to $893,116,000. Sometimes Mason appeals the Secretary's cuts; he did so successfully with vaccine funds for FY 93. The Office of Management & Budget gratuitously cut another $20M and sent it to the President, who must have been in a good mood—he restored $2.1M, bringing his NIH AIDS research budget request to $873,377,000—a whopping 3.8% increase over FY 1992. The result is a net loss for AIDS: No new programs without slashing old ones.[5] By the time the President's Budget Request is submitted to Congress, various committees receive copies of the ICD Directors' "Wishlist" to determine how much was cut from the budget by OAR/OD, OASH (PHS), HHS, OMB and the President.

An Elaborate Charade?

OAR has no power to force the ICDs to do what they say they will; if they refuse to fund an AIDS program, OAR is helpless. Similarly, the putative coordinating bodies such as the PHS AIDS Leadership Committee (ALC), the PHS Executive Task Force on AIDS (ETFA), or the AIDS Program Advisory Committee (APAC) lack information and power to coordinate the NIH's balkanized research projects. Fauci can doodle around by taking non-AIDS programs and calling them "AIDS"; the AIDS budget thus incorporates certain basic immunology, virology and structural chemistry programs into "basic research," and can categorize research on non-HIV vaccines and certain malignancies as "AIDS" also. NCI has its own streamlined "Budget Bypass" process. The NLM and the NCNR refused to follow OAR suggestions for AIDS allocations. The OAR AIDS figures are "guided targets." OAR guesses that when the "AIDS actuals" for FY 1993 come in two years hence, they'll be smaller than what the ICDs promised. ICDs didn't have that leeway when AIDS was a separate earmark by Congress, but for the last two years AIDS hasn't had its own budget line anymore. Every institute has its own budget line.

NIH AIDS research should have its own line item in the Federal budget.

OAR/OD should have the power to reallocate AIDS resources across institute lines.

Congress should fund the full $1.3 billion requested for AIDS research projects by the ICD directors for FY 1993.

Institute AIDS Science Report (IASR)

Every half year the ICDs tell OAR what they've done[6], but the quality and quantity of reporting varies between institutes. NIAID lists the ACTG trials (in development, pending, open, closed, completed, deferred, withdrawn) for sources of pages ad nauseam without signifying which ones matter, how much they cost, or how they contribute to the standard of care. Other ICDs report small initiatives as though they were major contributions to the filed. OAR lacks a clear picture of NIH's intramural AIDS research.

Mason Categories

In 1988, Assistant Secretary for Health James Mason demanded that PHS set up an accounting system to track its AIDS dollars, to ensure they were only counted once, and to assess which program areas were being funded. This resulted in the "Mason Categories," activity codes which define an award (or intramural activity) as basic, clinical, epidemiological, training, virology, immunology, etc. Awards are placed arbitrarily in one category when others might do. For example, if a foreign post-doctoral student were being trained to assess the cytokine response of macrophages to SIV in the vertically-infected pigtailed macaque model, this could be categorized as IA2 "Immunology," IA4 "Animal Models," IA5 "Training", or IIB2e "Transmission: perinatal." The Mason Categories and their code abbreviations are listed in Section III. They should be thought of as a range or approximation rather than as exact figures.

AIDS Research Information System (ARIS)

In order to track the dollars, OAR set up a database whose inputs include the Division

of Research Grants CRISP system, which tracks most NIH extramural awards. This ARIS database, unlike CRISP, must be complete on extramural AIDS awards by the end of the fiscal year, so OAR can report back to PHS and Congress about NIH AIDS activities. Thus, while CRISP includes perhaps 75% of the AIDS awards, ARIS must have them all: PI, site, title, amount, abstract. The ARIS system is new, and still has some bugs to be worked out, but it is fantastically useful, and its staff have been extraordinarily helpful to us during this project.

Types of Awards

There are many types of NIH research awards. Each has a code. Basically, grants (R01s and other R-codes) are investigator-initiated and have few strings attached. Come back in five years if you find something. Your basic scientist working in glorious obscurity at his lab bench is sustained by R01 grants. Contracts (N01s) give the funding institute more power to direct the work, and sometimes to revoke the contract if the recipient is remiss. Data analysis for large clinical cohorts (SDAC, EMMES, CAMACS) is usually funded by contracts, as is the CPCRA. Cooperative agreements (U01s) are intermediate between grants and contracts. They give lip service to "investigator initiation" and provide some control for NIH. The ACTU sites are funded by U01s. P01s and P30s are program project grants, which are large, long-term, multidisciplinary projects. The NIAID-funded CFARs (Centers for AIDS Research) are P30s. F-awards are fellowships; T-awards are training grants. S-awards are "special" small instrumentation grants (SIG), small business grants, minority training grants, etc. Y01s are interagency agreements between NIH and another PHS agency. Some awards are institute-specific. Only NCRR awards M01s, which are General Clinical Research Center (GCRC) grants. Five mechanisms account for most (>90%) of the NIH extramural AIDS awards: M01s, N01s, P01s/P30s. R01s and U01s. Another special category is intramural research projects. These are sometimes available through CRISP as "Z01" projects, which do not have a budget dollar figure. Some institutes (e.g., NIAID), publish annual directories of their intramural research and tabulate the work of the various laboratories in "man [sic] years" rather than dollars. It's innovative, but they should call them "person years." The final category of NIH spending is on in-house staff who administer extramural awards. This is known as "research management and support."

The Grant Cycle

Grant proposals are solicited with RFPs (Requests for Proposal); contract bids with RFAs (Requests for Application). RFPs and RFAs use the same form. Researchers file applications with the NIH Division of Research Grants (DRG), which refers grants to the appropriate institute and to a suitable Study Section (peer review committee). The Study Section is chaired by a Scientific Review Administrator (SRA). Institutes submit names of qualified potential reviewers. The SRA assigns a primary and secondary reviewer for each application from the Study Section. Reviewers have 6 weeks to review the applications. AIDS-related grants are considered in a separate, expedited 6-month review process. This was mandated by Congress, and NIH is pretty good at meeting the 6-month limit. Study Sections allow for 1-3 days to review up to 100 applications. There are 12-18 members per Study Section. ICD staff attend the review, looking at the primary reviewer's comments to that they may informally discuss the result with the applicant. In addition, formal responses are contained in the Pink Sheet, or summary statement, of the Study Section's decision. Study Section members award each application a rating of outstanding, average, etc. Numbers are then assigned to each score, with 100 being the best and 500 the worst. Grants are funded down to the line at which funds run out. Applicants whose final score is close to payline are encouraged to rewrite and resubmit their application for the next grant cycle. The Study Section does not consider overall research needs, but rather reviews each proposal solely in terms of its scientific merit. Funded grantees file annual progress reports. While basic research on AIDS primarily utilizes grants, treatment research uses mainly contracts and cooperative agreements. Under the "select pay" mechanism, a grant close to but under the funding line may be selected for special review and award if it concerns a priority area. The select pay process is invoked in case there are outstanding projects worthy of funding which didn't make the cut. Select pay allows discretionary funding of grants for program-related reasons.

As can be seen, OAR has a heavy workload. Tracking the money is hard enough, tracking the science (in its entirety) virtually impossible. This therefore, became our task.

Why Fiscal Year 1991?

For our unit of analysis, we selected FY 1991. This was the most recent year for which complete budgetary information and reasonably complete award information was available. Looking at programs halfway through an ongoing year might provide a distorted picture. Therefore, we had ARIS send us a 750-page list of the 2,625 extramural awards by institute, and two boxes of abstracts from CRISP. The two systems did not entirely match, and ticking them off manually was tedious. We reviewed these materials and solicited additional information from AIDS coordinators at the various institutes. Most responded with alacrity, though some failed to provide all the information requested.

The OAR DRAFT "NIH Strategic Plan for HIV-Related Research."

The Congress and the Institute of Medicine (IOM)[8] have pressured NIH to adopt a more coherent long-range strategy for its AIDS programs. Strategic plans are becoming all the rage in scientific circles. Healy is working on one for NIH (it's controversial). Even the ACTG Executive Committee wants one.[9] In response to the IOM's request, OAR began developing a "Strategic Plan" in late 1991. A draft was sent to the AIDS Research Advisory Committee (ARAC) in November. Changes were incorporated, a new version printed (its main innovation being a new title: in place of "Strategic Plan," it's now called the "Five year Plan." That has a nice ring, doesn't it?). Now it's out at the various institutes, under review by directors, AIDS coordinators and senior scientists. Yet another draft will be reviewed over the summer, and perhaps the final version will come out in the fall. Originally we intended to structure our report along the lines of the "Strategic Plan." Close reading, however, revealed the much-vaunted Plan to be simply a statement of ongoing programs. Some tiny programs—such as the NIDDK effort on wasting—were covered at length, while larger ones—such as the multi-institute opportunistic infections effort—were disposed of in a sentence or two. There was no sense of limited resources, of how to prioritize among all the programs promised. The 40 objectives of the Strategic Plan are listed in Section III. Our analysis focused on the institute programs and on their wish list for FY 1993, which was a much more pointed and specific set of goals. Wish list priorities are listed by institute in Section II.

Limitations of our Approach

Our material is incomplete (yet overwhelming), our review preliminary, our conclusions subject to change. Like the NIH itself, we have no completely "objective" means by which to evaluate its programs. Many look good on paper (if they hadn't, they wouldn't have been funded), but as anyone who's ever been to an ACTG meeting (or tracked its accrual, or read its protocols, or sat on its conference calls, or marched in its halls to reform it) knows, the rhetoric and the reality are poles apart. Just as it took several years for activists to infiltrate, activate and transform the ACTG. Therefore, this report about the entire NIH effort can only be regarded as a first step. Programs must be experienced to be known and improved. Scientific culture must sometimes be disrupted to allow research constituents to play a role. NIH itself must centralize and monitor its AIDS program with more rigor than it now does. In particular, the ultimate outcomes of funded research—whether published clinical trials, changes in standard of care, peer-reviewed basic research articles, enrollment quotas met, experiments carried out successfully, or, ultimately, progress made in keeping people alive through understanding and then interfering with their disease—should somehow be scored.

Activist strategies which worked for clinical research will have to be adapted if we are to affect basic research. Activists' claim to expertise in clinical trials came out of lived experience. Most of us cannot claim the same for basic biomedical research. We can, however, only hope to serve as catalysts for better and more coordinated work within the research realm, and as agitators with Congress and the Administration for enhanced resources in the public realm. We hope that by documenting what is being done we can depict the threat posed by the Administration's budget cuts, and that by showing what more needs to be done we can mobilize the NIH to redouble its efforts and the Congress to fund them.

FINDINGS AND RECOMMENDATIONS

Of the approximately $800M spent on AIDS research in 1991, $660M (82 percent) went for basic biomedical research, including laboratory research (25.8 percent), neurology (3 percent), behavioral research (0.3 percent), drug development and trials (42.3 percent) and vaccine development (9.4 percent). $133.5M (16.6%) was spent on epidemiology, transmission and natural history studies, and $10.5M (1.3%) on nurse training and facilities construction. Laboratory virology, immunology and animal model studies are relatively underfunded at 25.8 percent ($207M) of the total. Drug and vaccine development (preclinical and clinical) make up $416M, or 51.7% of the total budget. While substantial and important work is ongoing, it remains uncoordinated, unevaluated, and jeopardized by the Administration and the Congress and their careless posturing with the budget.

STRATEGIC PLANNING

Attempts at strategic planning have thus far been ineffective. Several steps can resolve this:

A. President and Congress

Double the NIH Budget: It is time to put an end to pitting people with life-threaten-

ing diseases against each other. The US spends but a pittance on biomedical research of all kinds. Sending the space shuttle to rescue the $105M Intelsat satellite cost the US government more in 1991 than its entire NIH AIDS research program. The only stable long-term footing for biomedical research equity is a commitment to enlarging the entire biomedical research pie.

Restore the Institute Directors $450 million, making the AIDS research budget $1.3 billion for FY 1993: When the item above occurs, AIDS research can resume at 10% of the NIH total, or about $1.6 billion. AIDS research is being cut to the bone in FY 1993. While we found many inadequate programs, their inadequacy was directly due to the funding shortage.

AIDS research should have its own line item in the Federal budget for the NIH: Currently, the NIH AIDS budget is an elaborate, meaningless charade. A line item is the only way to hold institutes to their promises.

Congress and the Executive Branch Must Stop Legislating Research Programs without Appropriating Specific Additional Funds to Support Them: Broad research priorities are legislated or advocated by Congress and the executive branch (e.g. pediatrics, opportunistic infections, vaccines) or by crises that can no longer be ignored (e.g. tuberculosis). New initiatives without additional funding drain funds from existing programs. The funding rate for R01 applications should be restored to 40%.

B. NIH Director and Office of AIDS Research [OAR]

OAR/OD should have the power to reallocates AIDS resources across institute lines: See above. Currently, OAR has no ability to force the rival fiefdoms of NIH—the Institutes themselves, whose budget autonomy is virtually complete—to collaborate, eliminate redundancy and cover all areas of complex fields like AIDS. OAR needs the power to fulfill its responsibilities. Although budget drafts pass through OAR, the institutes retain control over appropriations when the money actually is disbursed.

If the items above are implemented, the OAR Director should no longer be an Institute Director: The current system actually benefits from having the director of NIAID as OAR Director, because at least he controls half the overall AIDS budget (the NIAID half). If the OAR Director were to obtain cross-institute AIDS budget authority, however, this would become a problem, since it would be unfair for one institute director to be able to take resources from another. Therefore, when OAR achieves budget autonomy, its directorship should be severed from the NIAID position.

NIH's Draft "5 year Plan for HIV-Related Research" needs Priorities, Timelines, Evaluation Criteria, and a Strategy for Implementation: The current draft simply catalogues NIH's current efforts with no analysis of how the program can be improved, where resources need to be increased, where new initiatives are necessary, etc.

Advisory committees need to stop being rubber stamps: They could take a more hands-on role in setting research priorities. Although OAR coordinates several advisory committees, none conduct detailed, ongoing evaluations of existing programs. In addition, they need more diverse representation from the many communities affected by AIDS.

NIH should develop performance scores for AIDS grantees, contractors, and intramural researchers, using objective criteria including peer-reviewed publications, study accrual rates, program efficiency, and relevance to clinical care.

OAR should put out an annual "Guide to NIH AIDS Programs" which includes all awards arranged coherently under the institute, division, branch which administers them, and with subtopics or keywords accessible by an index or a computer disk.

BASIC RESEARCH AND IMMUNOPATHOGENESIS

Basic research on AIDS at the NIH stresses the molecular biology of HIV, its structure, and its life cycle. This work has expanded our knowledge about the virus and provides a strong foundation for the development of new antiretroviral therapies and vaccines. However, there is not a commensurate allocation of resources for the study of the basic immunology of the disease.

The central questions of AIDS pathogenesis remain far from resolution after over a decade of research. The lack of attention to the immunopathogenesis of the disease, and the response of the host, reflect a larger problem in basic AIDS research: a general disregard for the physiological in basic research on the disease and a need to bridge the gap between basic and clinical research.[10] While this may be heresy to some, pathogenesis research should look to the body for its future course; it needs a physiological and not simply an in vitro virology-driven foundation. We propose the following:

Establish an Immunopathogenesis Task Force: NIH needs a central office to evaluate and guide efforts to elucidate the pathogenesis of AIDS. Such an ITF would evaluate the state of NIH research in the area; assess new work by U.S. and foreign scientists; determine how NIH should follow up, confirm or extend compelling work; foster cooperation and collaboration between research teams intramurally, extramurally, and internationally; maintain an annual list of unanswered questions on the pathogenesis of the disease; and promote research on these topics through intramural research or the issuing of RFAs. The task force would include prominent immunologists, both those working in AIDS and immunologists from outside the field, to provide a "basic" perspective.

Increase Support for Basic Research on Wasting Syndrome: NIH needs to increase its financial support and stop giving lip service to basic research on wasting and other metabolic and GI conditions.

Increase Support for Basic Research on Neurology: Increase support for studies on the mechanisms of HIV-associated and drug-induced neuropathology. Interactions between the nervous, endocrine and immune systems are a virtually ignored area of research.

DRUG DISCOVERY

Coordinate Drug Discovery Efforts: Closer cooperation and more formal ties between various drug development programs at NIH (NIAID's DTB and NCI's DTP, for example) is necessary. The drug development work at the smaller institutes, which focuses on specific conditions such as wasting or dementia, needs to be connected with the bigger programs run by NIAID and NCI.

Institute a Large-Scale Off-the-Shelf Screen for Cytokine Inhibitors: NCI and NIAID should establish a program to screen for immune-based therapies for HIV infection and other immunologically-mediated disorders. This program would include screens for cytokine inhibitors (for TNF, IL-6, acid-labile IFN-alpha, IL-10, etc.), compounds and modalities that selectively boost the immune system (e.g. TH1 upregulators, CTL enhancing agents), compounds and modalities to depress deleterious immune responses (e.g. treatments for autoimmune phenomena or hyperimmune activity, such as hypergammaglobulinemia), compounds or modalities that block the indirect destructive effects of HIV proteins on cells of the immune and nervous systems.

Expand Neuro Drug Development: NIH needs a development program specifically for novel treatments for the neurological complications of HIV, including dementia, neuropathy, myopathy, and OI's affecting the nervous system, such as PML. This should include a screen for inhibitors of cytokines and neurotoxins (e.g. quinolinic acid and other kynurenine pathway metabolites) and agents to protect CNS cells from damage (e.g. NMDA receptor antagonists).

CLINICAL TRIALS

Maintain AIDS Infrastructure Adequately: The US clinical research infrastructure, especially that for AIDS, is shrinking and aging (see NCRR), and needs renewal.

Coordinate Clinical Research Networks: NIH supports several massive clinical research networks, all of which should be envisioned as a single entity. Clinical research overlaps sometimes, but more often leaves major gaps. The networks operate independently with either token contact or none at all. In times of shrinking funding, they must develop a mechanism to divide and conquer the entire field of clinical complications of AIDS. OAR should set up a clinical trials network committee, forcing the program officers for each network to interact and develop a plan. The ACTG Oncology Committee and the NCI AIDS Lymphoma Network together should devise a plan for clinical research on the malignant complications of HIV infection. The NEI SOCA system should sit down with the ACTG's CMV Pathogen Study Group. The Neurology Committee of the ACTG should (and actually is going to) open a dialogue with NINDS. The Immunology Committee of the ACTG needs to formally work with the Biological Response Modifiers Program at NCI. Somebody at the ACTG should sit down with NIDDK about wasting. NICHD and the ACTG have to talk about pediatric work. DATRI could do small proof of concept pathogenesis studies for all networks.

Study Orphan Diseases: Several complications of HIV disease are traditionally ignored: research on wasting, dementia, neuropathy, enteric pathogens, PML, endocarditis, cardiomyopathy, pelvic inflammatory disease, and malignancies. NIAID should either study these through the ACTG or negotiate with other ICDs to ensure coverage.

Develop New Clinical Trial Methodologies: New, more efficient methodologies could generate more powerful answers faster than current designs. The successful use of large simple trials in cardiovascular disease may make this type of trial a candidate for use in HIV research.

Simplify Data Collection: Most data gathered in ACTG protocols is never used. Forms could be simplified and research nurses' time liberated by excising unnecessary data.

Track Survival: After ten years of AIDS and five years of AZT, we still don't know for sure whether it, or its cousins ddI or ddC, actually extend survival. No mechanism is in place (as it is in cancer) to assess long-term survival rates. To capture rare toxicity and long-term survival data, and to register interested persons in cohorts for future clinical studies, NIAID and NCI should develop a simple, lean long-term follow-up mechanism for participants in the most important AIDS trials.

Let Industry Pay: NIH still pays through the nose for the privilege of letting drug companies develop their drugs at public expense. We concur with the IOM that industry should pay for and conduct post-marketing studies and assist the NIH with site support for NIH-sponsored trials, especially now that it can generate revenue earlier due to accelerated approval.

Establish a Clinical Immunology Initiative: Immunology is poor stepsister of NIH's clinical trials effort. Primary infection and OIs have received enormous support within the networks (the latter after vociferous hounding by activists) while immunology languishes, running around conducting flow cytometry for its haughty siblings. The NIH must make a commitment to greater funding for immunological studies within its clinical trials programs for several reasons: first, to generate new and more powerful surrogate markers, which will allow for smaller, faster studies to evaluate antiretroviral agents; second, to increase our knowledge of the immunopathogenesis and progression of the disease; and third, to develop biological response modifiers which will complement antiviral therapies in the treatment of HIV infection.

Design Appropriate Trials for HIV and Children and Their Families: HIV-infected children must be seen in a real-world context—as members of HIV-infected families. NICHD and the pediatric clinical trials networks at NIH should support research studies of the mothers of HIV + children and other seropositive members of the family.

VACCINE DEVELOPMENT

Appropriate New Funds for Vaccine Development: The government must allocate new funds for vaccine development rather than taking them from treatment research. Work on vaccines is going to cannibalize the NIH budget as money is drawn away from existing programs to fund the mandate from Congress and the Executive Branch. For instance, the FIC and NIAID are being asked to prepare the infrastructure for the vaccine trials in the developing world, but are getting no new money for this. The risk prevention programs which they have been developing in conjunction with countries in Africa, Asia, Latin America and the Caribbean will probably have to surrender some financial support for the new initiatives. NIH must go to Capitol Hill to fight for new money.

Address Ethical Issues in Vaccine Development: The seronegative vaccine trials raise unprecedented ethical issues which need to be dealt with early on by the NIH with active and demographically diverse community representation. The NIH must devise ways to:

Separate the educational/prevention aspects from scientific research. The two are obviously in conflict; the greater the success of the educational and prevention programs in the study, the smaller the rate of seroconversion and statistical power of the trial.

Involve communities of color, which will be a target study population in the US, because of their increasing rate of HIV infection, in the decision-making process for the trials and the NIH program as a whole.

Deal with the "false" seroconversions which will occur when the immunogen is administered. Seropositivity can involve all kinds of discrimination in insurance, employment etc.

Assure the participation of diverse communities in these trials.

EPIDEMIOLOGY AND NATURAL HISTORY

Coordinate Epidemiological Studies: NIH should streamline and integrate its epidemiological cohorts, as it should its clinical networks. NIAID runs the largest collection of studies, including the MACS, SFMHS, WITS, HATS etc. NCI sponsors several US and international cohorts through is Environmental Epidemiology Branch (EEB). NINDS supports a neurology cohort; NHLBI studies pulmonary and cardiac complications of AIDS; NICHD follows children; NCI tracks lymphomas and Kaposi's sarcoma. The balkanized NIH fragments AIDS research.

Diversify Epidemiology Initiatives. NIH epidemiology cohorts should continue to expand to include the diverse communities affected by AIDS. NIH's epidemiology was first concentrated in urban, gay, white men. Recent efforts have only begun to reach out to the diverse groups now affected by AIDS, including women, people of color and IVDUs.

Undertake Long-Term Survivor Studies: Intensive case-controlled studies of long-term HIV survivors should be piloted within the MACS/SFMHS and then expanded elsewhere in order to elucidate the reasons for delayed (or thwarted) progression.

INFORMATION DISSEMINATION

Accelerate Analysis and Dissemination of Results: NIH should establish a mechanism to optimize the standard of care by disseminating the results of clinical trials to physicians and other health care professionals. In addition to prompt publication of trial results, an educational and outreach program to doctors, hospitals and clinics should be set up.

Develop a PCP Prophylaxis Campaign: NHLBI's Office of Prevention, Education and Control should develop a nationwide education and outreach campaign on PCP prophylaxis to high-risk groups who may not be aware that PCP is preventable.

Evaluate the Productivity of Research: The NLM should track the productivity of NIH AIDS grantees. This could be accomplished, for instance, by cross-referencing researchers with their recent publications in the peer-reviewed literature and the Scientific Citation Index.

Expand Access to and Improve the AIDS Research Information System: ARIS is new and can be improved. Mason categories incompletely categorize NIH programs for research policy review. Additional criteria, such as keywords or programmatic subtitles, could help to classify work by specific topic. OAR should devise a more rigorous, specific classification system with NLM. ARIS should also be available on-line to computer systems nationwide.

COMMUNITY ACCESS AND INVOLVEMENT

In 1990, ACT UP/New gained access to the thrice-yearly meetings of the AIDS Clinical Trials Group (ACTG). This access was won not just for ACT UP, but for all interested persons—people with HIV, activists, journalists and others. Shortly thereafter, the ACTG established a Community Constituency Group (CCG). The CCG members are a diverse coalition representing gay men, women, African-, Hispanic-, and Asian-Americans, people with hemophilia, and parents of infected children. CCG members have educated themselves about clinical trial methodology and the clinical and basic science behind the treatment of HIV infection and its opportunistic sequelae, and now sit on every committee of the ACTG, where they are valuable participants in the design and conduct of clinical research.

Yet the ACTG is but one eighth of the NIH AIDS program. A cure will never be tested by the ACTG unless it's discovered somewhere else first. In this report we have turned our critical focus on the whole of NIH's AIDS research effort. This is our first venture into a labyrinthine world. We largely followed a paper trail of abstracts of extramural and intramural grants, budgetary documents and program descriptions in order to get a picture of what's going on and offer some preliminary recommendations. The next step for us and other AIDS treatment activists is to fan out and get a closer look at the undiscovered country of basic AIDS research at NIH and at NIH-funded institutions around the country.

This is a new paradigm for AIDS activists. We have to familiarize ourselves with a wide range of disciplines. For the institutes at NIH (other than NIAID, NCI and NINDS, who have a working relationship with members of TAG and other AIDS treatment advocacy organizations) the first activist to come knocking at their door is likely to come as a shock. Some pointers for both parties to ease the pain: For activists, be willing to take the time to learn about the institute and its research, and the scientific fields with which they are concerned. For the institutes, the establishment of community constituency groups for clinical trials networks is a necessary prerequisite to community involvement in your programs. The manner in which activists and advocates for people with AIDS can be involved in basic research policy is going to have to develop on its own. We have already made significant contributions to clinical research. Be willing to work with us and take our concerns into consideration. As NIAID has learned, if you can't beat them, bring them in. Both sides will learn and profit from the experience.

Part II of this report, "The NIH: A User's Guide," includes full descriptions of each institute's AIDS program, with additional commentary and recommendations. If you would like to receive a copy, please send your request and five dollars to The Treatment Action Group, 147 Second Avenue, Suite 601, NY, NY 10003 or call 212-260-0300.

FOOTNOTES

[1] S Rudavsky. "AIDS Panel Faults Bush Administration Leadership." Washington Post, 6.26.92, p. A3.

[2] M Chase. "Multiple Mutating HIV Strains Stymie Researchers Seeking a Vaccine for AIDS." Wall Street Journal, 5.26.92, B1.

[3] J Mervis. "Healy attacks US budgeting system." Nature 356, 16 April 1992, 555.

[4] National Commission on Acquired Immune Deficiency Syndrome. "Commission Cites Tragic Insufficiency of Administration's AIDS Efforts." Press release, 25 June 1992.

[5] Similar atrocities happened in the FY 1992 budget. Originally $851 million was earmarked for AIDS in the NIH's $8 billion budget. However, after absorbing mandated senior scientist salary increases, the cut in indirect costs (university overhead) and the HHS-mandated cut in travel budgets (travel funds were cut 24 percent and conference travel 42 percent), the effective NIH AIDS budget fell to $841M.

[6] In the "Annual Report to Congress" mandated by the HOPE act of 1990.

[7] US Congress, H.R. 2507, "NIH Revitalization Amendments of 1991"; House Committee on Government Operations, "Obstacles to Drug Development for HIV-Related Opportunistic Infections," House Report 102-410, 2 Dec. 1991.

[8] IOM. "The AIDS Research Program of the NIH." 1991, p. 3.

[9] John Phair, Chair, ACTG Executive Committee, memo "Re: Research Agenda + June Retreat" 1 May 1992.

[10] GG, Notes from a meeting with David Ho, MD, Spring 1991.

THE AIDS RESEARCH PROGRAM OF THE NATIONAL INSTITUTES OF HEALTH

Committee to Study the AIDS Research Program of the National Institutes of Health

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SUMMARY

AIDS: The research challenge

In the 1980s the National Institutes of Health (NIH) faced an unprecedented challenge in responding to the epidemic of human immunodeficiency virus (HIV) infection and the acquired immune deficiency syndrome (AIDS), modern biology's first pandemic of a new, deadly infectious disease. Once the magnitude of the epidemic became clear—especially once HIV was identified as the causal agent—NIH was given the mandate and resources to develop a large, multifaceted AIDS research program to understand the virus's pathogenesis, discover and test therapies, and develop prevention strategies and a vaccine. Research supported and conducted by NIH has led to rapid increases in basic knowledge about HIV and its replication, the molecular and behavioral aspects of transmission, the human immune response to HIV infection, and the clinical course of AIDS. Researchers have discovered and developed some partially effective therapies, and recent advances in vaccine research have convinced many scientists that an effective vaccine may someday be available. Meanwhile, however, the epidemic continues to grow and spread to new areas and populations, trends that argue for a well-planned, well-organized, long-term research program leading to the control and eventual eradication of the disease.

The committee concludes that NIH should continue to give AIDS research high priority because HIV infection and AIDS constitute a major health threat and because they provide substantial opportunities for greater scientific understanding of the human immune system and of other viral diseases. The size and long-term nature of the threat call for an institutionalized response by NIH.

Recommendation 1.1: NIH should complete its building of the AIDS research program as a comprehensive, long-term effort. The shaping and implementation of such a program will require a series of steps that are described in the remainder of this report.

These steps should have several positive results: strengthened management structures and processes for planning, coordinating, evaluating, and reallocating the AIDS research activities supported by the various NIH components and for ensuring their quality and cost-effectiveness; fuller development of some promising research areas; an increased overall level of support for AIDS research; and increased personnel and facilities resources to enable NIH to conduct and manage an effective, efficient AIDS research program.

Although the committee was not asked to address health care issues, it could not avoid the finding that NIH-sponsored research on HIV infection and AIDS has been hampered by inadequate participation in clinical trials of some high-incidence groups whose members are not insured for and are unable to pay for treatment or associated medical care. This lack of coverage of some high-incidence populations is part of the larger problem of health care delivery and financing for persons with AIDS, a problem that looms ever larger as more and more individuals acquire the disease in the near future. The committee believes that NIH's mandate is to facilitate the discovery and clinical evaluation of therapeutic, diagnostic, and preventive agents and not to assure health care. This problem must be addressed at more appropriate levels of the federal health policymaking establishment.

Recommendation 1.2: The Health Care Financing Administration (HCFA) should make its reimbursement policies consistent with NIH assessments of promising treatments so that when treatments have moved beyond phase 1 testing, their associated medical care costs (and the costs of the treatment if the sponsor is unable to provide it free of charge) are covered for Medicare and Medicaid beneficiaries.

Changing HCFA policies to cover treatment and other medical care costs associated with research is only part of the solution to the problem of caring for HIV-infected persons. A more comprehensive approach to financing such care will be needed to eliminate barriers to participation in AIDS/HIV clinical research and to ensure that the improved therapies that emerge from federally supported research are available to those who need them.

Recommendation 1.3: The administration and Congress should immediately address and resolve financial barriers to the receipt of appropriate medical care by persons with HIV infection.

Managing the NIH AIDS Research Program

HIV and AIDS are not solely challenges faced by physicians and scientists. The management of NIH has also been presented with an unprecedented task in developing, implementing, coordinating, and evaluating a rapidly growing, complex set of AIDS research activities that now involve every NIH institute, center, and division.

AIDS research at NIH is unusual in that it is not organized under an institute as are, for example, cancer research, vision research, and research on cardiovascular diseases. Instead, NIH is managing the AIDS research program as an "institute without walls," operating the AIDS program from the Office of the NIH Director but using organizational elements analogous to those of the institutes. These elements include a director (the associate director for AIDS research), a national advisory council (the AIDS Program Advisory Committee), an executive committee of senior program officials (the NIH AIDS Executive Committee), and an executive office for staff support (the Office of AIDS Research, or OAR). The committee believes these organizational arrangements and associated administrative processes for managing AIDS research should be strengthened, as an alternative to creation of a separate AIDS institute, and institutionalized as a major long-term program at NIH.

Strengthening Planning and Evaluation

Planning

Because of the large size and organizational complexity of NIH's AIDS research enterprise, the committee believes program management as well as program effectiveness would be improved by the development of an overall long-range research plan. The plan should set out the program's goals and assign priorities. It should define the resources required and the mechanisms to be used and identify the results that are expected over specific time periods. The plan also should be flexible to allow prompt adaptation to unanticipated events that alter prior assumptions. Consequently, it should be subject to periodic review and should be revised annually through a formal decision process.

Recommendation 2.1: NIH should develop a five-year plan to identify AIDS-related research needs and opportunities, set priorities, assess program balance, identify research areas that need stimulation, determine the resources required to carry out the program, and evaluate progress. The plan should be developed under the auspices of the AIDS Program Advisory Committee (after the committee is expanded and oriented as recommended below), with the input of outside experts as well as OAR staff, and it should be reviewed and updated annually. The annual plan review should occur in time to guide the preparation of the regular annual budget so that responsibilities and resources can be shifted if appropriate.

Evaluation

Until recently the rapid budgetary growth of the AIDS program has driven the planning process, rather than the reverse. Most of NIH's AIDS research activities were hurriedly launched by limited staff in the mid-1980s, years of substantial budget increase. As the program matures, however, attention is turning appropriately to the relevance, effectiveness, and efficiency of ongoing activi-

ties. Until now, NIH has relied on its time-honored method of evaluation and quality control: peer review of research applications by study sections of independent experts. Many AIDS grants, however, involve large, multidisciplinary projects, centers, and cooperative groups that are closely related to an institute's categorical mission. Scientific review of these projects is essential, but insufficient, because administratively they pose quite different questions of efficiency, effectiveness, and productivity than projects involving an individual investigator in a lab. The situation calls not only for stronger program planning but for stronger evaluation efforts and close linking of planning and evaluation results to the budget allocation process.

Recommendation 2.2: AIDS program evaluation processes should be strengthened and linked closely to planning and budgeting processes to ensure that, first, questions of the highest priority are addressed adequately at all times; second, all studies being supported are still relevant and are as productive and efficient as possible; and third, resources are redeployed, sometimes across institutes, in response to research advances and breakthroughs or as time and experience indicate that some programs are more and some less successful than others in achieving their goals. The Office of AIDS Research should work closely with the Division of Planning and Evaluation in the NIH Director's Office to coordinate evaluations of AIDS research programs in the various institutes. In turn, evaluation results should be considered in program planning and budgeting.

Strengthening External Advisory Processes

One of NIH's strengths is its ability to incorporate external advice from scientists and the public in its planning and operations. As in its other research programs, NIH has established advisory groups at every level of the AIDS research program; many of these groups include patient advocates and members of the general public as well as scientists and researchers. The associate director for AIDS research should routinely reevaluate the need for such committees as the AIDS research program is institutionalized as a long-term activity over the next several years. Not in question is the need for a high-level advisory function, and the committee urges NIH to strengthen its processes for external advice on overall issues of level of effort, balance among research areas and mechanisms, and research opportunities and needs in the AIDS research program. This high-level advisory function, which national advisory councils fulfill in relation to the institutes, should be the role of the AIDS Program Advisory Committee (APAC). APAC has a critical role to play in providing broad advice and overall program oversight; it should also oversee development of the long-term AIDS research plan and ensure extensive external input.

Recommendation 2.3: The AIDS Program Advisory Committee should take a larger role in providing broad policy advice and program oversight and should include among its activities the development of the five-year AIDS research plan and annual updates. It should also conduct an annual review of the programs and budgets developed to implement the plan. This expanded role will require additional staff support and a larger committee to ensure that all AIDS-related areas of expertise are represented, including the behavioral and social sciences and public health authorities. It may also require the establishment of additional subsidiary committees and the recruitment of additional outside experts to review the various research areas (e.g., basic, behavioral, epidemiological).

Strengthening Staff Support

The expanded roles of the associate director for AIDS research and the AIDS Program Advisory Committee in planning, evaluation, and budgeting will require some additional staff support by the Office of AIDS Research and related units in the Office of the NIH Director. In most areas of the AIDS research program, the associate director for AIDS research and the OAR will coordinate activities that are actually carried out by the institutes, centers, and divisions; in other areas—planning, implementing, and evaluating certain cross-cutting functions such as training and construction programs—they should play a larger role. In addition, as recommended later, OAR should review and approve (in accordance with assigned priorities in the overall plan for research) AIDS-related requests for applications (RFA) and requests for proposals (RFP) initiated by the individual institutes.

Recommendation 2.4: The capacity of the Office of AIDS Research should be increased so that it can function adequately as the staff arm of the associate director for AIDS research in his or her role as leader and coordinator of the AIDS program. In particular, OAR will need some additional planning and evaluation staff, including several senior-level scientists who can assist the associate director for AIDS research and the AIDS Program Advisory Committee in monitoring the AIDS research agenda, assessing progress, identifying scientific gaps that need to be addressed, and coordinating the review of institute research initiatives.

Strengthening Executive Authority and Flexibility

The AIDS program is the first major research program to be managed by the Office of the NIH Director rather than by a single institute. The committee considered and rejected the option of creating a separate National Institute of AIDS Research because it believes that the involvement of multiple institutes in addressing the complexities of AIDS will speed specific progress. Most, if not all, of the advantages of putting the program under one institute—improved communication, management, priority setting, and accountability—can be achieved by the adoption of the strengthened management system, based in the Office of the Director, that is recommended in this report. Thus, in addition to comprehensive, long-range planning and evaluation of AIDS research, the capacity of the NIH Director's Office to implement and coordinate AIDS research activities should be augmented.

Recommendation 2.5: The director of NIH should be given an adequate annually renewed discretionary fund of at least $20 million along with additional authority to transfer up to 1 percent of each NIH appropriation account to increase the agency's flexibility in responding to future emergencies or research opportunities. These resources could be used to exploit important scientific breakthroughs arising in AIDS or non-AIDS research that could not be anticipated in the regular budget process or to address major epidemics or other public health problems that suddenly emerge.

The committee is convinced that an important component of the current strength and success of the NIH AIDS research program is the unique leadership provided by Anthony Fauci, associate director of NIH for AIDS research and director of the National Institute of Allergy and Infectious Diseases (NIAID). Having the same person as director of NIAID, which receives nearly half the NIH AIDS budget, and associate director for AIDS research is administratively unorthodox, because it poses potential conflict of interest problems when questions of interinstitute coordination, budget allocation, and program jurisdiction arise. Each of the positions is also extremely demanding, an aspect that, in the case of the position of associate director for AIDS research, will only intensify if the AIDS program structure is strengthened and institutionalized, as recommended in this report. In this instance the arrangement has worked well because of the energy, knowledge, even-handedness, and prestige of the incumbent.

Recommendation 2.6: The current arrangement of the same person holding the positions of both associate director for AIDS research and director of NIAID is working well. Nevertheless, because of the already substantial and still growing workload of each position, and the potential for bias in mediating conflicts among institutes, the committee believes that the joining of these positions should be reconsidered at such time as the current incumbent steps down.

Elements of the NIH AIDS Research Program

In Chapter 2, the committee's main concern was to review the structures and processes for managing the NIH AIDS research program—how it is planned, implemented, coordinated, and evaluated—to ensure that all high-priority scientific questions are being addressed without gaps or overlaps, that programs are well designed and effective and efficient in achieving their goals, and that administrative support by NIH is adequate. The committee believes these questions are especially pertinent at this time, as the program shifts to a long-term managerial mode in response to the size, complexity, and endurance of the HIV/AIDS epidemic, the large size and complexity of the NIH AIDS program itself, and the overall constraints on the federal budget. In Chapter 3, the committee reviews the components of the NIH AIDS research program in light of the shift to an institutionalized, long-term research effort. Where appropriate in the following sections, it also offers specific conclusions and recommendations regarding the mission, design, size, and management of each component.

Basic Research

The 1980s have seen several major advances in research on AIDS—for example, identification of the causal agent, HIV; development of diagnostic tests for HIV infection; and progress in vaccine and drug development. Such advances have been, and will continue to be, based on fundamental knowledge and methods derived from basic, undifferentiated research that predates the advent of the AIDS pandemic. The committee believes that a strong basic research program is critical in supporting such applied activities as drug and vaccine development. Basic research on HIV and the diseases it causes will in turn produce new knowledge and methods that may contribute to progress against other diseases.

Recommendation 3.1: Greater investments should be made in basic research in such areas as immunology, virology, and molecular biology as part of NIH's long-term research program on AIDS. These basic research advances are critical not only to progress against AIDS but also as a contribution to the base of fundamental knowl-

edge that will be needed to deal with other diseases of the present and future.

Vaccines

Recent advances in HIV vaccine research give considerable cause for optimism about prospects for an HIV vaccine, although many scientific obstacles remain to be overcome. This progress, given the enormous benefit of a successful vaccine for prevention of HIV infection, warrants vigorous expansion of the HIV vaccine program. In order to pursue as many promising research avenues as possible, including those not fully explored by the individual investigator-initiated mechanism, strong support of RFAs and RFPs is appropriate.

Recommendation 3.2: HIH should expand its vaccine research program and furnish strong support for agents that show promise of efficacy and for RFAs ad RFPs that target the essential unanswered immunological questions.

The committee considered and rejected recommending a centralized approach to vaccine research because it is premature to focus on a particular approach. The many remaining scientific obstacles to an AIDS vaccine argue for support of diverse research efforts such as those currently being pursued by the various institutes within NIH, together with a mechanism to preclude the inefficient use of resources.

Recommendation 3.3: NIH should create an agencywide vaccine research advisory panel of top extramural scientists to identify research needs, establish priorities, and determine the resources and facilities required for a successful program. In addition, the panel should perform an oversight function to ensure that institutes supporting diverse lines of simian immunodeficiency virus (SIV) and HIV research use resources effectively and in a complementary manner. The committee further recommends that this advisory panel outline a mission for NIH's AIDS vaccine research that complements vaccine research being conducted by the pharmaceutical industry.

If an when attractive candidates for vaccines emerge, the clinical trials that must be conducted to establish their efficacy will be logistically difficult, requiring considerable planning. Problems include liability concerns, developing criteria for placing an HIV vaccine candidate into phase 3 efficacy trials, and selecting trial participants.

Recommendation 3.4: NIH should begin immediately to plan the trials (especially phase 3) that eventually will be required to test a viable vaccine candidate. This process should include the development of criteria for entering a vaccine candidate into human efficacy trials. The committee further recommends that NIH work with Congress to evaluate plans to provide liability coverage for the development of vaccines that pharmaceutical companies otherwise may hesitate to evaluate.

Other major barriers to producing a viable candidate vaccine are a shortage of animal models (especially nonhuman primates), a lack of suitable containment facilities (i.e., facilities rated at biosafety levels 2 and 3) for housing animals and conducting HIV or SIV vaccine research, and a lack of reagents. Recent studies demonstrating protection against infection with the SIV model are cause for optimism regarding an HIV vaccine and warrant increased support for further animal-model studies (see recommendations 3.28 and 3.29). The long lead time necessary for breeding animals highlights the urgent need to plan ahead for adequate resources so that when a candidate vaccine is ready for preclinical testing, scientific progress will not be hindered by inadequate supplies of animals or by substandard facilities or unavailable reagents.

Recommendation 3.5: NIH should provide the support needed to ensure an adequate supply of nonhuman primates, especially chimpanzees and rhesus monkeys, for preclinical development and testing of HIV and SIV vaccine candidates. NIH should also pursue the development of other animal models that might be cheaper and easier to use in vaccine development. Finally, through the associate director for AIDS research, NIH should coordinate the research plans of the various categorical NIH institutes investing in vaccine development with the long-term plans of the National Center for Research Resources for developing and supporting animal models.

NIH officials and extramural researchers were unanimous in asserting that poor access by investigators to high-quality reagents had hindered HIV vaccine research. They also said that investigators do not always provide other scientists with access to reagents developed with NIH support.

Recommendation 3.6: NIH should strongly support a full-scale reagent repository and implement the recommendation from "Confronting AIDS: Update 1988" that "all investigators receiving NIH funds must make their AIDS-related reagents available to a distribution center, and thereby to all qualified investigators, after publication of their research." NIH should enforce this policy by making further funding contingent on cooperation with a reagent pooling program.

Epidemiology

NIH conducts and supports a number of epidemiological studies that in the past have provided invaluable knowledge about the natural history, transmission, clinical markers, and cofactors of HIV infection and the advent and course of AIDS. Information from these studies provided the foundation for a range of NIH AIDS research efforts, including the design and conduct of clinical trials of therapeutic agents against HIV and associated opportunistic infections (OI) and cancers. In the future, epidemiological studies will be especially important in identifying populations suitable for large-scale vaccine efficacy trials. Yet as the disease changes (e.g., in the appearance of opportunistic infections, in the groups affected) and responds to new treatments, the additional insights to be gained from existing cohorts may not justify the costs of data collection and analysis. NIH's epidemiological AIDS research component should be routinely evaluated for continued relevance and adjusted to the changing course of the epidemic as, for example, more and more members of older cohorts progress to AIDS, members of younger cohorts become infected, and new risk groups are identified.

Recommendation 3.7: NIH should reassess its epidemiological research priorities; evaluate ongoing research, discontinuing less productive or redundant studies and expanding studies in groups experiencing higher rates of HIV infection; and reassess the size of the total NIH epidemiology program in light of fiscal constraints and other emerging research needs. This reassessment should involve external advice.

To maximize the use of resources and prevent the initiation of cohorts of insufficient size to enable meaningful statistical analysis, NIH should also identify opportunities for collaboration, both among institutes and with other Public Health Service (PHS) agencies involved in epidemiological research (the Centers for Disease Control [CDC] and the Alcohol, Drug Abuse, and Mental Health Administration [ADAMHA]).

Recommendation 3.8: NIH should pursue collaborative efforts among its institutes and with other PHS agencies sponsoring epidemiological research to address all first-priority epidemiological issues, avoid duplication, and ensure adequate sample and cohort sizes.

Behavioral Research

The HIV/AIDS epidemic is both a biological and a behavioral phenomenon, and efforts to contain its spread must look to both biomedical and behavioral sciences for interventions. The committee believes NIH has neglected AIDS-related behavioral research. Lack of knowledge regarding patterns and determinants of sexual and drug-using behaviors in the general public, as well as in groups at particular risk for HIV infection, has hampered public health efforts to develop health education interventions for the prevention of AIDS. The committee considers increased attention and funding to be warranted, given the lack of scientific data on behaviors related to HIV infection, the seriousness of the HIV/AIDS epidemic, available research opportunities in the field, and the potential public health benefits such research could realize.

Recommendation 3.9: The NIH AIDS program should increase its support for behavioral research, especially for basic behavioral research (e.g., research designed to understand the etiology or underlying causes of behaviors and evaluate the effectiveness of interventions to modify particular health-related behaviors) on behaviors relevant to the transmission of HIV, including but not limited to human sexual development and practices and (in coordination with ADAMHA) drug addiction and abuse.

The AIDS epidemic has highlighted the need for up-to-date data that are representative of the general population and that can provide a sound basis for designing, implementing, and evaluating education and intervention programs to stop the spread of HIV. In an effort to expand this data base, the National Institute of Child Health and Human Development (NICHD) has proposed a national survey of health behaviors and AIDS risk prevalence, but plans for the survey have not been approved by the Department of Health and Human Services because of concerns about the survey's scope and content.

Recommendation 3.10: The pretest questionnaire for NICHD's National Survey of Health and AIDS Risk Prevalence should be finalized and released, and the study should be allowed to proceed immediately.

Nursing Research

The committee believes that high-quality care of persons with AIDS, and management of the side effects of AIDS therapeutics, will be essential to ensure a reasonable quality of life for persons who are living with HIV infection. The committee also believes that the knowledge base in this area must be improved if adequate care is to be provided to the thousands of HIV-infected persons who will be flooding the health care system by the mid-1990s.

Recommendation 3.11: Support should be substantially increased for nursing research on the care of people with HIV-related illness.

Preclinical Drug Development

Preclinical drug development of anti-HIV agents and agents for related opportunistic infections is supported by both NIH and the

pharmaceutical industry. The different groups that have shown interest in developing anti-HIV drugs possess varying levels of resources for conducting the critical studies required by the Food and Drug Administration (FDA) for an investigational new drug (IND) application to permit use of the drug on a broad scale. The National Cancer Institute's (NCI) long experience in developing therapies in collaboration with drug companies and academic health centers has provided valuable lessons for organizing the development and clinical testing of new AIDS drugs. The committee believes NIH should focus its AIDS-related drug development resources on promising drugs that would not otherwise be developed by the pharmaceutical industry, and on assistance for drug sponsors that do not possess adequate resources to complete the studies required for submission of an IND application.

Recommendation 3.12: The optimal role for NIH's preclinical drug development program should be to facilitate drug development by all sectors-governmental, academic, and private-and to develop drugs whose development is not likely to be supported by the pharmaceutical industry.

Both biochemical and cell-based drug screens are necessary to identify agents with differing mechanisms of action against HIV as well as agents active against discrete components of the HIV life cycle. NIH support for mechanism-of-action studies is particularly important because such studies are unlikely to be conducted by industry.

Recommendation 3.13: NIH should develop and support a range of screening tests for anti-HIV drugs. In addition, NIAID and its Division of AIDS should establish contract-based screening capabilities, and NIH should expand its intramural or dedicated extramural resources for mechanism-of-action studies for anti-HIV agents.

An underdeveloped basic science knowledge base and lack of suitable animal models for many of the OIs that commonly occur in people with AIDS have hindered drug development efforts. Support by the pharmaceutical industry for basic science and animal model studies related to OIs is unlikely. The committee concludes that NIH should have the capacity to conduct this research and all critical path studies required by the FDA for submission of an IND application for drugs for opportunistic infections.

Recommendation 3.14: NIH should increase its support for basic and applied research in the area of opportunistic infections. NIH should also facilitate the development of promising drugs for opportunistic infections through all the steps necessary to secure the IND application.

Clinical Trials

Once the federal government recognized the urgent nature of the AIDS epidemic, and the enormous challenge the disease presented, it began to increase substantially its support of AIDS-related research, the NIH therapeutics programs, and especially the NIAID clinical trials program. NIH was charged with developing the organization for a new, comprehensive drug evaluation program at the same time it was enrolling thousands of patients in clinical trials. Despite these formidable tasks, the short history of the NIH clinical trials program records several notable accomplishments: determination of the efficacy of zidovudine (AZT) in the treatment of children with AIDS; establishment of a national clinical trials program capable of testing new anti-HIV and anti-OI therapeutic agents; recruitment of many talented investigators into AIDS clinical research; extension of the use of AZT for persons with early and asymptomatic infection and a better understanding of the drug's most effective and safe dosage ranges; and initiation of dozens of important clinical trials that promise to provide essential information about treatment with a wide array of antiviral and anti-OI drugs.

Mission

The committee strongly believes that the rapid growth of the NIH clinical trials program, and its undertaking of a much larger number of trials than were originally envisioned, involving thousands of patients, necessitate a reevaluation of the NIH clinical trials system to ensure that it functions both efficiently and cost-effectively. To begin with, NIH must define the AIDS Clinical Trials Group's (ACTG) mission more clearly with a realistic statement of its scientific goals.

Recommendation 3.15: The ACTG should focus its mission more narrowly and tailor the number of trials it conducts to that new mission, to currently available staff, and to the capacities of the local AIDS clinical trial units.

In redefining the ACTG's primary mission, NIH must distinguish the tasks to which it is best suited and the tasks that are better left to the pharmaceutical industry, the other major resource for AIDS clinical trials in this country.

Recommendation 3.16: The ACTG should assume primary responsibility for trials that are important to the public health and that are unlikely to be conducted by the pharmaceutical industry. These include trials of drugs in combination, trails that compare drugs made by different companies, trials of drugs for small patient populations such as those with particular opportunistic infections or AIDS-related cancers, and, in rare instances, phase 4 or postmarketing trials that may not otherwise be conducted. However, the pharmaceutical companies should be encouraged to take responsibility for phase 4 trials of their products, especially those that expand the indications for already approved drugs.

Interviews with many NIH officials and representatives of the pharmaceutical industry indicated that the ACTG and the industry have not yet established a consistently constructive, complementary relationship. Given that the supply of trial participants and qualified researchers is finite, it is essential that the two primary vehicles for conducting trials (i.e., the pharmaceutical industry and NIH) clearly define their missions and roles and meet regularly to resolve conflicts. The committee believes that NIH-industry collaborations are appropriate and can benefit the development of anti-HIV and anti-OI drugs.

Recommendation 3.17: NIH should ensure maximum coordination of its clinical trials with the pharmaceutical industry by meeting regularly to resolve conflicts over rights to data ownership and access to patients and investigators at AIDS clinical trials unit (ACTU) sites. NIH should also negotiate with pharmaceutical companies for supplemental financing of NIH-conducted trials (e.g., postmarketing studies) that clearly benefit the industry sponsor.

Efficiency Within the ACTG

NIH's initial goals of erecting a clinical trials system and enrolling patients as quickly as possible is giving way to a new stage in which the ACTG evaluates its performance and reassesses its administrative procedures and clinical goals. The committee recognizes and endorses the ongoing effort at the Clinical Research Management Branch of NIAID's Division of AIDS to develop a mechanism and criteria for evaluating individual ACTUs as a basis for planning future trials and for ACTU refunding in 1991 and 1992.

Recommendation 3.18: NIH should conduct an annual, systematic evaluation of each ACTU. The results of these evaluations should be reviewed by an extramural group authorized to advise corrective action and recommend defunding of sites that do not meet expected performance standards.

At present, the ACTG develops protocols by a multistep consensus process in which ACTU investigators develop a concept and send it through multiple ACTG committees and the Division of AIDS program office for revisions and approval. The committee believes that the large number of ACTG trials has combined with the multiple revisions and steps required in its protocol development process to overload the ACTG system and slow the opening of important new trials.

Recommendation 3.19: NIH should simplify the ACTG protocol development process while retaining incentives for individual investigator contributions. Small groups of ACTG investigators should assume the decisive role in designing protocols, and NIH should establish a mechanism by which they can receive frequent informal comments and advice from an active, participatory FDA on the data needed for regulatory approval. If the ACTG Executive Committee rejects a protocol that has been so designed, a simple appeals process should be available to resolve the dispute.

To address and resolve the many problems involved with protocol design, the ACTG established a protocol evaluation subcommittee.

Recommendation 3.20: The committee strongly endorses the work of the ACTG's protocol evaluation subcommittee and recommends that its guidelines on optimal protocol design be made available to all ACTG investigators and used as part of NIH's evaluation of proposed protocols.

Accrual

The committee considers it essential that NIH improve its recruitment of minority populations, women, children, and intravenous drug users for clinical trials. The committee recognizes NIH's efforts to engage health professionals in outreach activities among populations that are currently underrepresented in the trials (with the goal of hastening trial accrual) and encourages further measures, such as less stringent entry criteria, that might speed trial accrual among all infected populations.

Recommendation 3.21: The committee believes NIH should increase participation of currently underrepresented populations (i.e., minorities, current and former users of intravenous drugs, women, and children) in AIDS drug trials. To achieve this goal, NIH should (1) examine entry criteria for clinical trials and, where appropriate, make them less stringent, and (2) improve outreach and the provision of ancillary services to underrepresented populations.

Coordination

Interinstitute sponsorship of clinical trials can bring a wide variety of expertise and resources to bear on difficult scientific questions. However, the interinstitute conflict that frequently accompanies such sponsorship may hinder NIH's ability to maximize its resources. Instances of unresolved con-

flicts surrounding the sponsorship and funding of trials highlight NIH's need for a stronger mechanism to resolve interinstitute disputes and implement necessary changes, as recommended in Chapter 2. In the case of interinstitute coordination of pediatric AIDS clinical trials, the committee believes unresolved conflicts have prevented a fully operational merger of NIAID's and NICHD's pediatric trial systems.

Recommendation 3.22: NIH should complete the merger of the NICHD and NIAID pediatric trials systems to unify their management and funding and ensure maximal use of the two institutes' resources. The merger should include sufficient funding to allow enrollment of NICHD's large pool of patients.

The committee believes that the intramural clinical trials programs at NCI and NIAID possess excellent researchers and resources that have allowed them to achieve important advances in the development of new AIDS therapies. Moreover, the close proximity of intramural laboratories to clinical programs at the NIH clinical center promotes rapid in vivo testing of in vitro results.

Recommendation 3.23: NIH should continue to provide strong financial support for AIDS research efforts of the intramural clinical trials programs.

The committee is concerned, however, that NIH does not have a clear track for bringing a drug through all stages of clinical testing and has not sufficiently capitalized on its intramural program for the execution of certain trials.

Recommendation 3.24: NIH should establish a mechanism for better coordination of extramural and intramural clinical trials and consider shifting more responsibility for phase 1 studies to the intramural program.

Information Dissemination

The extreme sense of urgency surrounding the results of AIDS clinical trials has placed great pressure on the agency to obtain and release usable trial data rapidly. The committee believes NIH has an obligation to publish all such results, whether the trial has a positive, negative, or indeterminate conclusion, because the publication process is the primary means for expanding the knowledge base. The committee strongly endorses the use of expeditious peer review and publication as the best method of information dissemination but recognizes that alternative, faster means may be needed for certain clinically relevant trials.

Recommendation 3.25: The ACTG should institute a comprehensive policy requiring submission of trial data to a peer-reviewed journal within a specified time after completion of the trial or a major protocol change, and timely submission of results should be linked to ACTU evaluations. In addition, NIH should develop a mechanism for public reporting of data with clinical urgency soon after trial completion and prior to journal publication.

Some concerns have been raised that the early release of trial results might lessen the imperative felt by investigators to publish full scientific papers in peer-reviewed publications. An interim publication in no way lessens NIH's responsibility and that of its investigators to publish their data in full.

Recommendation 3.26: The ACTG should establish a working relationship with scientific journals to ensure rapid interim and full publication of high-priority trial results.

Research Resources

Research resources, a public "good" for which federal support is especially suited, are investments in the infrastructure of biomedical science that help researchers do their work quickly and economically. The importance of such resources increases as the AIDS research program becomes a long-term effort.

Training

Research training is an integral part of NIH's multi-institute AIDS research program. Planning and implementation of training activities should be administered centrally by the associate director for AIDS research with staff assistance from the OAR.

Recommendation 3.27: Support should be increased for pre- and postdoctoral training—to a level (about 3 percent of the budget) comparable to other training programs within NIH—in a wide range of AIDS—related disciplines: for example, molecular biology, virology, cel biology, immunology, epidemiology, behavioral sciences, infectious diseases, and clinical medicine. Increases should also be made in the number of predoctoral slots supported by the National Institute of General Medical Sciences (NIGMS) and the postdoctoral training grants supported by NIAID.

Animal Models

The lack of a single good animal model of HIV infection and disease progression is still a major impediment to research on AIDS pathogenesis, treatment, and prevention. NIH is currently underwriting development of several promising models including HIV in transgenic and severely immunodeficient mice, SIV in macaque monkeys, and HIV in chimpanzees. For example, as discussed earlier, recent demonstrations of prophylactic and post infection protection from disease in the SIV-macaque model hold considerable promise for the development of an effective vaccine against HIV. An expanded effort to exploit the SIV model, however, requires better understanding of the immune system of rhesus monkeys and a larger supply of them for future vaccine research. NIH should also support the development of other animal models.

Recommendation 3.28: NIH should develop a plan that addresses animal resource needs for future research, especially vaccine research. For example, the rhesus monkey population available for research should be increased to the level required to support the expanded program of studies on SIV. This should include not only an expanded breeding program but also a larger program of research on the biology of rhesus monkeys and the construction of additional biocontainment facilities.

Facilities

Inadequate facilities will hinder scientific efforts and could pose unnecessary dangers for AIDS researchers. In the committee's view, support for upgraded facilities and equipment is an appropriate element in a balanced, long-term AIDS research program, especially during initial expansion years.

Recommendation 3.29: The associate director of NIH for AIDS research should plan and oversee the implementation of a program for developing an adequate physical infrastructure for AIDS research. The actual administration of the program could be delegated to the National Center for Research Resources or to other NIH operational units.

Communication of Research Results

In addition to the dissemination of trial results, NIH supports an extensive AIDS communication program for scientists, health providers, patients, and the general public. (Research advances with implications for prevention, diagnosis, and treatment are raising new and urgent questions about early disseminations, which were addressed in the section on clinical trials [recommendations 3.25 and 3.26].) The committee commends this work but encourages NIH to solicit input from the public and the scientific community on its efforts and periodically to review its programs in this area.

Supporting the NIH AIDS Research Program

The success of the NIH AIDS research program depends critically on adequate, high-quality resources to support the program's efforts. These resources include funds for the research itself, in the form of grants, contracts, and intramural projects, and for research infrastructure—research training programs and facilities and equipment grants. Research resources also include NIH's apparatus for reviewing research grant and contract applications and proposals for technical merit and program need, as well as the agency's own staffing and facilities.

Funding of AIDS Research

The committee reviewed carefully the size and composition of the NIH AIDS budget, aware of a general perception that the epidemic is receding and that the current level of effort is adequate. The committee finds, however, that the epidemic of HIV infection and AIDS remains a severe global public health emergency that is causing a growing burden of illness and death and placing severe stresses on the nation's health care system. At present there is no cure for the disease and no vaccine. Containment, therefore, must be a high national priority, and more effective interventions are urgently needed.

As a comprehensive, long-term effort, the NIH AIDS program must respond in a balanced way to knowledge gaps, emerging scientific opportunities, changes in the epidemic, and other, unforeseen contingencies. The question of program balance is thus an evolving one that should be addressed through the planning and priority-setting process recommended in this report. For example, promising scientific developments in vaccine research urge additional studies, which will require more funds for grants and research resources. In addition, a balanced, long-range program should invest more in undirected individual investigator-initiated research, given the lack of basic knowledge about HIV infection and AIDS. The benefits to be derived from such research often go well beyond those applicable strictly to HIV/AIDS. Scientific advances in AIDS research also will continue to have important spinoffs that contribute to progress against other diseases and provide a base of knowledge that will be useful in dealing with epidemics of the future.

The committee concluded that other areas of AIDS-related research are relatively underdeveloped and should be expanded; these include behavioral research, nursing research, development and testing of therapies for AIDS-related OIs and cancers, and research training. On the other hand, greater efficiency may be possible in some of the large-scale programs that have been running for several years or more, such as epidemiology and clinical trials. In the opinion of the committee, increased management efforts and program activity in a number of areas would not be adequately accommodated within the present level of effort. The net effect of the committee's recommendations could increase costs on an order of magnitude of 25 percent, a rough estimate that might be lowered (if there were significant savings in existing activities) or raised (if

there were major breakthroughs that required exploiting).

The committee is aware that many people consider the NIH budget as a whole to be inadequate and that there is an immediate crisis in funding a sufficient number of competing grants this fiscal year and next to maintain the nation's biomedical research momentum. The committee is also aware that advances in containing and controlling AIDS rest on the overall strength of the NIH units. Taking resources from other parts of the agency to expand the AIDS research program would impede overall progress in biomedical research and the AIDS program itself, which is an integral part of and dependent on a wide range of NIH activities.

Recommendation 4.1: Implementing the long-term AIDS research program recommended by this committee will require a larger budget to ensure that the most promising basic science opportunities are supported, that underdeveloped areas of research are expanded, and that research resources are adequate to support the planned level of research effort. These opportunities and needs could justify an immediate increase of as much as 25 percent in NIH's budget for AIDS research; the exact timing of the increase should be an integral part of the long-range plan recommended by the committee. It is essential that any such budget increases be new funds and that they not be derived at the expense of ongoing NIH programs.

In the past, NIH defined AIDS research narrowly to encourage well-establish researchers to leave research in other areas for studies on AIDS. This goal has now been achieved, and the artificial distinction between AIDS research and AIDS-related basic research has outlived its usefulness.

Recommendation 4.2: NIH should adopt NIAID's recent redefinition of AIDS research (to include closely related basic research in immunology, virology, molecular biology, cellular biology, and other related areas) for use throughout its institutes.

Grants Policy and Administration

The committee has carefully examined NIH's organizational and procedural arrangements for reviewing and awarding AIDS-related research grants and concludes that currently they are adequate. AIDS research project grant applications and awards have increased in number and improved in quality, as measured by peer-review scores. The share of the AIDS budget going to research project grants has increased to about 40 percent, and the proportion of those solicited by RFAs has decreased. The committee recognizes the need for solicited research and directive mechanisms in building a fast response to a public health emergency but believes that a long-range AIDS research program warrants greater reliance on grants, especially individual investigator-initiated grants.

Recommendation 4.3: NIH should continue to increase its use of research grants, especially traditional individual investigator-initiated and related grant mechanisms, to carry out the expanded research effort recommended by the committee, in particular, the increased effort in basic research.

RFAs and RFPs at NIH are usually initiated by program staff who identify gaps in research and propose mechanisms for soliciting grant applications to address those gaps. After approval at the institute and advisory council levels, proposed RFAs and RFPs receive an administrative review in the Office of the NIH Director and are circulated to the other institutes for comment and to minimize duplication of effort. The committee believes that central review of RFAs and RFPs should be coordinated with the research planning effort recommended in Chapter 2 of the report to identify and remedy gaps in AIDS research.

Recommendation 4.4: The NIH associate director for AIDS research and the AIDS Program Advisory Committee should review all RFAs and RFPs for AIDS research to ensure coordination and avoid duplication. They should also have the authority to recommend RFAs and RFPs in the case of gaps in the NIH AIDS research program that are not being addressed by individual institutes.

Administrative Support

The effectiveness and success of the NIH AIDS extramural and intramural research programs depend in part on the adequacy of the administrative support they receive in the form of staffing and facilities.

Staffing

Until recently, NIH operations were hampered by arbitrary personnel ceilings imposed by the Office of Management and Budget (OMB). These ceilings had a significant effect on the AIDS research program because the number of scientists and science administrators could not increase as quickly as the scientific opportunities for intramural AIDS studies or the amount of funding for extramural AIDS grants and programs. Chronic understaffing thus has constrained NIH's ability to conduct AIDS research and adequately plan, administer, and evaluate its extramural AIDS programs. Now, however, OMB and the Department of Health and Human Services (DHHS) have delegated increased authority to PHS agencies to set personnel levels. NIH in turn must determine appropriate program staffing and develop a plan to achieve it.

Recommendation 4.5: The committee strongly opposes arbitrary restrictions on NIH staffing levels that are established without regard to program requirements because they hamper effective, efficient management. Personnel ceilings should be abandoned permanently, and future staffing decisions should be part of the strengthened program planning and budgeting processes recommended in Chapter 2 and coordinated by the Office of the NIH Director. Adjustments in staffing levels should be made carefully over several years to achieve appropriate balances between AIDS and non-AIDS and non-AIDS programs, between the elimination of past deficits and the needs of new initiatives, and between the budgets for extramural grants and contracts and for staff to administer those grants and contracts.

The committee also supports efforts to maintain NIH staff excellence by addressing broader personnel problems, both those relating to compensation and those stemming from inflexible or sluggish policies and procedures of government personnel systems. The committee endorses as well special efforts to solve problems specific to the AIDS program, such as recruitment and retention of medical officers in the NIH AIDS treatment research (clinical trials) program.

Facilities

NIH-wide space limitations and inadequacies have affected the AIDS research program disproportionately because it is a relatively new and fast-growing set of activities. Congress's appropriations over the past several years for buildings and facilities have greatly reduced the backlog of needs of adequate, appropriate space and equipment for AIDS research, but much of this capacity is in off-campus sites. The committee believes that the scattered locations of AIDS activities hamper communication and collaboration between AIDS basic and clinical researchers and between AIDS and non-AIDS researchers involved in related studies; they also impede administrative coordination of extramural AIDS and AIDS-related research programs in the different institutes, centers, and divisions.

Recommendation 4.6: As part of its long-range building and facilities program, NIH should consolidate AIDS research and research administration on the NIH campus. This consolidation will facilitate communication between the intramural and extramural programs and coordination of the multiple institutes, centers, and divisions involved in AIDS research activities. The committee endorses NIH's effort to take a systematic, sustained approach to upgrading and maintaining the campus infrastructure, which will benefit the AIDS program as well as non-AIDS research.

Mr. KENNEDY. Mr. President, I will just take a few moments. The matters are important.

First of all, I want to express my very warm appreciation to Senator KASSEBAUM for her help and assistance and guidance during the debate on these issues. The vote was overwhelming, but that does not mean that we have not faced many different issues during the course of the consideration of the legislation. We have worked closely together on this measure, as we did on the family and medical leave bill a little over a week ago, even though there were differences. I think all of us on the committee, no matter what side of the aisle, are very much grateful for her continued involvement, knowledge, and understanding of so many of the issues that come before our committee. I say that very sincerely.

I want to express our appreciation to Senator MIKULSKI. There are others, but it was Senator MIKULSKI who, more than anyone, really brought the issue about the importance of women's health research to the attention of the Nation, certainly to the Senate. As a matter of public debate, public policy, and really as a result of her efforts, she was able to persuade the previous administration to make important steps, not as significant as what has been included in this legislation, but very important steps in terms of ensuring that there is going to be attention given to a wide range of different illnesses and diseases that affect women in our society—breast cancer, ovarian cancer, osteoporosis, lupus, cardiovascular disease. It is a matter of enormous importance to the Nation and of enormous importance to women that their health concerns are fully addressed and they benefit equally from the scientific advances developed with NIH funds.

We must continue our efforts to ensure that research on women's health issues remains a top priority at the NIH and we recruit, train, and promote an increasing number of women scientists.

Also, I am enormously grateful to so many on our committee and off our committee for their assistance in developing a national AIDS research program. After a decade of an epidemic far from under control, now we have a comprehensive plan for AIDS research and long-range strategy for its implementation. We create a consolidated AIDS budget to ensure the cooperation needed to maximize the resources spread among the 21 Institutes and Centers involved in the NIH AIDS effort. Rather than create a new institute, we brought together the various research programs in the different research Institutes to review them in totality and to take advantage, after review, of the new opportunities for further progress. These changes generated a great deal of discussion and debate with NIH, the researcher community, and with others on our committee in terms of micromanagement and directed research.

We really spent a good deal of time in addressing those concerns. The final result has been a very constructive and strengthened effort in the area of AIDS research. We are very grateful to all of those who have been part of this effort, particularly to Derek Hodel of the AIDS Action Council; Mike Harrington; Greg Gonsalves; Dr. Matilde Krim, a long-time friend and a person who has given about as much focus and attention to the public policy issues involving the HIV question as any person alive; Elizabeth Glaser; Dr. Art Ammann of the Pediatric AIDS Foundation; Dr. June Osborn and Carlton Lee of the National Commission on AIDS; Terry Beswick, and countless others on their efforts in behalf of the AIDS provisions in this bill.

Mr. President, the legislation takes steps to improve the health of our children. Preventing heart disease in children, finding a cure for juvenile arthritis, improving vaccine development, and ensuring the rapid transfer of basic science finding to the bedside are all major provisions in this bill.

Finally, there is concern over increasing number of cases of scientific misconduct and conflicts of interests. We have been able to address this issue in a way that protects the public interest, insures research, integrity and prevent retaliation against whistleblowers.

I thank all those who have been involved in this process. I thank the leader for scheduling this legislation. He was there with us, and the Republican leader as well. But Senator MITCHELL during the course of the consideration of this bill in the waning hours of the last session, he indicated that this measure would be given the S. 1 designation as an indication of the high priority that he and others gave to the research. I think it is a clear indication of the high priority that we place on the research issues. We would not be able to pass this bill if we had not had strong bipartisan support in our committee.

I want to give a special thanks to Ann Udall, Joan Samuelson, Rev. Guy Waldon and the members of the Coalition for Research Freedom for heroic efforts in educating the Members of Congress about the importance of fetal tissue transplantation research. In a very personal way, I, along with a number of others in this body, consider Mo Udall a longstanding friend. We have followed his enormous personal courage in dealing with Parkinson's disease. We are enormously grateful to Ann Udall, Joe Samuelson and Guy Waldon. They have been absolutely tireless in taking time to visit with Members and educating the country about the potential benefits of fetal tissue transplantation research.

I can say quite frankly, when we were considering NIH reauthorization 5 years ago, we could not have gotten 35 votes in the U.S. Senate. In order to avoid filibusters, we had to strike references to that provision. Over the period of the last 3 years, we have gained strong bipartisan support and it really is a tribute to those individuals and the Coalition on Research Freedom. It really has been an enormous, I think, indication of the power of local, grassroots commitment of people who really want to change policy.

I think many times Americans really wonder whether they can change policy. I will tell you, this is class No. 1, because they have and have done it in a very short period of time. They were speaking truth to power. They were bringing facts and scientific information to those in responsible positions. I just cannot express my appreciation to them enough.

I also want to thank our colleague Senator BROCK ADAMS who was a member of our committee. He chaired our hearing on fetal tissue transplantation research. He co-authored the research freedom provisions of this bill. I know as we look at the progress we have made, we also want to recognize those who have been ahead on this issue, and Senator ADAMS was a real leader.

Finally, I want to thank the committee staff for their many contributions: Marty Sieg-Ross, Andrew Patzman, Kimberly Barnes-O'Connor, and Anne LaBelle of the minority staff, Bill Baird from the legislative counsel office, Robyn Lipner, and Phyllis Albritton.

I also want to give thanks to my staff, to Ken Nussbaum, Michael Nelson, Nick Littlefield, Michael Iskowitz, Van Dunn, Niall Finegan, Michael Myers, Deborah von Zinkernagel, and many others.

I, for one, am always glad to compliment the members of our staffs. We depend on them. We are out here discussing these matters and they assemble the material and help prepare the arguments. Their participation in the process makes this body work in a more informed and intelligent way and I personally am enormously grateful to each and every one of them for their assistance.

I thank all of our colleagues for their patience during the debate and discussion, for their attention to these public policy questions. Whether they have agreed or differed, I think we have a very important bill which I look forward to becoming law in the very near future.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I agree with the comments of the chairman of the Labor and Human Resources Committee. Senator KENNEDY has provided strong leadership during the 2-year debate to pass the National Institutes of Health reauthorization bill into law. With this reauthorization, the National Institutes of Health will continue to be the preeminent research institution of the world. And, as it continues to be in the forefront of research, it is not only providing leadership to us in the United States, but around the world.

I know, as Senator KENNEDY has noted, that there have been many hurdles to overcome and many who have provided leadership to do this. Many of these individuals have been named by Senator KENNEDY, and I will not reiterate those names. Passing this bill has taken bipartisan cooperation. I am very appreciative of the leadership that Senator KENNEDY has given through the years. Health care issues have been a preeminent concern of Senator KENNEDY, and it is with real dedication that he has devoted himself in a special way to this reauthorization.

I also want to recognize staff of the Committee on Labor and Human Resources who worked on this legislation. In Senator KENNEDY's office, I note the efforts of Dr. Van Dunn, Michael Iskowitz, Deborah Von Zinkernagel, and Dr. Ken Nesbaum. On my own staff, I appreciate the work of Dr. Marty Sieg-Ross, Andrew Patzman, Kimberly Barnes-O'Connor, Jane Williams, Susan Hattan, Annie Brown, and Margaret Harned. I also note Senator HATCH'S staff, in particular Anne Labelle, who worked on this bill over the past 2 years. Finally, I wish to thank Betsy Tower of Senator DURENBERGER's staff.

MORNING BUSINESS

PRESIDENT CLINTON'S STATE OF THE UNION ADDRESS

The PRESIDING OFFICER (Mr. METZENBAUM). The regular order is to proceed into morning business with time controlled by the majority leader

or his designee. The Chair's understanding is that Senator DASCHLE is the majority leader's designee.

Mr. DASCHLE. That is correct, Mr. President.

I yield 5 minutes to the distinguished Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island.

THE CLINTON ADMINISTRATION EDUCATION PROPOSALS

Mr. PELL. Mr. President, I wish to express my strong and enthusiastic support for the education proposals set forth in the State of the Union Message. In one dramatic, challenging, and daring address, our President has demonstrated clearly that he intends to be the education President our Nation so desperately needs. I, for one, intend to give him the chance to make this long unmet dream come true.

As one of the early proponents of national service, and more particularly of linking service to student aid, I applaud the direction in which the Clinton administration is moving. This will, of course, require major changes in the loan program as we know it. And, while we should be careful as we proceed, we should not duck the hard choices simply because they may be difficult to make. Change does not always come easy, and we must be prepared to bring about change in a deliberate manner that does not disrupt the availability and flow of student aid for students and families who rely upon the Federal Government to help them pay for a college education.

There will be tradeoffs. I have believed that accessing private capital and utilizing the private sector for student loans is preferable to Government financing. However, that should not stand in the way of developing and financing a strong, coherent program of national service. The President has proposed to phase in a new loan program, which to my mind is precisely the prudent and deliberate manner in which we should proceed. All aspects of the administration's proposal should be given careful and thoughtful consideration. That is my commitment, and I am sure it is the administration's, as well.

I am encouraged by the President's commitment to the Pell Grant Program, which underpins all our Federal student aid efforts. Clearly, national service will supplement, and not replace, this critically important endeavor.

For over a decade the Pell Grant Program has languished. The $2 billion shortfall is a microcosm of our national debt. It is really a deficit within a deficit. In one dramatic step, President Clinton seeks to erase this deficit, and place the Pell Grant Program on sound footing. His proposal deserves our strong support and swift enactment.

In early childhood, elementary and secondary education, the President has again demonstrated his mettle. Additional funding for the highly effective Head Start Program is more than a step in the right direction. It is the right thing to do at the right time.

Additional funding for the chapter 1 program of compensatory education for children from poor families is equally important. It will provide crucial help to States that did not benefit in the census, but which continue to feel the full weight of the recession and the ongoing need to meet the needs of poor children in a program that, today, reaches only 40 percent of those who are eligible to participate.

The additional $500 million in funds for summer chapter 1 programs will help secure the educational gains that are made in the school year. I also hope it will give new strength to my long-held view that we ought to be moving to a longer school year if we are to keep our Nation on the cutting edge of leadership in the world economy.

The proposed changes in the Impact Aid Program should, in reality, involve a shift of responsibility. Yesterday, I proposed that responsibility for paying for the education of military children come from the Defense Department, which is where the responsibility belongs. I intend to pursue this objective and to work with the Clinton administration in attempting to bring it about.

The President's commitment to education reform is most heartening. Clearly, he intends to bring his commitment of action and results from the Governor's chair to the Oval Office. I look forward to working with him and Secretary Riley in bringing about needed reforms, in reaching the national goals then-Governor Clinton helped to set, and in establishing a set of standards that will make excellence the by-word of American education.

To use an old defense term, this is an impressive first strike to improve education in our country. It contains bold and imaginative elements. We may differ on some specifics, but we will work with the administration to make changes and adjustments where we believe they are necessary. Our goal is a common one: to make our educational system second to none.

How refreshing it is to have a President who is not afraid to sail with the winds of change, and to chart a course that will bring new vitality and strength to American education. I relish the opportunity to be a part of the crew and help stay the course.

I yield the floor.

Mr. DASCHLE. I thank the distinguished chairman for his eloquent remarks and appreciate his contribution this afternoon.

Mr. President, I yield 8 minutes to the distinguished Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. I thank the Chair, and I thank my colleague from South Dakota.

Mr. President, I have had the honor, the pleasure, the opportunity to hear our President give many speeches over the now 22 years in which I have known him, but I have never heard him give a better speech than he gave to the American people last night, and in my opinion it was probably the most important speech that he has ever given in his career. This was a moment of testing for him personally and for his administration, a moment to see whether he understood why he was elected by the American people, whether he was ready to seize the moment and lead our country. He passed every test, and he did it superbly. He showed us with the force and confidence of his presentation as well as with the creativity and substance of his program that he knows that the American people have turned to him at this special hour of our history to do one thing particularly, and that is to get this economy moving again.

Mr. President, last night President Clinton signaled nothing less than the dawning of a new economic era for our country.

I want to speak for a moment or two today about what I think is at the heart of the President's plan; that is, a dramatic shift in Government spending, not only away from unrestrained spending, unrestrained growth in Government spending, but in many ways as significant a shift from consumption to investment.

That change—it is a real change—offers the most genuine promise for long-term economic growth, creation of new, high-skilled, high-wage jobs, and an America that is as powerful on the global economic front as it is on the global military front.

Mr. President, one of the most important sentences for me in President Clinton's speech last night was this one. He said:

> There's no recovery worth its salt that doesn't put the American people back to work.

That is the heart of the message, and the heart of the hopes of the American people. And President Clinton showed with the program that he presented that he understands that message.

The investment portion of the President's plan does exactly that. It will put the American people back to work, not with short-term, quick-fix, make-work jobs, but with tax incentives and brand new Government/business partnerships that will create solid jobs that will last on into our high-tech manufacturing future.

The President outlined a seven-point technology investment program that I believe will fulfill his promise to create economic growth and more jobs. As the President said, our great hope for jobs is in the private sector, not the public sector.

And in his technology investment program, he has created a bold new

partnership between Government and business, a partnership whose aim is to make sure that American manufacturing is kept alive and grows, and that American products are dominating markets throughout the world; that we will not again see situations which have been so painful for us in our recent past, where it is American brainpower that has the insights and creates the breakthroughs that others in the world take and commercialize.

It was American research that developed the technology that the Japanese commercialized for the fax and the VCR. The program that President Clinton presented to the Nation last night will make sure that that does not happen again. Ideas that are born here in America will be commercialized here in America, and products will be produced here in America with jobs that are filled by Americans.

The seven-point technology program consists of: Investing in 21st century infrastructure, full funding for high-performance computing programs; education and training programs for a high-skilled work force, investments in new learning technologies and expanding computer networks to reach more schools and libraries across the Nation; investments in technology programs which will empower America's small businesses; refocusing Federal R&D programs on critical technologies that will enhance industrial performance; focusing America's R&D investment through our national lab technology programs; creating a world class business environment for private-sector investment and innovation by making the R&D tax credit permanent and by establishing a new enterprise tax credit; and finally, guaranteeing that we will maintain U.S. leadership in basic research by restoring funding for the National Science Foundation.

This is not a series of commitments or a program of rhetoric. The President has put some dollars on the table, $17 billion from fiscal year 1994 through fiscal year 1998. I say to you, Mr. President, that we are going to look back and say that those $17 billion are some of the best invested dollars that we have ever had in the United States of America. They are smart dollars that will pay us back many times over by spurring American high-technology manufacturers to make new investments and new products and create new jobs.

In conjunction with the President's seven point investment plan is a commitment to lifelong learning. That is an important facet of any plan to lift our economy, because without highly educated and trained workers, we cannot hope to compete effectively on a global scale. The President wisely proposes a $37.8 billion investment through fiscal year 1998 to educate and train Americans from early childhood through adulthood. Among the programs are $10.5 billion for worker training, including $1.2 billion for a Youth Apprenticeship Program.

The President has not forgotten in his program his commitment to America's inner cities and impoverished rural areas and those communities that have been hard hit by defense cutbacks. He has budgeted an increase of over $3 billion in new investments in the next 5 years on such programs as the Economic Development Administration, which provides money for defense industry reinvestment and transition, and enterprise zones to bring businesses and jobs back to our inner cities and poorer rural areas.

Along with these important investments and direct support by Government in America's economic future, President Clinton outlined a series of targeted tax cuts for businesses which will leverage investment from the private sector with a special emphasis on small business. These tax cuts will help fire the engines of job creation since, as all of us know, it is in small business that most of the jobs in this country are created.

The President recommended a targeted capital gains tax reduction that will be a tremendous boost to a new generation of American entrepreneurs who have a bright idea they dream will make them rich, but need the capital to develop. The small business investment tax credit and the incremental investment tax credit are other clear indications of President Clinton's desire to use the power of Government to help the business community grow and create jobs.

In this progrowth, probusiness plan, our President has recognized the truth of what one of the great labor leaders of American history, Samuel Gompers, once said:

> The worst crime against working people is a company which fails to operate at a profit.

The tax incentives President Clinton outlined in his speech last night will help thousands of American companies make profits, and that means they will be creating and protecting jobs for American workers.

Mr. President, may I say finally that some of us in this Chamber took a bit of personal pride from aspects of the President's investment and incentive plan which he announced last night. Many portions of the President's program were included in the national economic leadership strategy, which was developed by members of the Senate Democratic Policy Committee, members of the Senate Democratic Circle, and outlined by our distinguished Senate majority leader last July.

On that day, candidate Bill Clinton announced his support for our plan last July, and as President last night he has now brought this support to reality.

Now it is our turn, Republicans and Democrats alike, to take this program—progrowth, probusiness, pro-jobs—and realize the hopes of the American people by passing it and giving them a better, brighter economic future.

I thank the Chair.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. DASCHLE. Let me compliment the Senator from Connecticut for his eloquent statement. As someone who has worked in the trenches as long as he has, who has rolled up his sleeves and has done his homework and participated in this process so aggressively for so long, he speaks with authority and credibility. I appreciate very much his contribution this afternoon.

Mr. President, I yield 10 minutes to the distinguished Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I thank the Senator from South Dakota for yielding.

Mr. President, the President is engaged in a very high-stakes gamble, and indeed a great risk in trying to salvage this Nation. It is a prodigious act of courage on his part because cynicism has been rising in this country as never before.

People have given up hope. They have given up hope economically. They have given up hope of actually dealing with all of the problems we understand all too well, problems which have grown to such an extent that the very political system of this Nation, which is supposed to be the envy of the rest of the world, is in danger.

There are some people, such as George Kennan, whom I admire very much, and who has just written a book called "Around the Cragged Hill", in which he essentially concludes—and he will probably cringe at my characterization of it—but he says that there is a good possibility that our political system simply cannot deal with the situation as it exists today.

And then there is a great philosopher with an 8th grade education whom I always admired, Eric Hoffer, the famous stevedore philosopher from San Francisco, who one time said, "Strong governments and free societies do not mix." In the history of this country, the people have never allowed, tolerated, or even wanted a strong government, except in unbelievable crises. Abraham Lincoln, when the War had to be fought, was accorded total support by the country and the Congress. Woodrow Wilson—to a lesser extent, in World War I—said, "We must make the world safe for democracy," and everybody said, "Mr. President, take it and go with it."

Franklin Roosevelt, on two occasions. No. 1, during the Great Depression, when Congress threw up its hands and said, "Mr. President, whatever you

want, send it to us, we will rubber stamp it." Thirty-five percent of the people in this country were unemployed, hungry, and in the streets with food riots, a social upheaval threatening the very social fabric of the Nation. And then World War II, the lend lease bill was the first shot across the bow saying, "Mr. President, these dictators are loose in the world. Our safety is threatened. You have to do something."

In my limited knowledge of history, Mr. President, those are essentially the times when this country has allowed a strong government. President Clinton's very bold effort to salvage this Nation is a high-stakes gamble, because never before in this kind of an environment, where most people are employed and despite the problems of crime, education, and health care, and the deficit being out of control, the unemployment rate is a little over 7 percent, most people, while cynical about government in their personal lives, are reasonably fat and happy.

So to suggest that they are going to allow this President a program which is perhaps one of the boldest programs ever proposed by any President in peacetime, and at a time when we were not facing an economic apocalypse, if they permit him to do this, it will be a remarkable, therapeutic, and very healthy thing.

I thought after 18 years here—particularly after the last 12—that I would never live to hear a State of the Union Address like I heard last night. I do not say this as a fellow Arkansan, or because President Clinton and I have been good friends all of these years; I say it because he captured the imagination of this Nation last night, and the reason is because he offered them hope.

When Ronald Reagan came to power and told the American people, "Call your Senator and urge him to vote for these tax cuts," well, you do not have to lobby people to vote for a tax cut. Who does not want to support a tax cut? Well, it just so happened that that particular tax cut was one of the most profligate, unbelievable, irresponsible acts ever perpetrated on the American public by Congress or the President. We were told then—and it resonated across the coffee shops of America—there is no such thing as a free lunch. I remember, Mr. President, the night Ronald Reagan spoke on television in September of 1980 when he was candidate Reagan, and he said, "Jimmy Carter, if you cannot balance the budget, move over and let me in, because I can." That is essentially why the American people gravitated to him in overwhelming numbers.

Well, it turns out that there is no such thing as a free lunch. But after having been told that, we were offered a free lunch in the form of unbelievable tax cuts and prodigious spending on defense. Would you like to know, Mr. President, what those supply-side tax cuts add up to as of this moment—$2.550 trillion. That represents about 80 percent of the deficit increases from January of 1981 until today—$2.550 trillion is what the supply-side tax cuts of 1981 have cost the U.S. Treasury.

So it is certainly no mystery as to why we have a $4 trillion debt. To the credit of some Republican Members of this body—and I applaud them, but I will not call their names, and this is secondhand information—but by 1982 when it became apparent that the thing was going to run completely out of control, they went to the White House and said, "Mr. President, we have overdone this thing." So we had a tax increase in 1982. We had Social Security taxes in 1983. And, in short, Mr. President, from 1981 to 1992, we had roughly 14 tax increases. But even when you subtract those tax increases, including the 1983 Social Security tax, the supply-side tax cut still has contributed 50 percent—50 percent—to the $3 trillion additional debt we have incurred since 1991. So then when it became so apparent that the thing was out of control, the President began to say, "I cannot spend any money that Congress does not appropriate. Do not blame me." He could not spend a dime he did not put his name on either. And then they said, "Let us fix it with Gramm-Rudman-Hollings." Nothing happened. So then the President said, "Just give me the line-item veto," and, "If I only had a constitutional amendment."

Mr. President, the thing that was so exhilarating to me about last night's speech was that the only thing we ever needed was a President with enough courage to put his trust in the common sense of the American people. For the first time in recent memory, last night we saw a President say to the American people one of the greatest lines ever uttered: "We can no longer deny the reality of our condition." And what is the reality of our condition? It is precisely what George Kennan said. This political system, this economic system, everything we cherish is going right down the tube, if we do not put our confidence in the American people and ask them to accept basically what the President said last night. It is not perfect. Some of the proposed cuts he made are not specific. I do not understand them myself. And the people who are calling me say, "Senator, I will support this on one condition: that you couple the tax increases with the spending cuts. Make sure we do not get the tax increases and then the spending cuts disappear."

I am going to do my very best not only to keep faith with him but one up the President. I am going after the super collider, the space station, and SDI and all the same things I went after last year, because there are still billions left on the table.

I hope to be able to speak a little bit later this afternoon with a chart I have here on a whole host of amendments I hope to offer.

The reason the President's speech resonated so well across America last night is they know when the President says I am going to raise your taxes he is not trying to curry your favor; he is trying to tell you the truth.

So he concluded last night: Summon up your courage, men and women of the U.S. Congress. We have nothing more to lose than our country.

I told the President—I am always wary of people saying what I told the President. Incidentally, it was unsolicited. He did not ask me. I said:

> Mr. President, I do not want to burden you. You already know it. I just want you to know there are other people who know it, too. You are not just this country's last best hope; you are this country's last hope.

I do not think anybody understands that better than Bill Clinton does. That speech last night was a summation of it.

Sum up your courage, men and women of the U.S. Congress, and keep faith in the American people. Implement this program or one that will do as much or more than he requested.

I thank the Senator for yielding.

Mr. DASCHLE. I thank the distinguished Senator from Arkansas. He is known as an eloquent speaker and friend of the President. His common sense and wisdom are known as well. The remarks this afternoon certainly demonstrate that.

Mr. President, I yield 5 minutes to the distinguished Senator from Illinois.

The PRESIDING OFFICER (Mr. BINGAMAN). The Senator from Illinois.

Mr. SIMON. Mr. President, I thank you.

I simply want to join my distinguished colleague from Arkansas and the Senator from South Dakota in saying I think the President of the United States last night did an absolutely super job.

For the first time we are facing three fundamental problems. One is the deficit and that is a horrendous thing.

I saw Hobart Rowan's column the other day in the Washington Post when he said the deficit is worse than we thought. Let me tell you it is worse than even his column reflects.

The second area is the area of education which the Presiding Officer, Senator BINGAMAN, here from New Mexico has done so much on.

And the third area is health care.

Let me just talk about the deficit for a moment.

If you take a look at the report of the New York Federal Reserve Board, the decade of the eighties, because of our lack of savings cost us 5 percent in growth in GNP, almost all of that because of the Federal deficit. One percent, according to CBO, is 650,000 jobs. That means the deficit in the last dec-

ade cost us 3½ million jobs. I cannot tell you how many of those jobs were in Illinois or in New Mexico or in South Dakota or in Oklahoma, or in Arkansas or in Louisiana. But they are there in each of our States.

We have to get hold of things. And let me just add without this package, and I know it is not pleasant, but we are facing up to some reality, without this package, according to CBO in the latest figures that just came out 2 days ago, without this package in fiscal year 1993, assuming rates do not go up, which is a pretty major assumption, we face a deficit of $639 billion.

Now the bad news is even with what we are doing, the reality is this just has to be the first step and it is why frankly we need the constitutional amendment requiring a balanced budget which I am pleased the Senator from New Mexico and the Senator from South Dakota are supporting.

With this package that $639 billion for the year, if I may have the attention of my colleagues back here, with that package, it drops down in fiscal year 2003 to $422 billion. Assuming you have health reform that $422 billion drops down to $322 billion. What it means is even with this package, we are just barely standing still.

Mr. BUMPERS. Yes.

Mr. SIMON. This package has to be the first step, but it is a gigantic step. It is a reversal of what we have been doing.

My colleagues have heard me talk about the deficit. I remember going into the office of Senator DALE BUMPERS trying to convince him to be for a balanced budget amendment, which think is essential to force us to do what we need to do. But if you take a look at those figures, and then you take a look at the GAO report which says if we continue down the present trend we are going to have a continuing decline in the standard of living of our people, but if by the year 2001, which they pick, we balance the budget then by the year 2020 in real terms, that is in inflation-adjusted terms, we will have an increase in standard of living of 30 percent per capita in our country.

What Bill Clinton is asking us to do is to build for our future so that these fine pages here whose average age is what—15, 16; they are nodding—whatever it is—15 or 16 years old, so they have a bright future and so that my 3-year-old granddaughter has a bright future.

Frankly, it is just essential that we face this.

And then in the area of health care, he spelled it out. We have to do better.

In the field of education we have to do what he has suggested, and let me just add we are going to be facing powerful voices against this and a good illustration is the direct loan program which I am pleased they have endorsed which I have been trying to fight for as some of my colleagues know, but the banks who make more money on the student loans then they do on car loans in this country—believe it or not—the banks are opposed to this and an organization we created, the Student Loan Marketing Association, Sallie Mae, is out opposed to it. Why should this group that is supposed to help students be opposed to it?

Mr. President, do you know what the salary of the chief executive officer of Sallie Mae was 2 years ago? I do not know the figures for last year. My colleague from Oklahoma will be interested in this, too. The 1991 salary of the CEO of Sallie Mae was $2.1 million. The No. 5 executive in that organization made $547,000. The President of the United States makes $200,000. And this is for guaranteed bonds. I can take almost any one of these pages here and make them CEO and they can make money when you have guaranteed bonds. You have a no-lose situation.

So when you hear Sallie Mae lobbying against this, just keep in mind they are interested in their own very, very smug financial shop, and the President of the United States has had the courage to say we are going to have to break up that little shop and do what we should for the students of this Nation and I applaud him for it.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from South Dakota is recognized.

Mr. DASCHLE. Mr. President, let me say about the distinguished Senator from Illinois that no one knows the deficit and unemployment issue more than he does. He speaks with eloquence, and I am grateful for his participation this afternoon.

Mr. President, I yield 8 minutes to the distinguished Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 8 minutes.

Mr. BOREN. Mr. President, I thank the colleague from South Dakota and the colleague from Illinois for the remarks which he has just made, very insightful remarks, and I associate myself with those remarks.

Mr. President, I was elated to hear the President of the United States last night speak to the joint session. This is the 15th year that I have been privileged to go to the House Chamber for such a joint session at the time of the State of the Union Message, and in my opinion that was the best message given by a President of the United States in any of those 15 years that I have been attending those events.

It was the best message, because the President of the United States spoke directly and honestly to the American people. He did not fudge. He did not use political rhetoric. He stepped up to the truth and he told the American people the plain truth, that if we do not get the budget deficits under control they will destroy the future of this country. They will destroy the leadership role of this country.

How can a nation lead the world or have an influence beyond its borders, or even within its borders, for the good of its own people if we allow our debt to become so large that we are soon consuming almost half of the entire Federal budget to pay the interest on that debt?

The President said last night that by the end of this decade, if we have a continued increase in the rate of the debt that we have had for the past decade, we will be over 20 percent of all our national budget just to pay interest by the end of the decade and within 20 years we will be above 40 percent, approaching half.

Mr. President, this is no way that a country any more than a family can live that way. By living beyond our means we steal from our children and our grandchildren. We are diminishing their heritage. We are diminishing their opportunity.

I have been now in this Senate for 15 years, and I ran for office because I wanted to make a difference for the people of this country and the people that sent me here. I did not come here to preside over the decline of the United States of America, and that is exactly what we have seen year by year by year with acceleration for the past of 15 years.

We have seen our productivity decline. We have seen the available capital for American businesses to create jobs zapped by our own Government's insatiable appetite to take more and more of the capital markets to pay the interest on the debt we piled up.

In 1980, this country had a $1 trillion national debt. Today, we have a $4 trillion national debt, just 12 years later, equal to virtually half of the entire gross domestic product of this entire country.

Mr. President, the President of the United States has told the American people the truth. They understand it. They heard him. And that is why the people have responded as favorably as they have.

And, Mr. President, he challenged us in that address. He said: "I am willing to take responsibility—I do not care who gets the credit—I am willing to take responsibility to step up to ask for sacrifice from all of our people to get these budget deficits under control."

And I say to my colleagues, it is time for us to utter the same words. We must take responsibility with the President to get the job done. This is not time for partisan bickering.

During the time that I have served here, I have gone out of my way, I have extended myself to support President Reagan and President Bush when I

thought they were right, even though they happen to be of the other political party. Sometimes I have even been criticized in my own party because I tried to reach out in a bipartisan way.

I hope that my colleagues on the other side of the aisle, when we have a President who has come before us and told us the truth and told the American people what they know to be the truth: "That there is no way to balance the budget when you are in deficit unless you get your income up and your spending down, and through a combination of the two you get the job done. And that it is not painless."

We have had enough political pablum and false rhetoric. It is time for the truth, and it is not time for partisanship. It is time for those on the other side of the aisle to join those of us on this side of the aisle and all of us together to have the courage to meet our responsibilities as Members of this Congress.

I along with others undoubtedly will suggest some changes in the course of the legislative process in this package. I would be the first to say it is not absolutely perfect.

But I think I, as a individual Senator, and all of my other 99 colleagues have a responsibility that if we make changes in this package, we make them in a way that it will still allow us to meet those deficit reduction targets. If I want to take away a little revenue here, I need to put a little back somewhere else. If I want to cut a little less in this area, I have to be able to cut a little more in another area, so we can still reduce the deficit by $500 billion over the next 5 years as the President has suggested.

We must measure up. The time has come. We do not have any time left to wait if we care about what we are going to hand on to our children and our grandchildren.

I have waited for 15 long years to have a President of the United States tell the American people the truth, to have enough confidence in our own people, in their patriotism, in their willingness to sacrifice, in their desire to get back to their country to tell people the truth; that sacrifice is required; that you cannot have something for nothing; that if we love our country enough and our children enough, we ought to be willing to do something about it.

We have that chance. We heard that message. We must not miss this opportunity.

Mr. President, I would have but one piece of advice for our President. There were some discussions as to whether or not we will be first asked to vote on a stimulus package of new programs to stimulate the economy and to create jobs. I am not opposed to that program. There are many elements in that program that I think have great merit.

But I would put up this warning flag. If we vote on the new programs and the new spending—which will be very popular first—and save the deficit reduction package for later, we will greatly diminish the chances of that deficit reduction package ever passing.

It is like saying we are going to separate the package into two spoonfuls—a spoonful of sugar and a spoonful of medicine—and we going to let the people take the sugar first.

Any parent knows that you do not say to the child you can eat your dessert now and your spinach later. You say, eat your spinach and there is a chance of getting the dessert.

I wish that I could say that the Congress of the United States is so responsible and so mature that we do not need to be treated that way. The record speaks otherwise.

Go back to the early 1980's. We rapidly passed those popular tax cuts, but we never got around to passing the spending cuts, so the deficit went out of control.

And so, Mr. President, it would be a mistake to allow the Congress to have the opportunity to vote for popular new spending programs first and put off until later what we need to do in terms of sacrifice to get the budget deficits under control.

Yes, there is a legitimate need for more jobs and a stimulus to our economy. But the greatest emergency facing this country is that the budget deficits are going to destroy our future. That is the emergency. That is what, we must need to act upon. The real emergency is what the budget deficits are doing to this country. Let us act on that now.

Every week, every month that we wait to pass meaningful legislation, a package to reduce the budget deficits of this country, will decrease the chances of its passage. Every week, every month that we wait, we give the special interest groups and the lobbyists and others a chance to organize and to appeal to the self-interest, the selfish instincts of their various constituencies.

Instead, let us act boldly. Let us follow the President's challenge of appealing to the best instincts of Americans—their love of country, their concern for the next generation, the rebuilding of the economic strength of this country.

You can use the budget resolution as a mechanism and simply speed up, earlier in the year, the adoption of a reconciliation bill and include the stimulus package in the reconciliation bill.

Let us do it all and let us do it all by late spring. It is not going to be easier to pass deficit reduction in September or October or November than it will be in April or May.

Let us do our work. Let us stay here long hours, if it is necessary. Let us cancel our recesses. Let us do away with leaving on Friday mornings and not coming back until Tuesday mornings. Let us just stay here and do the work. And let us show the American people we have the responsibility to live up to that challenge that the President has so wisely and courageously given us last night.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. DASCHLE. Mr. President, let me thank the distinguished Senator from Oklahoma. He speaks with conviction. I appreciate his strong statement. He talks to all of us about the tougher decisions we must face. And he does so with the knowledge that many of us agree wholeheartedly with his comments about the need for bipartisanship, and about facing these decisions, not as Republicans or Democrats, but as Senators challenged with the responsibility that we must face.

I thank him for his contribution.

I yield 8 minutes to the distinguished Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan is recognized for 8 minutes.

Mr. LEVIN. First, let me add my commendation to my old friend from Oklahoma. I agree with his points. His eloquence I cannot match, but at least I can agree with his points.

Let me just say that some of them, I hope, will have great appeal across this aisle: His appeal to bipartisanship, his appeal to patriotism, his appeal to those of us that might seek to improve this package to put in some spending cuts for every spending cut that we seek to remove. Force those of us who oppose the package to offer alternatives.

As always, the Senator from Oklahoma is eloquent and powerful. And he surpassed himself here today.

WE MUST GET OUT OF THE DEFICIT DITCH

Mr. LEVIN. The President last night gave us a road map. He gave us an outline. It was an eloquent statement of what we must do.

For 12 years, we have dug ourselves into a deficit ditch. The question is not who dug us into that ditch. This is not the time to figure out whether it was mainly the majority of the Congress that went along with two Presidents, or whether it was mainly two Presidents who did not lead.

What we know is, we are in a deficit ditch and there is plenty of blame to go around and we have to get ourselves out of that deficit ditch.

So this is not the time to write the history of the last 12 years. It is the time to make history for the next decade and into the next century.

There are few realists that I know of who believe that we can address this deficit just by cutting spending without increasing revenues at the same time. There are some who say it, but I

know of few people, who are realistic and pragmatic, who have given us specific proposals for reducing this deficit significantly only by spending cuts without any revenues.

The reality is that we have to do both, and none of it is painless. But the President captured the feeling of the public last night in many of his statements. But perhaps best in this statement when he said, "The time has come for the blame to end. I did not seek this office to place blame. I come here to accept responsibility. And I want you to accept responsibility with me. And if we do right by this country, I do not care who gets the credit for it."

That is what the public wanted to hear from our President and that is what the public wants to see in us, that we can rise to that responsibility and to that occasion.

As I said, the cuts in the spending programs which the President proposed, or cuts in programs that we cut as a substitute for the ones that he proposed, are not going to be painless cuts. They are not painless, they are just necessary.

On the revenue side, the increases in taxes are not going to be painless. They are just going to be necessary. The President fairly and appropriately says that most of the new revenue must come from the group, and the only group among us, that did well in the eighties, that increased its after-tax income in real terms—after taxes and after inflation. Only the top 10 percent of America increased their real income during the 1980's. So it is fair, and it is appropriate, and it is just that same group bear the major responsibility on the revenue side. And the President has placed it there.

There are going to be arguments as to whether the breaking points are $180,000 or more on the income tax and whether or not on the energy tax it is $30,000 or $50,000, and we should and we must analyze that for the American people. But however it comes out, it seems clear from this outline last night that the majority of the revenue increases are coming from upper-income people. And that is as it should be because that is a group, again, that got the lion's share of the benefits during the last decade.

The President called upon us to worry, not just about me, but about us; and to worry about our kids. Frankly, I slept better last night because I felt the future for our children—my children and yours—was a little better assured because we have a President who is looking reality in the face and telling Americans he will accept responsibility, he will take the cards that have been dealt him and he will do the best he can with them—to energize this economy, to invest in our future. And that requires the significant deficit reduction that so many of us in this Chamber have been talking about.

He did it one other way. He not only gave us the substance, the road map, he gave us a process which is honest. Every one of us is sick of the baloney in these annual budgets. Putting aside who put it there, who kept it there, who acquiesced in it, who allowed it to stay there—I think all of us, Republicans and Democrats, are sick of the phony figures that have permeated these annual budgets; that have allowed us to get through the year to meet budget law requirements, but then after the toll was taken at the end of the year, we knew the deficits were far, far higher than the ones we had projected.

So I am glad we had some honesty in budgeting last night as well. I commend either this program, or an alternative to this program, but in the same real deficit cutting terms, to my colleagues. I commend the President and I commend his program for our consideration.

I thank the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. DASCHLE. Let me thank the distinguished Senator from Michigan. No one in this body enjoys greater respect from all of his colleagues for his thoughtful approach. His remarks this afternoon are very deeply appreciated. I thank him.

Mr. President, how much time remains in the first hour allotted?

The PRESIDING OFFICER. The Senator has 8 minutes remaining.

Mr. DASCHLE. I thank the President.

Mr. President, I yield whatever time remaining to the distinguished Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont is recognized for the remaining 7 minutes and 47 seconds.

Mr. LEAHY. Mr. President, I thank the distinguished Senator from South Dakota.

I would like to make a couple of comments in the time remaining.

I feel that last night, for the first time in several decades, a President challenged the Congress of the United States and the American people to confront the truth about our economic problems and the budget deficit. Instead of being told the state of the Union is absolutely rosy, the President told us what the state of the Union actually is. We have to be courageous to answer the challenge to confront those problems.

Not since the days of Franklin Roosevelt has the Nation faced such economic challenges. The President acknowledged those challenges last night. He laid out an aggressive plan to rescue our children and grandchildren from the borrow-and-spend policies of the 1980's.

For over a decade now we have lived for the day. Last night the President asked us to seize the day; to leave behind the special-interest-blame-game politics that have crippled our ability to act as our economy has atrophied.

We face an economic battle on several fronts: The recent recession and the painfully slow recovery, the long-term stagnation in economics and productivity growth, and the colossal deficit. The President has offered us a tough but fair program to attack this crisis.

The Clinton agenda offers hope. For years I have worked so all children who qualify have access to Head Start; so poor pregnant women and their children have access to the WIC Program. The Clinton program calls for wholly funding these programs and I applaud him for it.

This program calls for rebuilding America, especially rural America, where thousands of jobs will be created to help the small towns left behind by the 1980's. It completes much of my own rural jobs bill and I applaud him for that.

President Clinton has spoken for serious reform. For 100,000 job cuts in the Federal bureaucracy. For a crackdown on the waste and inefficiency at the Department of Agriculture. For long overdue means testing for farm program benefits, a streamlining of the USDA, and a reform in the crop insurance policy.

We are going to hear the naysayers and special interest lobbyists crying foul. The fact is, while we have been in a technical recovery for a year and a half, the jobs have not returned. Ask Vermonters who are unemployed, or only partially employed, if they really see a recovery taking place yet. The Clinton stimulus package creates jobs now by investing in programs that will enhance our future productivity and growth.

The taxes the President has asked us to pay are fair. Those who benefited from the tax cuts that added over $1 trillion to our Federal debt in the 1980's will pay the lion's share. The middle-income will also chip in, mainly through energy taxes. Some call it tax-and-spend. I call it pay-as-you-go. It is certainly better than borrow-and-spend.

The Clinton plan makes long-overdue cuts in nuclear programs and in foreign aid. It strengthens child support enforcement. It demands that those who profit from the use of public lands pay their fair share. It calls for restraint on Medicare cost increases.

I look forward to working with the administration on these cuts, and look for additional cuts. Let us cut the spending on the superconducting super collider. I understand public works programs, even useless public works programs, but even by Texas standards this one is a bit too large.

Let us also cut the space station. Maybe we need the space station be-

cause it is the only place high enough up to look at the size of the deficit.

Interestingly enough, Mr. President, I come from a State that has only voted twice in its history for a Democrat for the Presidency. It has only elected one person to the U.S. Senate from the Democratic Party. The calls coming into my office have been overwhelmingly supportive of the President's package. We Vermonters are a fiscally responsible people. We realize the challenges that lie before us in our slow-growth economy. We Vermonters understand the logic of the Clinton plan.

Frankly, the people who called my office today from the State of Vermont tell me they appreciate hearing the truth from their President. Many of the things they wish they would never have to hear, but they know they were hearing the truth, and that gives them hope. And if the Congress can put aside the gridlock that can be blamed on both parties, we might be able to use the truth we heard last night to solve the problems we face. Not just for us, Mr. President, but for our children and our children's children.

Many times I have said on the floor of this body that my children will live most of their lives in the next century. What we are planning for is not a century that sees the demise of our great country, but a century that recognizes the enormous potential that we still have as a nation.

The President had the courage to tell Congress and the American people what must be done. We ought to sweep aside the howls we will hear from the special interests on the left and the right. We know what we have to do. The American people especially know what we have to do. It is now time to get to work.

Mr. President, let me say one further thing. There will be debate on this package, between Democrats and Republicans, between Democrats and Democrats, between Republicans and Republicans. That is as it ought to be. I hope all Americans understand that. It is the way it should be, it is the way it always has been, it is what makes us great as a democracy.

I thank the Chair, and I yield the floor.

Ms. MIKULSKI. Mr. President, I congratulate President Clinton for his address last night. He has given us a plan to generate jobs, generate opportunity, and lower the deficit.

President Clinton and I were elected last fall to bring about change, not defend the status quo. His proposals provide us with an opportunity to change the course of our Government, change our economy, and change America.

President Clinton has given us straight talk and truth in numbers. He has squarely faced the challenges that confront our Nation, and he has given us a plan for action.

He has enlisted us all in the fight for America's future.

And he was given us a plan to reduce the deficit, which relies upon four tools: Economic growth, health insurance and health care reform, spending cuts and revenue increases.

If we oppose any piece of the package, we have a duty to suggest a responsible alternative.

I know that for my Federal employee constituents, the pay reductions proposed by President Clinton are tough tonic, and I want to look for alternatives. Federal employees are middle-class, hard-working Americans, too.

And as the Chair of the Subcommittee on Aging, I will carefully review the entire package for its effect upon America's seniors, including changes to Social Security, Medicare and the impact of an energy tax.

But this Senator will not be a roadblock to progress. I will not defend the status quo. I am ready to roll up my sleeves and work for change.

President Clinton has proposed to create jobs today and jobs tomorrow, to rebuild our infrastructure, and provide "good guy bonus" tax credits for businesses who invest in the future.

He has proposed to help business get access to the latest technologies, and train our workers for the jobs of tomorrow.

He is determined to reform health insurance and health care, so American families do not have to choose between paying the rent and paying for life-saving treatment.

He has issued a call for America's young people to sign up for national service, to provide help to those who practice self-help. This means a young engineer at the Goddard Space Flight Center can work off her student debts by tutoring middle-schoolers on Saturdays. In this way our next generation of scientists and engineers can inspire and be inspired.

He wants to immunize every American child against infectious diseases before they strike.

And he has called for welfare reform, to make sure our Government helps those who practice self-help so that welfare is not a way of life, but a way to a better life.

So today I say to my colleagues, it is time to end the gridlock and the deadlock.

For the first time in 12 years, we have a plan to create jobs and opportunity to reduce the deficit that is honest, specific, realistic and realizable.

This plan is consistent with the values of our people. It will reward hard work and give the middle class a chance for upward mobility.

And there will be some pain. But the President has worked to see that those who can best afford it will bear the biggest burden.

He has started by cutting his own staff at the White House. And we in Congress will follow his lead and cut our own staff, our own perks, and the franked mail we use.

We will attack waste in Government, eliminate frivolous boards and commissions and get tough on contractor fraud and abuse.

We will go after foreign corporations that have not played fair when it comes to paying taxes on the profits they make in this country.

We will take away tax incentives for companies to move American jobs offshore, and the deduction that pays for the Gucci shoe crowd that lobbies us here on Capitol Hill.

It is time for us now to rise to President Clinton's challenge.

Our constituents believe that when all is said and done in Congress, a lot more gets said than gets done. It is time for us now to act, to restore their faith and trust in their institutions of government.

The days of drift and decline are over. We have an opportunity to create a bright future for our country, if we act.

And when we do, we will have kept faith with the people at home who voted for change.

Mr. President, a new milennium is on its way. A new era is about to be born. And when that new century begins, only 7 years from now, I want to be able to look back and know that we in this Congress acted to ensure a strong and growing economy, a Federal debt that is under control, health care that is accessible and affordable for all our citizens, and an opportunity to recreate the ethic of service in our neighborhoods and communities, where young Americans give back something for what they get.

When that day comes, we will know that we have done the job we were elected to do.

I congratulate the President and I challenge my colleagues. Let us work together and get the job done.

I yield the floor.

PRESIDENT CLINTON'S DEFICIT REDUCTION SPENDING CUTS

Mr. FEINGOLD. Mr. President, there are many elements of President Clinton's economic plan that I can and will strongly support. He has proposed the largest deficit reduction package in history, and has given us the long-awaited leadership needed to get this economy moving again and to restore its economic strength. The President has done an excellent job of putting together an economic plan that begins to deal seriously with the Federal deficit.

I do think that Congress should find and advance even further spending cuts. I accept President Clinton's challenge last night that those who think there should be further cuts in Federal spending should be specific, as he has been, about where those cuts should be made.

I have developed an 82-point plan to reduce the Federal deficit and I was delighted to see that many of the elements of my plan were included in President Clinton's spending reduction list.

I am not sure whether the White House actually had a copy of my 82-point plan when they developed the administration's package, but it was gratifying to see that so many of the items that I had targeted for spending reductions were included in the administration's proposals.

I may be offering additional spending cuts from my list, but I think he has made an excellent start. In the next few days, I will highlight the numerous spending cuts that the President has proposed that were also included in my 82-point deficit reduction plan.

There is one item in the President's package that I do want to focus on today: consolidation of our overseas broadcasting services and termination of a radio transmitter project in the Negev Desert in Israel.

On January 21, the first bill that I introduced as a Member of the U.S. Senate was S. 51, the Overseas Broadcasting Consolidation and Deficit Reduction Act. This bill proposed consolidation of several overlapping overseas broadcasting services and termination of other projects, including the radio transmitter in Israel, which can not be justified in our current economic crisis.

I was, therefore, very pleased to see both of these items included in President Clinton's economic proposal.

Mr. President, earlier this week, joined by the chairman of the Senate Foreign Relations Committee, the senior Senator from Rhode Island, Senator PELL, I urged President Clinton to include termination of the Israel transmitter in his economic plan.

I ask unanimous consent that a copy of our letter to President Clinton be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. FEINGOLD. Mr. President, termination of this project is exactly the kind of fiscal restraint that we must demonstrate if we are serious about cutting back on Government spending. This project was conceptualized in 1985 as a relay station to overcome Soviet jamming of the Voice of America and Radio Free Europe/Radio Liberty broadcasts to the Eastern bloc. With the end of the cold war, airways in the Soviet Union and Eastern Europe are no longer being jammed. Although Congress has appropriated a total of more than $250 million for the program, construction has not yet begun and only $60.6 million has actually been spent. If we terminate the project now, the hundreds of millions of dollars that will be spent to construct, operate, and maintain the transmitter can be saved. Additionally, an alternative site has subsequently been developed in Kuwait that can deliver radio transmissions more effectively than the Israeli site.

Moreover, beyond the cost to the U.S. taxpayers to sustain a project that is no longer justifiable, there are serious ecological drawbacks to proceeding with the project. Israeli, American, and international environmental organizations have all predicted that the transmitter, located on one of the world's most important migratory bird flyways, could cause irreparable environmental damage. It will also take up valuable and limited desert space in the Negev and may pose dangers to the residents' health.

Mr. President, it should be stressed that a majority of the Israeli Knesset have gone on record opposing the project. The transmitter is not only unnecessary and costly, but poses severe environmental risks to Israel. I understand that the Bush administration was on the verge of recommending terminating the project as well. I applaud President Clinton for his willingness to say that this project should be halted.

The second provision in my legislation which has been included in the President's economic package involves consolidation of overseas broadcasting services and phasing out of those services, Radio Free Europe and Radio Liberty, administered by the Board for Independent Broadcasting. My legislation proposes termination of the Board for International Broadcasting and transfer of its functions to the Bureau of Broadcasting within USIA during the phase-down period.

Mr. President, Radio Free Europe and Radio Liberty were established more than 30 years ago to broadcast behind the Iron Curtain in addition to the Voice of America. They played a tremendous role in bringing news and information to people in Communist countries and helped set in motion the forces that brought an end to the cold war. But the cold war is over. It is difficult to justify the American taxpayers continuing to spend well over $200 million a year to operate these radio services in Europe in addition to the services provided by the Voice of America and another $2 million for the administrative costs of maintaining the Board for International Broadcasting, an Agency whose sole function appears to be to administer funding for these two radio services. Neither my proposal nor the President's calls for termination of Radio Free Europe or Radio Liberty overnight. But they do provide for an orderly consolidation of services over the next several years. If the situation in Eastern Europe changes, the Voice of America, which also broadcasts in the same areas, is available for increased broadcasting.

My legislation was based upon proposals presented by the Congressional Budget Office in its report last year on options for reducing the Federal deficit. Several of the provisions in S. 51 have also been recommended by various nonpartisan commissions which have called for revamping and consolidating overseas broadcasting services.

Mr. President, the consolidation of overseas broadcasting programs was highlighted in the documents released by the Clinton administration as an example of "programs that don't work or are no longer needed." The administration's economic proposal stated,

> Making Government work for the next century means ending funding in programs that don't work and updating policies and programs that were designed to meet the needs of an earlier era.

These are precisely the reasons why I identified this area in my deficit reduction plan and introduced the Overseas Broadcasting Consolidation and Deficit Reduction Act as my very first bill in the U.S. Senate.

This is precisely the kind of fiscal discipline that we must impose upon the Federal Government if we are to deal seriously with the Federal deficit and win the confidence of the American people. Yet, even a proposal as modest as the Overseas Broadcasting Consolidation and Deficit Reduction Act is already drawing opposition from individuals and organizations who have a vested interest in maintaining the status quo. I am delighted that the Clinton administration will be joining in attempting to achieve these changes, but I fully recognize that the battle is not over. I intend to work very hard with the Clinton administration to get these proposals enacted.

EXHIBIT 1

U.S. SENATE,
Washington, DC, February 12, 1993.

President WILLIAM CLINTON,
The White House, Washington, DC.

DEAR MR. PRESIDENT: We are writing to you to express our opposition to the construction of a Board for International Broadcasting (BIB) radio transmitter in the Negev Desert in Israel. This transmitter, a relic of the Cold War era, is not only unnecessary and costly, but also poses severe environmental risks to Israel. For these reasons, the majority of members of the Israeli Knesset oppose the project as well.

The project was conceptualized in 1985 as a relay station to overcome Soviet jamming of Voice of America and Radio Free Europe/Radio Liberty broadcasts to the Eastern Bloc. After several other states in the region refused the station because of its political sensitivity, Israel accepted the American request for assistance. Though Congress has appropriated a total of $255.4 million for the program, construction has not yet begun: in fact, only $60.6 million has been spent. Further expenditures are subject to Congressional approval pursuant to section 806 of the Freedom Support Act of 1992. We urge you to terminate the entire project now, before more money is spent, and needless damage is done.

With the end of the Cold War, airwaves in the Soviet Union and Eastern Europe are no

longer blocked. The hundreds of millions of dollars that will be spent to construct, operate, and maintain the transmitter are no longer justified. The project is also obsolete considering that, as the U.S. Advisory Commission on Public Diplomacy noted in its August 1992 report, VOA has developed a site in Kuwait which can deliver more clearly both shortwave and AM broadcasts to Africa and the former Soviet Union than the site in Israel could. In these times of enormous budget imbalance, this money clearly could be better spent elsewhere.

Beyond the cost to the U.S. taxpayer to sustain this project, there are serious ecological concerns as well. Israeli, American, and international environmental organizations have all predicted that the transmitter could cause irreparable damage to the fragile desert environment, as well as to bird migratory patterns between Africa and Europe. In addition, the potential hazards of electromagnetic radiation to people living in proximity to the station have not yet been adequately studied. Finally, construction of the transmitter will necessitate the Israeli Air Force to relocate in the desert, further impinging upon the limited open space—now a nature preserve—of the Negev. The Air Force is also uncertain about how the transmitter's radiowaves will affect its exercises. For these reasons, the Israeli Supreme Court has ordered a series of Environmental Impact Studies before construction could commence.

The next Israeli Environmental Impact Study could be issued as soon as this month. It will then be reviewed by the Planning and Building Council, which could authorize construction in the Negev to begin shortly thereafter. Given that the rationale for this project has diminished, and that the environmental impact could be disastrous, there are no compelling reasons why this project should proceed.

We agree with the Congressional Budget Office, the majority of Israeli legislators, and international environmental groups that this project should be canceled immediately. We thank you for your immediate attention to this matter.

Sincerely,

CLAIBORNE PELL.
RUSSELL FEINGOLD.

Mr. MATHEWS. Mr. President, I rise today to express my support for the economic package set forth by President Clinton in his address last night.

Mr. President, last night was a proud moment for me, as a new Senator from Tennessee, to hear the President address a joint session of Congress and the American people.

President Clinton has laid out a plan of bold change for the Nation—his vision for America's future.

It is a plan to put this country on the road to economic recovery.

I applaud his leadership in being willing to make some very difficult choices toward revitalizing the country, investing in its future, and tackling the ever-growing budget deficit.

I came to Washington with the goal of assisting the President in restoring fiscal discipline and sound budget management to the Government of this country. Now, with the President's proposals, that goal can become a reality.

Key to the elements of the President's package is the plan to reduce the deficit by approximately $400 billion over the next 5 years. His plan calls for a $2 reduction in the deficit for every $1 in new revenues.

It is obvious that the plan couples meaningful spending cuts with new revenues to restore fiscal integrity at the Federal level.

His plan is tempered with a sense of fairness, in which all of us are called upon to share responsibility and contribute to our Nation's economic strength and future growth.

Mr. President, we participated last evening in an introspective view of a changing America. Just as IBM, General Motors, Sears, and Pan Am have choked on their largesse, we face the same destiny unless we act forcefully.

We are at a crossroads where we must choose the lesser of a number of evils.

The President has laid his proposal on the table with a frankness and directness which reflects his commitment to ensuring a better quality of life for all Americans today, and for our future generations.

I know, after reviewing aspects of this package, that I will be faced with decisions which may be unpopular in my home State of Tennessee. However, as the President said last evening, we must be willing to accept some short-term sacrifices in order to ensure the long-term stability of the country and the future prosperity of this Nation. I believe Tennesseans will choose to support this plan as long as the difficult choices are distributed equitably among the people and among the States.

Mr. President, now, I look forward to working with my colleagues toward accomplishing these goals and initiatives.

The PRESIDING OFFICER. Under the previous order, the Republican leader is recognized.

Mr. DOLE. Mr. President, as I understand, there are now 2 hours for Members on this side. I ask that I use my leader's time. Was leader's time reserved?

The PRESIDING OFFICER. That is correct. The Senator may proceed on leader's time.

A LESSON IN CLINTONOMICS

Mr. DOLE. Mr. President, on the issue of the President's speech last night, first let me say I think he made a good speech. I think he touched on a lot of areas that are of great concern to the American people, and I believe that in many of those areas there will be strong bipartisan cooperation.

But I think until we know precisely what the economic package is, until we know precisely what the mix is, it is a little early to pass judgment because we have not seen the details of the plan. And the fine print may not be available, we are told, until sometime in March. But we have picked up a few things just overnight.

First, the President and the proponents of his plan have redefined several words, giving them troubling new meanings. "Investments" now means more Government spending. "Sacrifice" now means higher taxes, bigger Government, and more mandates. "Contribution" now means higher taxes, and "patriotism" is now defined by whether or not an individual supports the President's program.

I said the President said a lot of good things, but there are some things the President did not say. He said his plan struck a balance between more revenues and tough spending cuts. He claims that his budget contains 150 proposals to cut Government spending, but he did not say where they were. The President did not tell the American people the whole story about the tax increases in his plan, but from my count, if you add all the tax increases together, the total comes to $361 billion. That is $361 billion by 1998.

He claimed that the plan was fair and would create jobs, but he did not tell you that the new 36-percent tax bracket hits American small businesses, the ones who create 60 percent of all new jobs, square in the teeth. He did not tell us that the top tax bracket would increase from 31 percent to 46 percent and he did not tell us that higher corporate taxes would be passed on to middle-class consumers through higher prices for all kind of products.

The President did tell us unless we act now to reduce the bloated Federal deficit, in 10 years paying off the interest on the debt will become the most costly Government program. I think everybody in this Chamber agrees that responsible deficit reduction will bring about lower interest rates for home buyers, consumers, and businesses; it improves our global economic competitiveness; it could create millions of jobs and increase the American standard of living and allow us to pass on the American dream to our children.

But the President failed to convince us that a tax-heavy package that fails to make the tough choices on spending controls can accomplish this goal.

Mr. President, I will just take a couple of minutes to talk about honest budgeting. The President claims his numbers are real, but the truth is that he is playing high-stakes games with the numbers.

Game No. 1 is called inflating the baseline deficit. The game has two parts. The first is pessimistic economic assumptions. Everyone agrees that deficits go up when the economy slows down. That is one reason why keeping the economy moving is critical to getting the deficit under control. President Clinton appears to be using the most pessimistic economic forecast he can find—lower than his own Council of Economic Advisors; lower than the

consensus private blue-chip forecasters—to calculate what is called the baseline deficit. Painting a bleak economic picture enables the President to inflate future deficit projections and then measure his progress in cutting the deficit against that artificially high baseline.

The second part of the baseline game is the disappearing spending caps. The caps on discretionary spending will remain in place through 1995. That is the law. But the President's budget appears to assume that these caps will disappear in 1994 and that discretionary spending will grow at the rate of inflation. More spending means higher deficits.

Based on Congressional Budget Office figures, removing the caps in 1994 will increase spending by $123 billion by 1998.

Game No. 2—the President's 4-year deficit reduction goal. The President blames his inability to follow through on his promise to cut the deficit in half in 4 years on higher than expected deficits, $50 billion per year. But everyone knew back in August, in fact late July, that the deficit picture was getting worse.

His new goal is to cut $140 billion from the deficit. Not only has he given up on cutting the deficit in half, it has now been stretched from a 4-year goal to a 5-year goal. It was 4 years; now it is 5 years.

Game No. 3 is double-counting the Bush defense cuts. Defense provides the lion's share of the President's proposed spending cuts. The defense spending cuts approved by President Bush and Congress last year will produce $74.8 billion in savings by 1998.

A closer look at President Clinton's numbers suggest that his plan includes the defense cuts already approved last year by President Bush and by Congress. President Clinton should not count these savings as part of his own package. That is double counting. He cannot do that.

And, finally, game No. 4 is called understating the tax increase. When is a tax increase a spending cut? President Clinton tried to tell us last night. The President supports higher taxes on middle-income Social Security beneficiaries but his plan appears to count this $32 billion tax increase as a spending cut. Secretary Bentsen and deputy OMB Director Alice Rivlin admitted as much this morning. Tell that to America's seniors when they fill out their tax returns after this change goes into effect. It is not a spending cut. It is a tax increase, and they said it was a tax increase this morning before the Senate Budget Committee.

This plan also appears to include $6 billion in user-fee increases as spending cuts. That is taxes. That is more taxes. User fees are taxes.

So I just suggest that we do not have a balance here. What we have are more than $360 billion in taxes, in higher taxes by 1998, the biggest tax increase ever.

Now, we remember during the confirmation hearings of our good friend and former Senator from Texas, Senator Bentsen, now the Treasury Secretary, and Leon Panetta, another friend and House Member of ours, who is now the Director of the Office of Management and Budget, that they thought any deficit reduction package should include $2 in spending cuts for every dollar in new taxes.

The Governors, the 50 Governors, who were here 2 weeks ago, 30 Democrats, I think, and 20 Republicans—I am not certain of the mix—adopted a resolution stating that deficit reduction should contain $2.75 in spending cuts for every dollar in new taxes.

The President's plan fails the balance test. The President claimed last night that his economic plan cut spending by $246 billion, but his numbers do not add up.

Count the Social Security tax hike as a tax increase, not a spending cut, remove the Bush defense cuts, balance them against the spending increases for stimulus and investment, and you end up with a total of $123.2 billion in spending cuts by 1998. I am not a budget technician, but that is not balance.

But even if you include the tax cuts in the President's plan, using his own numbers, the net tax increase stands at $276.9 billion by 1998. Compared to $123.2 billion in spending cuts, that is 44 cents in spending cuts for every dollar in higher taxes. I think it may be even worse than that. You clear away the smoke and mirrors and the picture gets even worse. Before it is all over the so-called balanced package may end up raising $3, $4, or $5 in new taxes—$3, $4, or $5 in new taxes—for every dollar in real spending cuts.

Let us be clear about it. Republicans support efforts to keep the economy moving, to create millions of good, new, lasting jobs, and to cut the deficit in half in 4 years. We want to help the President on the spending side.

But, before the President asks Congress to approve a plan that will force the farmer, the nurse, the factory worker, the shopkeeper, the truck driver, or our senior citizens to send one more dime to Washington, we should work to ensure that every outdated program, every bloated agency, and every item in the Federal budget takes the hit it deserves.

Mr. President, we have a lot to do on this package, and just in case somebody might suggest that I am a Republican and may have somehow distorted anything, there is a wire story out this afternoon by Associated Press—they are not known to be Republicans, not known to cover us very often, but in any event they talk about the big shortfall in what the deficit reduction really is. They said;

President Clinton's budget plan, trumpeted a day ago as achieving $493 billion in deficit reduction over 4 years, falls well short of that.

They now say it is around $325 billion.

I ask unanimous consent to include this Associated Press release in the RECORD. The figures are a bit different than mine. They use 4- and 5-year numbers, and I have used 6-year numbers, but I include it in the RECORD to indicate that the press has taken a look at the President's numbers and they know they are not accurate. And when you count in all the tax breaks and increased spending, it really changes the picture as presented by President Clinton last night.

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

DEFICIT PLAN FALLS SHORT OF GOALS

(By Martin Crutsinger)

WASHINGTON.—President Clinton's budget plan, trumpeted a day ago as achieving $493 billion in deficit reduction over four years, falls well short of that based on new figures released by the White House today.

The new documents show that instead of reducing the deficit by almost a half-trillion dollars over the next four years, the actual deficit reductions will amount to a smaller $325 billion.

The reason for the difference is that the budget documents released with Clinton's speech failed to take account of the impact his spending programs and tax breaks would have on the federal deficit over the next four years.

A more detailed budget document released today showed that while Clinton is proposing spending cuts of $247 billion over the next four years, 68 percent of those savings are eaten up by the $169 billion in increased spending and tax cuts in Clinton's program.

Once those deficit-widening proposals are taken into account, the $493 billion in deficit cuts Clinton proclaimed to have achieved are whittled down to $325 billion over four years.

Reporters were not given the full 145-page book explaining Clinton's program on Wednesday. The explanation given by the White House was that decisions were being made right up until the last minute and the full budget document could not be produced in time for Clinton's joint address to Congress.

Instead, the full book with the bottom line deficit figures was provided today.

The more detailed presentation showed that over the next four years, Clinton is proposing $246 billion in tax increases, but this figure was to be balanced against $60 billion in tax breaks that the President is proposing for the same time period.

In addition, while Clinton's program includes $247 billion in spending cuts over the four-year period, this must be balanced against $109 billion in spending increases Clinton is proposing over the same time period.

When Clinton's proposed tax cuts are balanced against his proposed tax increases and his proposed spending cuts are balanced against his spending increases, Clinton's four-year deficit reduction total falls from $493 billion down to $325 billion.

For the five-year period from 1994 through 1998, the deficit savings of $703 billion proclaimed by the administration on Wednesday shrink to $473 billion.

The new budget document shows that Clinton's short-term stimulus package would inflate this year's deficit to $332 billion, up from an estimate of $319 billion without Clinton's economic program.

Both figures would be a record, topping the old mark of $290 billion set in the fiscal year that ended Sept. 30. The deficit increase for this year would reflect the impact of the short-term stimulus package of increased public works spending and tax breaks Clinton has proposed to Congress.

For later years, the administration is projecting better deficit figures. The deficit would drop to $262 billion in the 1994 budget year, fall to $242 billion in 1995, to $205 billion in 1996. It would then begin rising to $206 billion in 1997 and $241 billion in 1997, reflecting in part rising health care costs.

The president has promised to produce a plan in May that will address the health care crisis and get this part of the budget under control, perhaps by proposing additional taxes to pay for his program to provide universal health care coverage.

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

Under our time agreement, I yield 12 minutes to the Senator from Delaware [Mr. ROTH].

The PRESIDING OFFICER. The Senator from Delaware is recognized.

STATE OF THE UNION RESPONSE

Mr. ROTH. Mr. President, it is true what they say: "It is getting more and more difficult to support the Government in a style to which it has become accustomed." And last night Americans saw why—Bill Clinton really believes the Government can spend the taxpayers' money better than the taxpayer can. After campaigning on the promise of tax relief and job creation for Americans as well as spending restraints for the Government, what he is calling for now is the largest tax increase in history—some $250 billion in new taxes. What he is offering is a program that does little, if anything, to check runaway Government spending, and a program that will stifle job growth and private sector initiative.

While Bill Clinton has proposed some meaningful reductions in entitlement spending, he also proposes $145 billion in new spending. And this $145 billion is on top of the near $20 billion spending stimulus he is proposing this year. It also comes on top of the inflation-adjusted increases these programs are already set to receive. Putting aside the reductions in defense, this new spending wipes out the majority of his budget reductions.

Talk about "read my lips." The tax increases that resulted from President Bush's willingness to compromise with congressional Democrats in 1990 pales when compared to the program President Clinton unveiled last night. And let me be clear about this: I did not support the 1990 compromise to raise taxes, and I certainly do not support this attempt. I have said it before, and I will say it again: You cannot tax America into prosperity. Like the 1990 budget agreement, the package Bill Clinton proposed last night is long on taxes and short on controlling Government spending.

The fundamental economic issue we must address right now is creating the right kinds of incentives for growth—growth that equals real jobs in the private sector—and jobs that equal security for our families, our communities, our States and Nation. That economic growth does not come from the Government. The Government has never created wealth. Rather, it comes from Americans—hard-working, risk-taking men and women who have reason and incentive to get ahead. Take away their means to get ahead and you take away their incentive. And this is exactly what Bill Clinton has proposed.

The package he presented last night is one that will hit every American family with an income over $30,000. This will be done through direct increases in income tax rates or through an energy tax. Aside from the direct tax on energy use, this one revenue raiser alone will directly increase the cost of goods and services across the board. From eggs, to bread, to the cost of buying a car and commuting to work on mass transit, this proposed energy tax will increase everybody's cost of living. What is more, this energy tax opens up a completely new source of revenue for Federal spending. And we all know what Congress does to new revenue sources; these new taxes never go away but just keep getting bigger, like the increase in the gasoline tax that was set to expire at the end of 1995.

Mr. President, what concerns me most is that many of the taxes affecting the majority of Americans are structured in a way that makes them appear less aggressive than they really are. For example, the broad-based energy tax—Bill Clinton's attempt to increase taxes on Btu's—British thermal units—does not seem so taxing until you realize that the average American family consumes 250 million Btu's every year.

Likewise, his proposal to increase from 50 to 85 percent the portion of Social Security benefits that will be subject to taxation, might not appear difficult to younger Americans, but it will affect some 25 percent of our retirees—men and women who are generally on fixed incomes. And since the base amount at which this tax kicks in is not indexed, the numbers of people affected will rapidly increase in the years to come.

And I don't even need to go into the fact that his intention to extend the gasoline tax will dramatically alter American commerce and family travel, especially in those parts of our country that are most dependent on transportation.

What I find ironic with this package of more than two dozen major tax increases is that it flies in the face of what we have learned from history. And beyond that, it comes at a time when America's economy is beginning to show signs of strength. Let me quote the first paragraph from the prestigious, and rather objective, British news magazine, the Economist. In an article entitled "No Need for a Boost," the magazine maintains:

When George Bush lost his presidency three months ago, the American economy was growing at a pace that would mightily have impressed most voters—had they known about it. Now the facts are out, and it seems that only Bill Clinton and some of his senior advisers are prepared to ignore their significance.

The article goes on to explain that our gross domestic product expanded at an annual rate of 3.4 percent in the July-September quarter, and 3.8 percent in October-December. Our business investment is strong, expanding at an annual rate of 8 percent in the second half of last year. Consumer spending is growing. Inflation is low. And the future appears bright. In fact, even without tax increases, the Congressional Budget Office estimates that new revenues into the Treasury will amount to some $70 billion more next year. These positive indicators do not mean that all is well. There certainly are challenges to create jobs, encourage savings and investment, increase productivity, and strengthen markets.

But, Mr. President, what Bill Clinton has proposed is analogous to putting leeches on a recovering patient. The intended cure is far more dangerous to the patient than the symptoms. And frankly, raising taxes to stimulate the economy is nothing short of economic quackery.

America knows—our history shows—what promotes economic growth. Likewise, we know what undermines it. I find it ironic that President Clinton, who has spoken so warmly of John Kennedy, has failed to grasp the significance of President Kennedy's economic successes. Kennedy's across-the-board tax cuts, dropping the top rate some 20 percentage points, resulted in one of the healthiest economies in the postwar period.

In fact, that success story was not repeated until 1981, when President Reagan modeled his tax cuts after Kennedy's. And we all know what happened. Let me show you a graph that clearly demonstrates. Between 1980 and 1990, revenues into the Treasury went from $517 billion to over $1 trillion. What resulted was the longest peacetime economic expansion in U.S. history. More than 18 million new jobs were created.

The economy grew by nearly one-third in inflation adjusted terms. After inflation, middle-class income increased by 13 percent. And this improvement occurred, unlike most recoveries, simultaneous with a collapse in inflation.

The problem, as this graph shows, is that during this record-setting recov-

ery, Congress failed to bring Government spending under control. The red on this chart demonstrates how each and every year, Congress spends more than the Treasury took in. The green represents revenue; the red Federal spending. What is interesting, Mr. President, is that even under the plan Bill Clinton is proposing—even using his own figures—the Federal deficit will not go below $200 billion a year throughout his 4-year term.

What is even more interesting is that, according to his figures, the deficit actually increases by an additional $35 billion in the fifth year of his program, totaling $246 billion. These figures, of course, are best-case projections that do not take into account the adverse impact his tax increases will have on our economy.

Clearly, bringing Government spending under control is what Bill Clinton's program fails to do. What we saw emerge last night is more of the same old worn tax and spend policies that led to the malaise that gripped America prior to the Reagan recovery. For all its faults, the 1990 budget agreement purported to cut Federal spending $2 for every $1 it raised taxes. We all know what happened: Spending continued to outpace revenues. Federal spending grew by $130 billion between 1990 and 1992. What worries me is that the plan announced last night—a plan designed by many of the same Washington insiders as the 1990 budget agreement, and now embraced by Bill Clinton—does not even purport to cut spending $2 for every $1 raised in taxes. In fact, if one examines the details, it does not even offer $1 in Federal spending cuts for every $1 it taxes.

Clearly, the tax increases are once again taking precedence over spending cuts. And this is no way to create economic growth and opportunity, especially within our private sector.

I have long advocated getting spending under control, before turning to deficit spending and tax increases. Last night, Bill Clinton challenged us to come up with spending cuts, if we were not satisfied with his attempt. In the midst of the 1990 budget negotiations, I proposed a series of real and lasting budget cuts. I am pleased that Bill Clinton has embraced some of these—including Medicare secondary payer reform—but he has not gone nearly far enough toward bringing the budget under control. I intend to continue to promote my spending reductions, while at the same time calling for greater responsibility in controlling new spending.

History has shown that for ever $1 raised in taxes, Federal spending increases by $1.59. We cannot afford this. It is no way to cut the deficit. No wonder Bill Clinton has backed away from his campaign pledge of halving the deficit by 1996, just as he has backed away from his pledge to lower taxes on the middle class. After only 20 days in office, we have seen his tax increases progressively hit more and more Americans. First he was only going to raise taxes on those making more than $200,000 a year. Then he lowered that to $170,000. Then a $140,000. Now, it is all the way down to $30,000. Frankly, it makes one wonder what he will do with the remaining 1,431 days he has left.

I ask unanimous consent that an essay by William Safire and a column by former President Ronald Reagan be printed in the RECORD.

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

[From the New York Times, Feb. 18, 1993]

GREAT LEAP BACKWARD

(By William Safire)

WASHINGTON.—That squishy sound you heard throughout President Clinton's economic address—the weakness at the core of his proposals—is a refusal to deal with the explosion of Federal spending.

A decade ago, Speaker Tip O'Neill snookered President Reagan in a deficit reduction deal: For one dollar in tax increase, promised the Democrat, Congress would cut three dollars in spending. Never happened; Democrats claim there never was a deal.

Three years ago, George Bush made the "deficit reduction deal" with Democrats that helped torpedo his Presidency: For every dollar in new taxes, two dollars were to be cut in spending. But taxes were front-loaded and spending cuts back-loaded; the deficit soared.

Now we have similar snake oil from Mr. Clinton. Only weeks ago, we heard from his budget chief that for every dollar in new taxes, two dollars would be cut out of the spending stream. Now even that ephemeral goal has been abandoned: it's to be "in rough balance"—a dollar cut for a dollar taxed.

Even if that were true, contrary to all recent experience, such "balance" would mean that the debt would continue to grow because each year's deficit compounds itself.

In the storm of projections, keep in mind a few bedrock principles:

Economic stimulus—jargon for "government spending"—adds to the deficit, the interest on which is killing us. Accept no Clintonite protestations that this is just for now, and next year, boyoboy will they become deficit-cutters. Never happens.

Higher taxes do not help, and could abort, a recovery. We're on the way back up to brisk growth, with productivity increasing; now is not the time to snatch money out the pockets of people able to spend it.

A true fair sharing of the pain would be to reduce our debt by slowing the growth of government services, not to take more tax money for more services. No wonder we have seen so little of Lloyd Bentsen in the pre-speech hype: Clinton's plan, rather than "growing the economy," grows the Government.

Cutting the deficit is not an excuse for raising taxes when you are not really cutting the deficit.

Now we are at the heart of the matter. Mr. Clinton, after selling himself as "a different kind of Democrat," is the same kind of Democrat on economics: he is answering the Reagan revolution with a plan for a Clinton counter-revolution. His promised change is a reversion to 1979.

How to sell this Great Leap Backward? In 1971 Richard Nixon told his aides, "We've got to have a villain." We tried to make inflation the villain, which led to the misbegotten wage-prize freeze, but not until anti-war demonstrations engulfed the Democrats did a villain emerge that guaranteed Nixon's reelection.

In his post-election campaign, Clinton has selected no fewer than four villains to be the anvil on which he hammers counter-revolution.

The first is "the rich," the definition of which has widened to all those not poor. He takes this sanctimonious appeal to class warfare from F.D.R.'s blast at "economic royalists."

Second is the "special interests," Truman's villain, now defined as those lobbyists and lawyers outside the Clinton Cabinet who oppose proposals to raise taxes, slash defense or treat Social Security as welfare.

Villain number three is the pharmaceutical industry, for the sin of conspicuous success. Price controls on children's vaccines have populist appeal, but if advertising is penalized and price controls on new drugs result in shortages, black markets and cutbacks in medical research, this villain will be quickly de-demonized.

The fourth villain is the one most despised: that ol' debbil deficit. Its puissance was exploited by Ross Perot, who could rightly claim that the debt began by Democrats was tripled under Republican Presidents.

The deficit is most frequently cited by Clinton as the reason for his flipflop on a middle-class tax cut. His excuse is that deficit projections leaped after this election, but that stretches a wild guess about 1997 from the Democratic Congressional Budget Office. The high projection justifies tax-hike plans he concealed from the electorate in 1992, and makes it easier to come under in the 1996 campaign.

In his "call to arms" (hardly an apt figure of speech for this President), Bill Clinton is raising taxes, raising deficits and raising doubts. Who knew he would turn out to be a liberal reactionary?

[From the New York Times, Feb. 18, 1993]

THERE THEY GO AGAIN

(By Ronald Reagan)

LOS ANGELES.—Less than one month ago, our nation showed the world the strength of our democratic system with the peaceful transfer of Presidential power from one elected citizen to another and, incidentally, from one political party to another. While it is no secret that I would have preferred a different scenario that day, I have great respect for our constitutional system and would like to support our new President.

I had every intention of holding back any comments on the new Administration until it was well in place and its policies became clear. Unfortunately, the policies are already becoming alarmingly clear. With campaign promises dropping like autumn leaves, I can't refrain any longer.

"First, we're going to raise the taxes on the people that did well in the 1980's," the Clinton Administration says. Did I hear that right? I'm afraid so! Do they really believe that those who have worked hard and been successful should somehow be punished for it? Is success in the 1980's, or any time for that matter, supposed to be something we as Americans are to be embarrassed about?

I hate to confuse their economic thinking with a few facts, but if they were to look at the 1980's, they would find that America experienced its longest period of peacetime economic expansion in our history. They would find that America led the world out of

a global economic recession and that our economy was the envy of virtually every other nation. They would see that we created nearly 19 million new jobs for Americans of all income levels. And it may shock the Clinton Administration to discover that most of the economic gains of the 1980's were made by low- and middle-income citizens, not the wealthiest Americans.

Earlier this week, President Clinton said, "I know we have learned the hard lessons of the 1980's." I didn't realize they were so hard to learn. The fundamental lesson of the 1980's was that when you cut taxes for everyone, people have the incentive to work harder and invest, to make a better life for themselves and their families.

If the new Administration doesn't want to look back as far as the 1980's, maybe it will at least look back at the summer of 1992. Candidate Bill Clinton was promising that, if elected, he would provide a *tax cut* for the middle class. Now, in less than one month of his Presidency, that promise of a tax cut has not only been broken but it has been reversed into a *tax increase* for middle-income workers.

During the campaign, Bill Clinton said he would tax only the very rich. Last week, he defined this category as those making $200,000 a year. On Monday, the definition came down to $100,000 and now the "very rich" seems to be anyone making $30,000 a year.

Somehow, as the Administration raises everyone's taxes, it wants us to take comfort in knowing that others are getting theirs raised even more. Unfortunately, that kind of "comfort" doesn't put food on the table of the hard-working middle class, buy new shoes for the kids or make it easier to pay the mortgage, let alone put some money aside for savings. The fact is, every dollar the politicians take back to Washington means less spending power for average Americans and more opportunity for the Federal bureaucracy to waste money.

We must also listen for the sound of the other shoe to drop: the Clintons' health program. This will almost certainly involve proposals for another round of taxes later this year, and you can bet those won't be levied on a handful of millionaires.

In the Middle Ages, it was believed that alchemists could turn base metals into gold. Now it appears that alchemists in President Clinton's Administration hope to turn a huge tax increase into economic growth. Alchemy didn't work then and it won't work now. Taxes have never succeeded in promoting economic growth. More often that not, they have led to greater economic downturns.

In his campaign, candidate Clinton described himself as a "new Democrat," implying that there would be no more tax-and-spend dogma, no social engineering, no class warfare pitting one group against another. This week, however, he has begun to sound like an "old Democrat." That's the kind who does not understand one simple fact: the problem is not that the people are taxed too little; the problem is that the Government spends too much.

Until President Clinton and the liberals in Congress accept that principle and act accordingly, I'm afraid we are headed for a repeat of the late 1970's. And that is something we can all live without.

No one can dispute that the enormous budget deficit is a major threat to the economic security of our country. But let us remember that deficits are caused by spending. By the very terms of our Constitution, only Congress has the power to spend.

For more than four decades, one party, the Democratic Party, has controlled the House of Representatives. The solution to the deficit problem is not to ask heavily taxed working Americans to "sacrifice" even more.

It's the big-spending liberals controlling the Congress who need to show some restraint and "sacrifice" a few of the pork-barrel measures they've been slipping past the taxpayers for far too long. Only when the Clinton Administration and Congress summon the will to put the brakes on Federal spending will they get the deficit under control.

While I'm flattered that President Clinton admits to taking a page out of my communications plan, I wish he'd use it to sell an economic program of growth and expansion, not the failed liberal policies of the past.

Just as positive signs of economic recovery are appearing, Mr. President, please don't blow it. Although it goes back well before the 1980's, may I offer you the advice of the 14th century Arab historian Ibn Khaldun, who said: "At the beginning of the empire, the tax rates were low and the revenues were high. At the end of the empire, the tax rates were high and the revenues were low."

And, no, I did not personally know Ibn Khaldun, although we may have had some friends in common!

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. PACKWOOD. Mr. President, I thank the Chair.

Mr. President, I want to place three tables in the RECORD at the start of my speech and then I am going to use them to speak from. I only have one copy. So they will go in at the start. Later on I will use them.

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

FEDERAL, STATE/LOCAL, AND TOTAL GOVERNMENT TAXES AND SPENDING AS A PERCENTAGE OF GROSS DOMESTIC PRODUCT: 1950–92

	Federal		State/local [1]		Total	
	Tax	Spend	Tax	Spend	Tax	Spend
Year:						
1950	15	16	17	7	21	23
1955	17	18	7	7	24	25
1960	18	18	8	8	26	26
1965	17	18	9	9	26	26
1970	20	20	10	10	30	30
1975	19	22	11	10	29	32
1980	20	23	10	9	30	31
1985	19	24	11	9	29	33
1990	19	22	11	10	30	33
1991	19	24	11	11	30	34
1992	19	24	11	11	30	34

[1] This column does not include the receipt or spending of grant-in-aid from the Federal Government, which are counted as Federal expenditures.

Note.—Totals may not add due to rounding.

Source: "Budget Baselines, Historical Data, and Alternatives for the Future, Office of Management and Budget, Jan. 1993.

TOTAL GOVERNMENT TAXES AND SPENDING FOR SELECTED ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT (OECD) COUNTRIES AS A PERCENTAGE OF GROSS DOMESTIC PRODUCT, 1965–90

	1965		1970		1980		1985		1990	
	Tax	Spend	Tax	Spend	Tax	Spend	Tax	Spend	Tax	Spend
Switzerland	23	20	27	21	33	29	34	31	34	31
Japan	20	20	21	19	28	33	31	32	35	32
United States	27	28	29	32	31	34	31	37	[1] 32	[1] 36
United Kingdom	33	36	40	39	40	45	42	46	40	42
Germany	36	37	38	39	45	48	46	48	43	46
Canada	28	29	34	35	36	41	39	47	42	47
France	38	38	39	39	46	46	48	52	47	50
Italy	30	34	30	34	33	42	38	51	42	53
Norway	37	34	44	41	54	51	55	46	56	55
Netherlands	37	39	42	44	53	58	54	60	50	56
Denmark	31	30	42	40	52	57	57	59	56	58
Sweden	40	36	47	43	57	62	60	65	64	61

[1] 1989 data.

Note.—The percentages in this chart are compiled by the Organization for Economic Cooperation and development, an association of the major industrialized countries of the world. The OECD uses a different method of calculating government expenditures and revenues than the standard budget accounting method the U.S. government uses. Therefore, while the figures in this table give an accurate comparison of the spending and revenue trends of our major competitors, these figures should not be compared directly to other data.

Source: Prepared by Greg Esenwein of the Library of Congress from Organization for Economic Cooperation and Development data, June 1991, updated January 1993.

PROJECTED CONGRESSIONAL BUDGET OFFICE REVENUES, OUTLAYS, AND DEFICITS: 1993–2003

[In billions of dollars]

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Revenues	1,143	1,215	1,291	1,356	1,414	1,482	1,540	1,600	1,664	1,733	1,804
Selected spending:											
Social Security	302	319	335	351	368	385	403	420	439	459	480
Medicare	146	167	188	211	234	259	286	316	350	389	432
Medicaid	80	92	105	118	131	146	162	179	198	219	240
Other retirement	61	64	67	71	75	79	82	85	89	93	97

PROJECTED CONGRESSIONAL BUDGET OFFICE REVENUES, OUTLAYS, AND DEFICITS: 1993–2003—Continued

[In billions of dollars]

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Net interest	198	211	231	250	270	292	314	339	368	400	437
Total selected spending	788	852	926	1,000	1,078	1,161	1,251	1,340	1,444	1,560	1,686
Total spending	1,453	1,507	1,575	1,643	1,733	1,839	1,943	2,055	2,178	2,312	2,458
Selected spending as a percent of total spending	54	57	59	61	62	63	64	65	66	68	69
Deficit	310	291	284	287	319	357	404	455	513	579	653

Source: "The Economic and Budget Outlook," Congressional Budget Office, January 1993.

Mr. PACKWOOD. The first table is called Federal and State and Local and Total Government Taxes and Spending as a Percentage of Our Gross Domestic Product, 1950–92.

Because we so often in Washington use terms, acronyms, let me say what the gross domestic product is. It is everything. It is all of the wages, profits, the sum total of all products in this country. It is all of the wealth of the country for the year. It is called gross domestic product.

The history of taxes and spending in the United States from 1950 onward, that is as far back as these charts go, demonstrates that taxes go up, and spending goes up as a percentage of our gross domestic product.

In 1950, all of the governments of the United States, the Federal Government, State governments, local governments, school districts, water districts, taxed at 21 percent of the gross domestic product, about $1 in $5.

In 1950, we spent about 23 percent, all of us collectively. So we had a deficit. In 1992, all of these same governments taxed 30 percent of the gross domestic product. Not 21, but 30. And we spent 34 percent of it. Not 23 percent, but 34 percent.

So in 1950, taxes were here, spending was here. In 1992, taxes are here, spending is here. The interesting difference is that when you break out the Federal column from the State and local column, State and local taxes have gone up and spending has gone up, but they match. And I think that is probably because most State and local governments have to balance their budgets. So the fact that they have to has not restrained the increase, but at least they have to pay for their spending. We do not. We can borrow it. You might say, well, the United States is unique, but it really is not.

The next table I have is Total Government Taxes and Spending for Selected Organization for Economic Cooperation and Development, OECD, Countries as a Percentage of Gross Domestic Product. The Organization for Economic Cooperation and Development is simply a fact-gathering, statistical-gathering organization supported by the major industrialized countries of the world. They use a slightly different method of computation than the way we figure our percentages, but do not worry about the slight difference. The trend is what is important, and the trend, interestingly, is not unique to the United States.

Every major industrialized country in the world—and these statistics go back to 1965—have seen their taxes go up, their spending go up. The difference is—with two exceptions, Japan and Switzerland—they all started 25 years ago, at a higher taxing level and a higher spending level than we did, so they are still way ahead of us.

I will give you some examples:

In 1965, Denmark spent 30 percent of its gross domestic product; 25 years later, Denmark is spending not 30 percent, but 58 percent of its gross domestic product. Sweden is spending 61 percent. Netherlands is spending 56 percent Norway is spending 55 percent. They were all down in the thirties, but that was 25 years ago. They have gone up just as we have gone up.

I think the question we ought to be asking ourselves is not are we going to narrow the deficit by trimming $500 million out of education, or a billion dollars out of highways, or something moderate out of Medicare. The real question is: In 25 years, do we want to look like Denmark or Sweden? Very comfortable countries. I will put this in the question. You can have free education, free health care, free baby care, probably free funerals, for all I know, if you do not mind that the government takes from you 50 to 60 percent of all of the money in the country. We can look like that, if we are not careful, because you do not get there consciously thinking to yourself: I want to look like Denmark. You get there by adding a program that costs $5 billion for 5 years, and it turns out to cost $7 billion, and over 10 or 20 years, it costs $20 or $30 billion. You add them incrementally. It is not unlike boiling a frog and turning up the heat just enough that the frog never realizes it is being boiled, until it expires. One day you are there, and when you get there, you become a less efficient country. When you get there, you are not as competitive in the world as a country that taxes on a significantly lower basis.

So my first question is: Do we want to have the kind of social welfare state predominant in Scandinavia, but much more, not as predominant in Scandinavia, but in the Germanys, Italys, and Frances, much more of a social welfare, socialist, call it what you want, state, than ours. There are perfectly honest people in this country that think we should. I do not agree with them. There are people that will say the problem with this country is we do not tax ourselves like Denmark and spend like Sweden, and if we did, we would be a happier country. I do not agree, but that is the philosophy that ought to be debated.

Let us get to the President's budget, because I fear his budget is going to get us to Denmark, or start us down that road. We will not make it in his first term, and if by chance he is elected in 1996, we will not quite make it then, but we will be on our way.

Today, we had a hearing in the Finance Committee on extending the emergency unemployment benefits. The first question is: How should this be paid? I am quoting from the statement of the Secretary of Labor this afternoon:

> The administration's proposal designates expenses for continuing the emergency unemployment compensation as emergency spending, exempt from the pay-as-you-go requirements of the Budget Enforcement Act.

Pop, like a champagne cork, and the lid is off. We are going to borrow this, not pay for it. About $5.8 billion over a couple of years; $5.8 billion in a trillion-and-a-half budget is not much, but it is something. The President has apparently lifted the limitation the last administration had on a Medicaid scam that the States were involved in by taxing their hospitals. Thereby, the hospitals had greater expenses. Medicaid reimburses some expenses. The State gets the money from taxing the hospitals, and the Federal Government, because it has to pay a specific percentage under Medicaid, has to pay out more money. The States break even, the hospitals break even, and we pay more money. The President lifted that lid and is going to let that scam go on.

These are little things added together. Mr. President, I want to come to what I think is the greatest difficulty. Last night, the President said:

> My fellow Americans, the test of this plan cannot be what is in it for me; it has got to be what is in it for us.

Now I am going to say something very unpopular, and I do not claim to be speaking for my party on this. But over the years, we are going to face a dilemma that if we do not face honestly, it will make narrowing the deficit impossible by spending restraints—I do not say cuts, but by spending restraints—and there is no history that if we ever raise taxes, we narrow the deficit. We will spend that. Do not worry about that. Short of a constitutional amendment, we will spend it.

The problem falls in four programs: Social Security, Medicare, Medicaid, and then what I call other retirement, mainly military or Federal civilian retirement.

These four programs, plus interest—which I suppose is the ultimate entitlement program, and I have to be careful in using the words. "Entitlement" means it is a program that goes on and on without further enactment of legislation. Interest on the debt, I think, is the ultimate entitlement program. People have bought bonds, and we said we can pay 7 or 8 percent interest; and I think they can sue us if we do not pay that. If you take Social Security, Medicare, Medicaid, and other retirement and interest, it is currently about 54 percent of the budget. In fiscal year 1994, it will be 57 percent.

I am going to give you Congressional Budget Office figures on this, because the President said last night he wanted to use Congressional Budget Office figures. So the Congressional Budget Office says that for 1994 those four programs, plus interest, are 57 percent of all the money we spend.

Now look at the increase. Those same four programs, that is all, plus interest. In 1995, 59 percent of the entire budget. In 1996, 61 percent. In 1997, 62 percent. In 1998, 63 percent. In 1999, 64 percent. And in the year 2000, 65 percent. In the year 2001, 66 percent. In 2002, 68 percent. In 2003, 69 percent.

Mr. President, this is before the baby boom has started to retire.

Those people born from 1945 to 1965 will start to retire in about the year 2010, and this reaches 69 percent of our budget, 69 percent for health, and retirement, plus interest in 10 years. And we do not, in essence, touch those programs in the President's budget.

We do not touch retirement at all. He said Social Security is off limits and it would not be fair in my mind to touch military retirement and civilian retirement. If Social Security is off limits, that is all off limits. We are not going to touch that. We say we are going to limit Medicare and Medicaid.

Here is the problem. Over the next 5 years we will spend under current law about $1.650 trillion on Medicare and Medicaid in 5 years, just those two programs. If the President gets his proposed cuts—and I want to emphasize how wrong that word is used. "Cut" in my mind means if you were spending $100 this year you are going to spend less than $100 next year. I find that many people who deal with Government programs think if you are spending $100 this year and thought you were going to spend $120 next year and you only spent $110, they call it a cut. It is a $10 increase. They call it a cut.

We will spend $1.650 trillion on Medicare and Medicaid over the next 5 years. The President proposes that cutting that, if you want to call it that, $62 billion, it is a 4-percent cut. It is not a cut. It is a modest restraint of two programs that are otherwise going up 10, 12, 13, 15 percent a year.

It is next to no cut at all in terms of the magnitude of the entire program. If we were to adopt every Medicare and every Medicaid cut that he has, do nothing about the retirement programs, and there is not much we can do about interest—it is going up or down as interest rates go up or down, all spending in the Federal budget for all other programs—education, environment, Forest Service, Bureau of Land Management, airports—will all have to go down, down from where we are now. I do not mean held even; I mean down, if we do nothing about retirement and health.

They will have to go down. That is unless we increase the taxes to pay for them. But if we increase the taxes to pay for them, then we are not going to narrow the deficit.

At some stage, Mr. President, we have to make a decision in this country about, first, how much of our entire gross domestic product do we want all of the governments of the United States to take—25 percent, 30 percent, 35 percent, 40 percent, 45 percent, 50 percent? How much are we willing to shell out to the governments to have them take care of us? And I do not mean that in a critical sense. I do not think the Government takes care of us as well as we take care of ourselves. But that is to have the Government make us feel comfortable, not worry. Pick your term.

I assure you of this: It does not matter what figure we set. We said 50 percent. If we spent 50 percent, there would be a demand to spend 55 percent. It would not end. There would be people saying we are not spending enough. The first question we ask is, How much of all of the money, assets, and production of the country do you want the governments to spend?

Second, assuming you can reach some rational decision that you want them to take no more than 25 or 30 or 35 or 40 percent, pick your number, how much of it do you want to allocate to airports, to railroads, to harbors, to highways, to health, to education, to retirement?

I tell you, Mr. President, if we do not restrain—I am not saying cut—restrain the increased spending on health and retirement that is taking an ever-increasing portion of our total spending, then we will have no choice but to cut all other spending, and I do not mean just defense. We are going to cut defense anyway. I mean all other spending. Or we will have to increase taxes dramatically to pay for it and do nothing on the deficit.

So I think the President's program should be held to this, and I want to help him help this country. I do not say this in malice. But as the history of this country and every other Western industrialized country, including Japan—it is not a Western country but the same pattern holds in Japan—every time taxes go up, spending goes up. We are not unique.

If we do not want that, then at a minimum on the President's program we have to have some irrevocable guarantee, unassailable, written into law—I wish it were a constitutional amendment—that we are going to have spending restraints—again I will not use the word "cuts," it seems to frighten people—but spending restraints that are as enforceable as a law can make them, and we have not got a constitutional amendment, but as enforceable as a law can make them before we agree to increase taxes. And then even the next Congress can undo that. I understand the problem.

But we should not fall into the trap we have fallen into before of increasing the taxes and thinking we are going to narrow the deficit. That will not happen. Nor should we fall into the trap of increasing the taxes and saying the spending cuts will come later. That has not happened.

So, in conclusion, Mr. President, I wish President Clinton well. I bear him no ill will. I want to help him fulfill what he said about "It cannot be what is in it for me; it has got to be what is in it for us." But for all of us collectively, all of us, there is nothing in it for us if what we get is a program that increases taxes, increases spending, and does nothing on the deficit.

I thank the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Idaho.

Mr. CRAIG. Mr. President, I stand and join my colleagues this afternoon expressing our observations and concerns as it relates to the President's economic message last evening to the Nation.

I think all of us went to the joint session with the great hope that we would hear a message that could unify this country in its single greatest cause, and that is—in my opinion and I think in the opinion of most Americans—to reduce the Federal deficit and to begin to control what most of us would agree is runaway Federal spending and, therefore, begin to see economic resurgence in this country and a reduction in debt and deficit that we could look to our children and our children's children and say, "We are beginning to plot for you a future that will reward you with at least as great an economic opportunity as we have had as you should have in your future."

Now, I think last night that is what most of us went to hear, hoping we would hear that. I must say that I have to join with my colleagues today in expressing frustration in the fact that we probably did not hear that, nor do I believe Americans heard what they thought they heard, or were going to hear.

So, for a brief moment this afternoon I thought I would help analyze what I believe our President said and what I believe its impact will be based on historic and current operations of this body, the Congress, and the Government itself and the tremendous inability that we have had over the last two decades to demonstrate any kind of fiscal responsibility in staying within the limits that we constantly chart for ourselves in public policy. And by that I mean limits in taxation, limits in spending and, therefore, some kind of fiscal constraint that holds us within the parameters that we proposed, whether it was in 1984, or 1987, or the budget agreement of 1990.

The President last night said in his speech that real economic growth comes from the private sector. That is what the speech said. And yet today, as we analyze the plan, the plan raises one-third of a trillion dollars, 330-plus billions of dollars in new taxes over 5 years, including taxes on jobs, taxes on inputs, and taxes on earnings.

Now, remember, real growth occurs in the private sector, and yet the President by his own admission reaches out and pulls from the private sector the very energy and the dynamics that creates the real growth that he was talking about. The speech said last night that the debt and interest costs resulting from Federal borrowing is crowding out all other activities like home buying, like worker training, like the kinds of things that all of us would hope could and would occur in the natural unfettered private economy.

The plan diverts one-third of a trillion to the Government, away from these kinds of activities, the very kinds of things that generated 1.2 million new jobs in 1992.

So I am distressed in trying to understand what appears to be an outflowing of contradictions. One statement in the speech, one statement in the public performance, and clearly another statement in a document that my office and other offices just received a few hours ago and we are now beginning to analyze.

The speech said that job creation and economic growth are priorities and that the Government can be as frugal as a household in this country. That is the speech.

Now the plan promises to create 500,000 new jobs—some full-year jobs, some part-year jobs—through $30 billion of a stimulus package at a cost of nearly $60,000 every time the Government supposedly creates one job.

Let me suggest that the Government in no way can operate as frugally as the economy of the private sector operates in the jobs it created in 1992 compared to the jobs that we say could be created, or the President says could be created, if this stimulus package is allowed to go through.

Again, the speech and the rhetoric versus the reality of the plan and the implementation of the plan, its application.

The speech said $500 billion in deficit reduction over 5 years, evenly divided in spending cuts and taxing increases.

Mr. President, that is the speech. You and I heard it last night—$500 billion in deficit reduction in 5-plus years, equally divided.

The plan: Again, the fine print says—and now it is not so fine, because most all agree that there will be about $3.06 in new revenue for every $1 of program spending cuts in the policy. Again, the speech versus the plan. Tremendous disparities. I am amazed that the President thought he could stand before the American people and say one thing and then send forth for all of us to analyze what appears to be somewhat, if not entirely, of a different kind of an approach.

I think domestic spending cuts, as we all know, are not really cuts. We have known that for some time. We have heard it. We have seen it. The 1990 budget agreement promised in a bipartisan way that we were going to do all these things and yet it just did not occur.

You have just heard my colleague from Oregon saying that without structural reform to stop this Congress, this Senate, this very body from the phenomenal appetite that it has demonstrated over time, that for every new dollar of taxes raised, it got spent immediately, usually spend 1½ to 2 times more than was collected; that, without some kind of change in the way we do business, the very reality of the speech would become the reality of the plan.

And I do not think our President wants that, although his figures now show it. I certainly know the American people do not want it. And, in good will, the American people said yesterday and today that they hoped the President could succeed, as all of us do. We want to work with the President, but we know the reality of the environment in which we work.

I, and others, for a good number of years, have stood for that structural change, that environmental change that would allow us to do things differently. More importantly, it would force us to do things differently: A balanced budget amendment; a line-item veto.

Last Friday, in a town meeting, the President said, no, balanced budget amendments do not work. How does he know? He ought to know one thing: That the kind of budget agreements that this body puts together, in cooperation with the other body, will not work. We have proved it time and time again. Now, that we know is reality.

If we know that what we are proposing will not work, why are we not willing to try something new? The President speaks of change and yet the rhetoric and the plan are really in all regards business as usual.

Mr. President, speak to change. Speak to changing the way this Congress does its business. Speak to changing the environment, to force us to work with the people of this country, the taxpayers of this country, to create a situation that will bring about this kind of deficit reduction, bring about the kind of economic vitality that would result from that kind of activity.

Let me give a quick analysis of what all of this might mean to my State of Idaho.

My State of Idaho is a rural State. It is a Western State. It is a public lands State. It is a State that derives its economy largely from the resources of its land. And 64 percent of that land is owned and managed by the taxpayers of this country. It is Federal land.

Our President said last night that to graze those Federal lands, he was going to ask the cattlemen of the west for a 400-percent increase in grazing fees. He said he was going to ask our miners to pay an 8-percent royalty—an industry that is largely on its knees today.

He said he was going to ask the loggers to forgo stands of timber that were not, argumentatively, economically viable, even though it might be good health practices to go in and log a stand of timber, and change the species, and change the growth pattern.

He said no research and development on new nuclear reactors. He said, I do not want to talk about the present, I want to talk about the future. Let us look to the future.

And yet, he just said, I will not talk about future energy supplies. No more research and development for nuclear reactors, safe reactors, new reactors that do not produce waste, the kind of research that is going on all over the country today.

And then he said, and I want to raise taxes off of Btu measurements of energy. For Idaho, that is about $140 per capita or $144 million coming from 1,030,000 people in my very sparsely populated State of Idaho.

Mr. President, if you want Idaho to keep working, do not do this to us. Cut the Budget. Slow Government down. But do not come at our producers. Do not come at the very people that generate jobs and say, "give me your resources and let me generate the jobs and out of that will come an improved economy."

In closing, Mr. President, 2 weeks ago, as a member of the Joint Economic Committee, I asked Chairman Alan Greenspan of the Federal Reserve: "If the Congress of the United States and the President work together"—and we must work together—"create an economic program similar to the 1990 program, new taxes, new revenue, and alleged or at least legislated spending cuts"—two to one, I think, was the ratio in 1990.

Well, we raised that money, some $150 billion, spread over 5 years, and

the spending cuts turned around and became major spending increases and went through the roof.

I said, "Anyway, if we create that kind of program"—and I believe that is the kind of program that was recommended last night, although a heck of a lot less cuts and a heck of a lot more money—"Mr. Greenspan, what will happen? What will happen in our economy?"

He said, "Probably it will turn down, because the economy is no longer convinced, nor does it have any confidence in the Congress of the United States." He said, "Unless you go in and fix those spending reductions"—the very thing my colleague from Oregon said—"well in advance of the taxes, go in there and lock in place those spending cuts and guarantee to the economy, to the American people that Congress is going to be fiscally responsible, if you do that, then maybe the impact of the taxes on the private sector will not be as great, nor would the economy react as much over the confidence that the Government was going to, for the first time, be fiscally responsible."

Now, that is one man's opinion.

But, as he is a gentleman who looks every day at the economy of this country and attempts to evaluate with a whole cadre of economists what we may or may not be doing, I happen to believe he is right. Yet that is not where our President is going. At this moment he is not even suggesting that approach.

As you, Mr. President, travel across the country in the next few days, talk about spending cuts, talk about controlling the Government's appetite, talk about putting in place a balanced budget amendment, talk about working with us to produce a line-item veto so we can turn to the American people and say we have the tools in hand with which to control the appetite for spending of our Government. As we do that we are then going to be willing to turn to you, the citizenry, the taxpayer, the generator of the wealth in this country, and ask you to participate just a little more in helping us slow and control the fiscal crisis that our Government and therefore our country is now in. That is the challenge. Help us do it. Become a leader in demanding a change in the way we do business.

Mr. President, I ask unanimous consent an analysis of the President's budget plan be printed in the RECORD and I yield the remainder of my time.

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

THE BUDGET PLAN DESCRIBED IN THE PRESIDENT'S SPEECH IS NOT THE BUDGET PLAN HIS OMB HAS PUT ON PAPER

The Speech said the only real economic growth comes from the private sector.

The Plan raises ⅓ of $1 trillion in new taxes over 5 years, including taxes on jobs, taxes on inputs, and taxes on earnings.

The Speech said that debt and interest costs resulting from federal borrowing is crowding out other activities, like home-buying and worker training.

The Plan would divert ⅓ of $1 trillion in taxes to the government and away from other activities, like home-buying and worker training.

The Speech said that job-creation and economic growth are priorities, and that the government "can be as frugal as any household in America."

The Plan promises to create 500,000 new jobs—some full-year and some part-year—through a $30 billion "stimulus" package; i.e., it costs $60,000 every time the government "creates" one job.

The Speech said $500 billion in deficit reduction over 5 years would be evenly divided between spending cuts and tax increases.

The Plan would raise taxes by $3.06 for every $1 of program spending cut by policy changes. All net program cuts are in Defense. Domestic program spending actually would increase. (All figures in billions of dollars over 5 years):

Savings in mandatory spending	−$77.8
Non-defense discretionary savings	−70.9
Short-term "stimulus" spending	+17.7
Long-term "investment" spending	+144.3
Net domestic spending increase	+13.3
Defense cuts in addition to cuts proposed by Bush	−111.8
Net program spending savings from policy changes	−98.5
Tax increases	−360.3
Offsetting receipts (fees, taxes) counted as spending cuts by OMB	−24.5
Total tax/receipt increases	−384.8
Tax cuts	+83.4
Net increases in taxes/receipts	−301.4
Total interest savings assumed	−62.3

NOTE.—Offsetting receipts (fees, taxes) counted as spending cuts by OMB, 24.5.

Figures based on Senate Budget Committee Minority Staff analysis and OMB materials.

And remember, the domestic spending cuts are not really cuts: All figures shown here are compared with a current-policy "baseline". If Congress adopts no policy changes (the President's or anyone else's), total federal spending is already projected (by CBO) to increase by $1.032 trillion over 5 years, compared with freezing spending at the current (FY 1993) level. (Virtually all growth is in domestic programs and interest; defense is expected to remain flat or decline.)

No wonder the overnight polls show support for the budget plan—most Americans heard the sales pitch but haven't seen the product.

Mr. COCHRAN. Mr. President, I think we all resolved as we returned to Washington to convene the 103d Congress that we all had a big challenge ahead of us, a challenge to help in a constructive way to strengthen our Nation's economy. We could do that by reducing our accumulating Federal debt, by helping to create a better environment for business and industry to expand, and providing jobs for a growing and more sophisticated labor force. We have come a long way, in terms of economic growth, in developing a competitive edge so that we can do better in the international marketplace in competition with our friends around the world.

Today, America's economy is the strongest economy in the world. If you compare, for example, our gross domestic product with that of other industrialized nations you see the value of the goods and services produced in the United States this year will exceed the combined economic product of Japan, Germany, France, Canada, and Italy. That is a tremendous engine of productivity, the U.S. economy.

One thing that concerns me about the President's proposal that we heard last night, with all of the new taxes and the increases in existing taxes, is whether or not we are going to inhibit growth in the future, so we end up losing the ability as an economy to continue to produce more jobs. Last year our economy produced 1.3 million new jobs. Our growth rate in just the last quarter of last year was 3.8 percent. If you look at the economies in Western Europe or elsewhere, in the Pacific Rim, you will not find an economy that is that robust and is growing with that kind of strength.

In Europe they think our economy is in the pink. But if you follow the Clinton plan, you are going to push us deeper in the red. The fact of the matter is the new spending that is being requested and being called an investment is going to add to our Federal debt. That is going to have adverse effects on our economic future. Rather than to stimulate growth, that is going to inhibit growth.

The new taxes concern me in that they are going to have an adverse effect as well. If you look at the size of the tax increase that is being suggested, and here in the clear light of day we can have an opportunity to analyze the proposals that were made last night—and I must say that the proposal last night to soak the rich in the clear light of today means that all of the middle class is going to end up getting wet. The taxes are going to fall on everyone, and our entire economy is going to have to sustain the burden of paying more taxes under the proposal that has been made.

One of the facts that came to light today is contained in a Backgrounder report, issued by the Heritage Foundation. "New taxes and increases in existing taxes account for 72 percent of the total package" proposed by the President, "a net increase of $243 billion over the next 4 years."

Mr. President, I ask unanimous consent that at the conclusion of my remarks, a copy of this report from the Heritage Foundation, "Clinton's Budget: Higher Taxes and More Spending," be printed in the RECORD.

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

(See exhibit 1.)

Mr. COCHRAN. Mr. President, I hope we will renew our commitment to work together, to work with the President, to sustain the challenge of strengthening our economy and reducing the budget deficit. Those are important goals. They were outlined by the President. We share those goals with him.

I hope we can do our part to restore confidence in our Government and strengthen our economy by making sound economic policy decisions in the months ahead.

EXHIBIT 1

CLINTON'S BUDGET: HIGHER TAXES AND MORE SPENDING

(By Daniel J. Mitchell and John M. Olin Fellow)

INTRODUCTION

President Bill Clinton last night proposed the biggest tax increase in American history as part of what he claimed is a balanced $493 billion deficit reduction package. Stripped of rhetoric, however, the package is neither balanced nor would it generate the level of budget savings Clinton implied. Once proposed spending increases are included, the actual level of deficit reduction falls to $339 billion over four years.

Most disappointing, not one penny of the proposed deficit savings comes from net reductions in the most rapidly growing portion of the budget—domestic spending. Indeed, the Clinton proposal calls for domestic spending programs to receive a net increase of $10 billion over the next four years. That increase, incidentally, would be above the $245.5 billion of additional domestic spending already included in the baseline budget projections against which the Clinton budget measures its tax increases and pending "cuts."

Clinton's package relies almost completely on tax increase. New taxes and increases in existing taxes account for 72 percent of the total package, a net increase of $243 billion over the next four years. Projected defense cuts generate 22 percent of the savings, $75.5 billion over four years. Assumed reductions in federal interest payments, meanwhile, are projected to equal about 430 billion, or 9 percent of the total. (The percentages total 103 percent due to the fact that higher domestic spending lowers the aggregate level of deficit reduction by 3 percent.)

CARTERNOMICS, PART II

The Clinton package marks a stark return to the failed tax-and-spend policies of the Carter administration. The revenue portion of the package includes at least 53 separate tax increases, 27 of which the Administration dishonestly counts as spending cuts. The tax increases include a new 36 percent tax rate which would be imposed on families making more than $140,000, rather than on those at the $200,000 level, as Clinton promised during the campaign. The Clinton plan further unravels the 1986 Tax Reform Act by creating an additional "millionaires'" surtax that would impose a 40 percent marginal tax rate on income over $250,000.

Incentives to work, save, and invest will be further diminished by proposals to impose a 2.9 percent Medicare tax on incomes above $135,000 and to increase the corporate tax rate from 34 percent to 36 percent. The middle class would be particularly hard hit by a proposed tax on the heat content of energy sources. This tax, estimated to raise more than $71 billion over the next five years, will add 7.5 cents to the cost of a gallon of gasoline, boost home heating oil by 8.25 cents per gallon, and increase the average consumer's electric bill by $27 per year. The $71 billion cost to consumers does not count, moreover, the unavoidable increase in the price of every good and service produced in the American economy.

Hidden Tax Hikes. Notwithstanding Administration talking points heralding "a new era of integrity . . . in the budget process," the Clinton budget deliberately attempted to understate the size of the proposed tax increase by falsely classifying at least 27 tax increases as spending cuts. Among these tax increases were the proposed increase, from 50 percent to 85 percent, in the share of Social Security benefits subjected to taxation. This proposal, which is projected to raise $21.4 billion of new revenue over the next four years, will discourage senior citizens from continuing to engage in productive economic activity after retirement. Other tax increases Clinton counts as spending cuts include the monthly Medicare tax paid by senior citizens, as well as taxes on banks, pharmaceutical companies, importers, and stockbrokers.

Budget Gimmicks. The Clinton plan also contains a startling number of accounting tricks and phony assumptions to generate savings. The budget magically assumes $1 billion of savings through better management of Veterans Administration hospitals. "Other administrative savings" supposedly will generate $7.7 billion of deficit reduction, while "Streamlining Government" allegedly will reduce spending by $7.9 billion. The Administration proposes to save $11.5 billion by exchanging longer-term government debt for shorter-term debt. If, however, interest rates happen to rise—they are now at twenty-year lows—this proposal will increase spending. Improved IRS tax compliance efforts (needed to guarantee more of what the President euphemistically calls "contributions") are somehow assumed to raise almost $1 billion.

These gimmicks are joined by proposals which save money, but only by pushing the spending into future years. Included in this category are proposals to move Medicare payments to hospitals onto a calendar year basis. This proposal, which does not change the federal government's liabilities, is counted as a $4.6 billion spending cut. Another $5.1 billion is "saved" by ending the lump-sum benefit for federal retirees. Once again, however, the proposal simply shifts spending into future years. All told, at least $38.7 billion of Clinton's budget package comes from budget gimmicks which are counted as reductions in domestic spending.

More Domestic Spending. In an effort to portray the package as balanced, Clinton referred to 150 "specific" spending cuts. He did not tell the American people, however, that many of these "cuts" were really tax increases and budget gimmicks. Even more troubling, Clinton did not point out that his supposed domestic cuts are offset by more than 131 proposals to increase domestic spending by a total of $123.7 billion.

All told, proposed increases in domestic spending outweigh the proposed "cuts" by about $10 billion over the next four years. If the $38.7 billion of budget gimmicks and phony cuts are excluded from the calculation, however, the net increase in domestic spending climbs to almost $50 billion (Reminder: baseline projections already include $245.5 billion of higher domestic spending between 1993 and 1997).

Bigger Deficits Predicted. Even if all of the White House's assumptions are accurate, the Clinton budget signifies a significant increase in the size and cost of the federal government. If a dose of reality is allowed, however, a terrible package becomes even more frightening. A Joint Economic Committee report found that every dollar of higher taxes since 1947 has resulted in $1.59 of higher spending. This statistical survey is supported by recent history. Tax increases in 1982, 1984, 1987, and 1990 all were enacted for the alleged purpose of deficit reduction. In every case, however, the deficit rose the following year because lawmakers could not resist the temptation to spend the expected new revenues. Nowhere in the Clinton plan are there any proposals or mechanisms to counter this propensity of higher taxes to trigger more spending and higher deficits.

The Clinton plan also relies on static models to generate revenue estimates. All of the tax increases, including the increases in marginal income tax rates, are assumed to have no impact on the behavior of taxpayers. In the real world, however, individuals and businesses already have been adjusting their behavior to protect their earnings and lighten the expected burden of higher taxes. As a result, even though the Clinton proposal contains a very steep increase in the nation's tax burden, the actual amount of money the government collects may fall if enough workers lose their jobs and the taxable incomes of individuals and businesses decline. One does not have to travel very far back in time to find an example of a tax increase that lost money. The 1990 budget deal was supposed to raise about $175 billion of new revenue over the 1991–1995 period. Instead, tax revenues fell by more than $3 for every $1 the ill-fated deal was supposed to raise.

CONCLUSION

Higher taxes did not work for Herbert Hoover, Lyndon Johnson, Jimmy Carter, or George Bush, and there is no reason to think they will work for Bill Clinton. If enacted, the Clinton tax hike will fuel more federal spending, destroy jobs, undermine America's international competitiveness, reduce economic growth, and increase the budget deficit.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, on behalf of our leader, let me say where we are with this special order. We have, I believe—what is the remaining time?

The PRESIDING OFFICER. The Senator has 69 minutes left.

Mr. SIMPSON. There are 69 minutes left, and we have, perhaps, if all of them were attentive to their duties, we would have probably 11 Senators who may wish to have further remarks. So I hope that we would accommodate each other from that aspect. Some had indicated they wished 5 minutes; some had indicated they wished 10; some extended the time to 15 or 20. But to accommodate our Members, it will be necessary for everyone to be attentive to time restraint. I thank my colleagues for trying to observe that and yield to Senator SMITH, my colleague.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. SMITH. Mr. President, I thank the Senator from Wyoming.

I feel, as the American people listen to the debate and they see all of us here as Republicans taking on the President, it will be construed as strictly partisan but not really looking into the facts as the facts themselves dictate they need looking into. The problem is, we cannot afford to be wrong. If the President is wrong with what he is doing, America could very well be bankrupt in the very near future. And I just want to state for the record that when a Republican President a little over 2 years ago proposed a tax increase, I opposed him. Because tax increases will not work. They will slow the economy down.

The American people heard quite a speech last night. As the headline in the Washington Post noted this morning, President Clinton asked Americans to "face facts." The President told the American people the facts as he sees them, and I would like to take this opportunity this afternoon to talk about the facts as this Senator sees them.

Candidate Clinton promised a tax cut for the middle class. That is a fact. Last night, President Clinton promised a tax increase on those same families making more than $30,000.

Candidate Clinton pledged that he would cut the deficit in half by the year 1996. That is a fact. Last night, President Clinton presented a plan that will, when all is said and done, I believe, increase the deficit and increase it dramatically.

Candidate Clinton said that he was an agent of change and last night President Clinton sounded more like an IRS agent out to shortchange the American taxpayer and leave him with nothing more than change in his pockets.

Regrettably, the President proposed the largest tax increase in American history. It included higher income taxes, new energy taxes, additional taxes on Social Security benefits, surtaxes on some incomes, and an increase in the corporate income tax. Under this plan, any individual, young or old, male or female, who makes more than $30,000, will be asked to pay more taxes. That is a fact.

Mr. President, there are two very simple economic facts that were left out of the President's speech that every concerned American who is concerned about his or her country needs to know.

Fact No. 1, higher taxes destroy jobs. Fact No. 2, higher taxes will increase, not decrease, the deficit. This is not conjecture.

Let us talk for a minute about job creation. I have never in the 8½ years that I have had the privilege of representing the citizens of New Hampshire in the U.S. Congress, never received a call from a New Hampshire corporation that says: "Senator SMITH, if you could raise the corporate income tax just a little bit, I'd really have an incentive to add some new jobs." I have not heard that. Maybe some of my colleagues have.

I have never received a call from a New Hampshire small business person in which they said: "Senator SMITH, if you can see fit just maybe to increase the cost of energy a little bit, I'd gladly hire a few more employees." No, I have not had that either. It does not work that way in the real world. In the real world, thousands of people are out of work because 2 years ago we decided "to make the wealthy pay their fair share" with a luxury tax, and what happened? They cut down on the purchase of boats; they cut down on the purchase of aircraft; and they cut down on the purchase of cars. And the people who made those cars, planes and boats lost their jobs. That is a fact.

In the real world, I read headlines in New Hampshire papers and here is what they say: "Experts Fear Energy Tax Will Hurt State's Businesses." That is a fact. I agree. Let us face facts. These taxes are not being proposed to create jobs in the economy. The truth is, new taxes have and always will be used to feed an insatiable congressional appetite for higher spending, whether that spending be entitlements, pork, defense, you name it; the insatiable desire to spend more if you can get your hands on it. That is history; that is a fact.

That brings me to the second economic fact: Higher taxes will increase the deficit. Some say, why? If we raise the taxes, we put them on the deficit, pure and simple. According to a study done by the Joint Economic Committee, history shows every dollar in new tax revenue has resulted in $1.59 in new spending. That is a fact. Last night President Clinton proposed more than $250 billion in new taxes and that is just a conservative estimate. That means the American people can expect on the basis of $250 billion that another $400 billion of Federal dollars will be spent. Why can we not learn from history? Why do we have to continue to make the same mistakes over and over again? Republicans just did not make up the tax-and-spend label for fun. It happens to be true. We have not had a chance to govern with a Congress, a Senate and a President to allow our theories to have the opportunity to work or fail.

I believe it happens to fit the President quite well. He likes to call it sacrifice and investment. But the message is identical. He asked for sacrifice, not from the Government, but from the taxpayer. Taxpayers are always asked to sacrifice but, it is they who are being sacrificed on the altar of spending. In short, President Clinton believes that the Government knows best. He believes that the Federal Government should decide when, where and how the hard-earned income of the American taxpayers should be spent.

Mr. President, the taxpayers of New Hampshire respectfully disagree. My constituents are tight with their tax dollars and rightfully so. The New Hampshire Government balances its budget every year. "Live free or die" is a way of life in the Granite State. The people of New Hampshire are not unpatriotic. Their opposition to taxes is not un-American. They just have a better handle on the situation than the many experts I talk to around Washington. They want to see an attack on runaway spending before Uncle Sam attacks their wallet.

The Federal Government is projected to spend $6.3 trillion over the next 4 years. Last night President Clinton promised to cut spending by $250 billion over 4 years. I looked at the list this morning and many of those items are identical to the cuts proposed by Reagan and Bush that we have been telling the American people for years ought to be cut and we have been telling those on the other side of the aisle ought to be cut and they should have been. Those cuts were called gimmicks when we talked about it.

Let us give them the benefit of the doubt. Even if Congress approved all the cuts, which would be unprecedented in the history of America, it would represent a 4-percent reduction, and that does not include increases in spending, which are called investments. We heard about more spending for infrastructure for community development. We heard about a new domestic Peace Corps for education where everybody is going to get a college education and be able to work it off. How much is that going to cost?

It is a worthy goal to have everybody have an education, but who pays? Where are the cuts here? We should face facts, Mr. President, we do not have any money to invest. Interest payments alone consume 61 percent of all personal taxes. Do you know what that means? Think about it. If you as a person working had to pay 61 cents of every dollar you earned in salary to interest on your credit card, interest on your mortgage, interest on your car and had 39 cents for everything else, that is the equivalent of where we are.

Mr. President, this Nation is on the verge of financial disaster. Every man, woman and child in America is $16,000 in debt. This plan has a little bit of everything in it. It has tax increases; it has tax incentives; it has spending cuts; it has spending increases. There are so many different numbers floating around it is difficult to know exactly what the plan would do and, frankly, I do not know how anybody could possibly know what it would do or what the impact would be.

The ultimate measure of success or failure of this plan will be measured by

one thing and one thing only: Deficit reduction. If it is a success, it will reduce the deficit. If it is a failure, it will increase the deficit. That is the bottom line.

We have already tried raising taxes to solve the problem. It did not work in the past. It will not work in the future. Again, we have not learned from history. During the campaign candidate Clinton said that the Federal Government is too big and it costs too much and he was exactly right. Unfortunately, the American people heard from President Clinton, not candidate Clinton last night. And that, Mr. President, is the saddest fact of all.

Mr. President, we are headed for disaster. The numbers in this plan do not add up. If Mr. Clinton is wrong, we could lose America. That is how bad it is. If this deficit is not reduced and continues and this debt continues to consume us, and the American people, if it continues to consume a greater and greater proportion of the income we take in, we are headed on the fast track for bankruptcy.

I urge my colleagues to examine very carefully this plan, and I urge the American people to examine it very carefully, weigh carefully, look for the spending cuts. We have to get these spending cuts through the Congress and it is easier said than done.

What you might see in the overview here is that there is an attempt to spell them out, but when push comes to shove and we have to make these cuts, will the Senate, will the Congress have the guts to make the cuts? You may wind up with the Senate and the House having the courage and the President to increase your taxes, but will they cut spending? And that was the fatal flaw in the speech last night. If President Clinton had come out and said I have 150 cuts and they total $150 billion, $250 billion, whatever billion dollars, and I would like you to approve them, and when you approve them, we will move on, then he would have had a good speech and a good program, but that is not what we got.

Thank you, Mr. President. I yield back the remainder of my time.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, do I need to ask consent to proceed as in morning business, or is that the ruling?

The PRESIDING OFFICER. The Senator has a right to speak on time controlled by the Senator from Wyoming. The Senator from Wyoming controls 56 minutes, 38 seconds.

Mr. DOMENICI. I yield myself as much time as I might need, but I would like the Chair to remind me when I have used 10 minutes, if you would, please.

DEFICIT REDUCTION

Mr. DOMENICI. Mr. President, first I want to thank the President of the United States. Last night in his speech to the Congress, he indicated that there was a willingness that we have a bipartisan involvement in this budget reduction exercise. I was not too sure that is what anybody wanted in the White House, but when I hear it from the President, I believe it. I think it is a little late, but I do believe we have some constructive things to offer.

I would like today, since so many numbers have been used even by some of us, because it is very difficult to get all of the facts, I would like to do my best today to lay before the Senate what I think this package of deficit reduction really is with reference to taxes and spending cuts.

Before I do that, I want to congratulate Budget Director Leon Panetta for a statement he made this morning substantially correcting many news stories that indicate that the size of the deficit reduction was $500 billion.

Many of us looked at these numbers, and we said "That cannot be true," and we began to decide it was not true. And the Budget Director today said it is not 500. So let us make sure we understand. Using our Budget Director, Leon Panetta's numbers, he now says it is 325—not 500 billion, 325. The reason is pretty obvious. This package has within it a very large increase in spending. And that was not taken against the deficit reduction.

Then there are some tax incentives that were not counted, and they reduce the deficit application of tax revenues. So essentially the $500 billion that is in many newspapers across the land for the size of the reduction is off by $175 billion according to our OMB Director.

I congratulate him, when the mistake was found, for stating it rather quickly. I regret that many people might be thinking that we have a very large deficit reduction package when as a matter of fact it is much, much different from the early stories and from what the President told us last night in the joint session.

I thank the Republican leader one more time for his statement on the floor. He also urged bipartisan support, and I believe he gave 6 or 7 items that are right out of this budget that put up some questions for Senators and the American people to understand and to look at before we move too quickly with this package.

Having said that, I want to make just an overview for our people and for the Senators based on this premise. We have had three major deficit reduction packages that I am aware of, and each time we asked the American people to pay a substantial amount of new taxes. Each time we were convinced that the deficit was going to come down, and each time we were wrong; the deficit went up.

Now, actually, we are being told this is different.

Mr. President, I am not at all certain it is different. Let me share this with you. When we closed out 1992, the deficit was $292 billion. Now, when we are finished, Mr. President, with this very large reduction, the deficit will be $241 billion. So for all of these new taxes—and they are clearly in excess of $360 billion gross, $279 billion net new taxes, and the alleged cuts in domestic spending, entitlements and otherwise, and cuts in defense—the deficit will be $241 billion 4 years from now. That is the numbers of the OMB Director of the United States. So before we really think this package is getting the deficit under control, I hope everybody understands that we are going to actually reduce this deficit as compared with 1992 by about $50 billion. So I hope everybody understands after we vote for all this, if we are going to, and if the public says let us do it, we will reduce the deficit by about $50 billion.

Now, you should also know that these are not my numbers. I think they are low. But I will use them anyway. After we have done all of this, Mr. President, the deficit in the year 2002—10 years—will be up. It will be up to $400 billion or more. So I think it is very important everyone understand that we are going through an exercise that allegedly says we are getting the deficit under control, sacrifice, and pay a lot more in taxes because it is really going to fix the deficit, and when we are all finished the deficit will be going up again in the fifth year after we started this very big undertaking.

Now, Mr. President, I am not going to go into a lot of detail, but I want to set out for this record what I believe we are cutting in this budget and how much we are raising taxes.

Everyone should understand that the President spoke the truth last night when he used well over half of his speech to tell us all the new things the Government was going to do for us. I hope nobody thought that was going to be free, because, Mr. President, the new growth in this budget for additions by way of expenditures on the domestic side is in excess of $129 billion, I say to my friend, Senator GORTON. So while we are all encapsulated with the vision of cutting the budget, and we are concerned about it, reducing the budget by cutting expenditures, the reason OMB Director Panetta was off is he forgot to put in the new expenditures, and over the budget cycle of 4 years that is $129 billion in new additional expenditures.

Now, somebody says that is your plan for reducing the deficit? Well, I would say to my friend maybe we could start by saying let us not increase the expenditures. Let us see what that will do. If you pull that out you are getting close to a real package.

So everybody should understand, in the name of deficit cutting, there is a huge new series of expenditures, and then we should know that we are going to be asked right quick, so we do not have a lot of time to waste here, to de-

clare a national emergency under the Budget Act, which we have not done in the 3 years it has been in existence, so that we can pass an emergency spending package in excess of $14 billion. And I will put in the RECORD a list of what that is because we are engaged in a very serious undertaking. We are being told that what we used to call spending, when it is proposed now, it is not spending. It is an investment. I really am not sure that the American taxpayer, who is going to be asked to pay $360 billion in new taxes, understands the difference between their money going to the Government so we can spend it on a Government investment. I think both are spending. In fact, I have difficulty today telling you what is not an investment in the Federal budget.

I just do not know what they are because one of the best investments around is the National Institutes of Health. We have not increased them any.

I yield myself 5 more minutes.

Mr. GORTON. Mr. President, will the Senator yield for a question?

Mr. DOMENICI. Yes.

Mr. GORTON. He is addressing some of his remarks partly in my direction. I also heard his excellent presentation at the other committee this morning. I would like maybe two or three figures so that other Senators and the people of the country can understand all of this.

Do I understand the Senator from New Mexico as having said the total of the new taxes before any of the tax cuts included in this program is $360 billion over the course of the next 4 or 5 years?

Mr. DOMENICI. The Senator is correct. I am using a figure of speech when I say "gross." Let me not do that. Let me say new taxes are going to be imposed $360 billion by their plan.

Mr. GORTON. Do I understand that the Senator from New Mexico says that there is almost $130 billion during the same period of time of new spending programs?

Mr. DOMENICI. The Senator is absolutely correct.

Mr. GORTON. Do I also understand—I think the implication, but I want the Senator to be specific on this—that that is only new spending programs? That is not the normal increase in all of the existing spending programs.

Mr. DOMENICI. Good question. That is new spending over the baseline which was the baseline of Government. Some are in brand new programs that we do not have yet. Much of it is just adding to existing programs, like community development block grants. We used to think that was spending. But it is increased in the first year by $3 billion and it is called an investment. We have a myriad of those equaling $129 billion in new spending.

Mr. GORTON. Could the Senator from New Mexico tell me how much of the reductions in spending about which we are talking comes exclusively out of national security and national defense?

Mr. DOMENICI. I would like very much to make sure that at least my interpretation is spread on this record. I think it is right.

President Bush in response to the 5-year agreement already had in place $74—let us round it—$75 billion in additional defense cuts that have to take place. The new cuts on top of that are $112 billion over 5 years, not $60 billion as somebody told us—$112 billion. So that when you add them up, defense is taking $186.8 billion in cuts that are built into this package as part of the deficit reduction.

Mr. GORTON. As against that $186 billion solely out of national defense, and rather dangerous and unsettling times in the world, how much is the total, the comparable total of all domestic spending cuts?

Mr. DOMENICI. Let us use this one. The reductions in nondefense is $70.9 billion. Shall we call it $71 billion?

I regret to tell you the add-ons are $144 billion. So there are no cuts in domestic programs, domestic discretionary programs, even though we talk about individual cuts. The programs in total will go up $73.5 billion. So there is no reduction. It is an increase of $73.5 billion.

Mr. GORTON. Will the Senator from New Mexico tell me, in a sense with an illustration, what some of these so-called domestic cuts are? I picked up this morning's newspaper for example. I see one of the larger so-called cuts calling itself an increase in Food and Drug Administration user fees.

So now if I get it straight, are we counting as cuts no reduction in Federal services or Federal employees but just the fact that many business enterprises get charged more money called fees rather than taxes?

Mr. DOMENICI. My good friend always asks wonderful questions. Frankly, I do not choose to call it user fees; increased charges to the public of America for services that America is rendering, increased charges, I think more like taxes. They are revenues to the Government.

So I did not even include them in this. Right here is the number, $224.5 billion in new revenues from user fees. That is on top of all of this that I have been telling you about.

Mr. GORTON. Would the Senator from New Mexico agree with the Senator from Washington that essentially whether we call it user fees or taxes, that these are going to get paid by the American people because the business enterprises that pay them are going to have to add them to their prices?

Mr. DOMENICI. There is no question about that. Aviation user fees, tonnage duty fees, SEC registration, grazing fees, a new hard rock mining fee, those are listed in the budget of the President as cuts because they are offsetting receipts. I list them as taxes.

Mr. GORTON. May I just ask one set of final questions?

The PRESIDING OFFICER (Mr. WOFFORD). The Senator from New Mexico has finished using his 5 minutes.

Mr. DOMENICI. I ask unanimous consent for an additional 5 minutes.

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

Mr. GORTON. This will be my last set of questions.

I would like to sort of summarize all of this. I believe the Senator from New Mexico has told me that there are $360 billion over this period of time in new taxes. He has also told me that there is this huge cut in the defense budget of more than $180 billion but that by the time we have totaled up the modest reductions in domestic spending, and the huge new spending programs, at the end of this 4-year period we will only have reduced the deficit by $50 billion or about one-sixth of what it is right now. Is that correct?

Mr. DOMENICI. The answer is yes. I want to be sure we are absolutely fair. The deficit I built that off of is the end of 1992, and the reason I do that is that is the only one we really know. The next one is guesswork. It is 1992. It will go down by $50 billion over the period of this budget after we have gone through all of these things including the enormous defense cuts.

Mr. GORTON. We will continue to pay all of these new taxes, as I understand it, but soon after that year, after the $50 billion deficit decreases have taken place, that deficit goes back up and in just a very few years after that, it is higher than it was in 1992 in spite of all of these new taxes?

Mr. DOMENICI. I used the number that the Budget Director provided us, I have no reason to doubt them. They go up to $400 billion rather than coming down.

Mr. GORTON. All these new taxes and the net result a few years down the road is a higher deficit than we have now.

Mr. DOMENICI. That is correct.

Mr. GORTON. I thank the Senator.

Mr. MACK. I wonder if the Senator will yield for one additional question. I certainly appreciate the information that has been shared here this afternoon.

One of the things that we heard President Clinton say a number of times last evening, and which certainly has been repeated a number of times today, is that he is cutting 150 different programs. In looking at the Senator's material, defense is cut $112 billion more than what President Bush had suggested. I think the Senator suggested that was around $74 billion.

Mr. DOMENICI. That is right.

Mr. MACK. Then we look at the nondefense areas. We see there is a net increase in nondefense expenditures of almost $73.5 billion.

That then leads me to raise this question: Does the Senator believe that the 150 different programs President Clinton proposes cutting are primarily being cut in defense.

Mr. DOMENICI. No. I say to my friend that they are coming out of domestic programs. See, it is reduced $70 billion here. The only problem is, it goes up much more. You have a lot of little programs getting cut, administrative costs being saved—all of which we praise, right—and freezes here and there. We say we ought to be doing that. We have user fees counted as domestic cuts, so it is not defense on that. Defense is encapsulated in 112 plus 74. There is plenty to go around on the defense side. We do not know the details of that yet, so we cannot share very much with you.

Let me make one last point. I say to fellow Senators and to the American people that might hear me, wherever, I am speaking from, that giving every benefit of every doubt to this program, it is a taxing program, not a spending cut program.

I want to go through this and show you what I come up with. My ratio that I have arrived at is $1 in taxes for 44 cents in reductions, and that really—I am giving every benefit of the doubt to the way they presented their case; it is actually less, but I am saying that—that comes about because their defense cuts are only $112 billion. To take credit for the Bush cuts is to take double credit for the previously agreed upon cuts.

The nondefense is up, not down. These entitlement programs, when you look at them and you finally get them in place, it is $60 billion. And we are not quite sure exactly how that is going to be done, but a big part of that is Medicare. I think I heard the President say we were not going to reduce services and we were not going to charge anybody any more than they are paying. So there is going to be some kind of freezes and caps and things to get that.

But that is about where you get all of the savings. So it is $1 in new taxes, and we have netted that tax out to 44 cents in budget reductions.

(Mr. WOFFORD assumed the chair.)

Mr. MACK. Mr. President, if the Senator will yield for another question in the area of entitlements, and he mentioned Medicare a moment ago, we did hear, leading up to the speech, that roughly $35 billion over a 5-year period has been projected for savings in Medicare. Those, I think, are going to be basically directed at providers, hospitals, and physicians?

Mr. DOMENICI. That is correct.

Mr. MACK. In the numbers that the Senator has seen, have the additional Federal budget costs as a result of the decision the President made that affects Medicaid payments to the States been taken into consideration?

Mr. DOMENICI. Well, I think in these nondefense add-ons, we would have taken that into consideration—no, I think not. I think they are an additional item. The President of the United States said that the Bush rule which said you will not compensate, by way of matched dollars, States for Medicaid if they are taxing the providers to raise internal money and then ask you to match it. It all goes to Medicaid anyway. The President has said the Governors want that very much because it yields a lot of new revenues by way of Medicaid reimbursement. That is somewhere between $1 billion and $2 billion.

Mr. MACK. Annually. That would be an additional $30 billion in additional spending that is not accounted for in your chart?

Mr. DOMENICI. Yes. I would think so.

Mr. MACK. I thank the Senator.

Mr. DOMENICI. Mr. President, I think everybody knows that is annual, and it is not going to stop. When and if we get reform, it is supposed to all be changed. So being honest, maybe it is not going to go for 5 years. But unless and until you have that reform that delivers the service much cheaper, it is going to do that.

Mr. MACK. But if you are going to be counting the savings of $35 billion in Medicare because of the treatment of hospitals and physicians, then it seems to me it might be fair to include in your discussion the fact that there really is an offset that could be as high as $30 billion over that 5-year period which basically could almost entirely wipe out the proposed savings in the health care area.

Mr. DOMENICI. I close by saying that there is no question that the deficit is ravaging America. There is no question that we ought to do something about it. I merely submit that there is a lot of question about a program that is supposed to bring jobs and prosperity, both short-term and long-term, that is this heavy on taxes and this light on real savings, other than defense.

I submit that the defense cuts are so large that in the short-term, there are going to be more jobs on the street, job seekers on the street, because of these big, big defense cuts than we are going to get in the so-called new Government jobs, by the expenditures that we are being asked to add to our current expenditures. I really believe that short term.

Yet, I am not suggesting that we have to keep defense at its current level. I am merely trying to point out a few anomalies in a so-called jobs production package that is built around new expenditures of the Federal Government and new taxes, with a few incentives built in here and there that are supposed to be the stimulus.

I wish it would work. I mean, if we do it, I hope it blossoms. But I really think it will not. It is for that reason, as I have done many times, that I share as honestly as I can with the Senate both the numbers, the background, and my conclusions. They are no better than my understanding and what people tell me, but I believe that we are on the wrong track with this much in new taxes and this little in actual real cuts, other than defense.

I yield the floor.

EXTENSION OF MORNING BUSINESS

Mr. NICKLES. We still have several Senators wishing to speak. I ask unanimous consent that we extend the period of morning business for 30 minutes.

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

Mr. NICKLES. Mr. President, I will try to be brief because I know several of my colleagues wish to speak. I compliment the Senator from New Mexico for his outstanding statement, as well as the statement that was made earlier today by Senator DOLE.

I hope the press will take a look at the facts and figures that are now coming out about the President's speech that was made last night.

I begin by stating one of the speech's lines I applauded, and I think all of our colleagues were excited about. The President said:

> Let's not place blame.

He said:

> There is plenty of blame to go around in both branches of Government in both parties. The time has come for the blame to end.

He said:

> I do not seek this office to place blame. I come here to accept responsibility, and I want you to accept responsibility with me. And if we do right by this country, I do not care who gets the credit for it.

I think that's fantastic. But I must say, I was kind of disappointed when I began reading "A Vision for Change for America," in which he states on page 5:

> Twelve years of neglect have left the American economy suffering from stagnant growth and declining incomes. The average American family * * *

And on and on.

> They have left a mountain of debt.

He continues to say, "they—they—they!" I assume that means the last administration, or the last couple of administrations.

You can't tell from the speech last night that 118 million Americans are employed. In 1982, we had 99 million people employed. That's a growth of 19 million—new jobs. That's real job growth.

I don't know that you can tell from the comments last night, or the comments made earlier today, that last year alone the economy created 1.5 million new jobs. I heard the President talk about how he is gong to create

500,000 jobs in 1993 and 1994. I say: Wait a minute. Maybe people don't realize this, but last year we added 1.5 million new jobs without any Government spending for stimulus.

The increase in gross domestic product last quarter was 3.8 percent. The quarter before that it was 3.4 percent. We have an economy that is growing. I'm excited about that. That's good news. That means the deficit should be coming down, because most projections believed the economy would be fairly stagnant and the deficit would be larger.

I make these comments, because I think it is important to look at facts. All I am talking about today are facts.

Last night we heard about the need to make contributions to reduce the deficit. I agree we need to get the deficit down. We heard a lot of comments in support of raising taxes. But as I look at this chart, taxes as a percent of GDP have been pretty constant.

The problem with our deficit is that spending has been growing. If you look at the past several years, spending has increased dramatically. The problem is not that revenues are not high enough. The problem is we are spending too much.

Then, Mr. President, we heard time and time again last night about a program of spending cuts and tax increases to get the deficit down. Unfortunately, one major piece of the equation was left out. The President forgot to mention that he has a lot of new spending in his program.

I think the American people would probably agree with some tax increases if there were real spending cuts to go along with them to bring the deficit down. That would be shared responsibility. That would mean we're going to get the deficit down. But what the President really did not enunciate last night, with all his tax increases and with all his big spending cuts, the deficit will go up in 1993 by $13 billion. He also not tell you that he moved the baseline up so really the deficit will grow by $22 billion. Senator DOLE alluded to this fact—the moving baseline, because under the President's budget they moved the baseline and they moved it significantly.

Mr. President, I will ask unanimous consent to print in the RECORD at this point a table that shows the growing baseline that the President has created.

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

THE CLINTON BUDGET PLAN—HONEST BUDGETING OR PHONY BASELINES? TAKING CREDIT FOR PREVIOUSLY ENACTED DEFICIT REDUCTION

Deficit reduction plans are most frequently judged on the amount they cut from the current-law deficit "baseline". When President Clinton presented his budget plan, he utilized a phony "uncapped" baseline created by CBO. The Clinton uncapped baseline assumes that the discretionary spending caps, enacted in 1990 and the law of the land until FY 1997, no longer exist. Why would President Clinton choose to use a baseline which doesn't reflect current law?

If you compare the Clinton uncapped baseline with CBO's current-law January 1993 baseline, you will see that President Clinton is trying to claim credit for $101 billion in spending reductions already locked in by the 1990 Budget Agreement.

	1993	1994	1995	1996	1997	1998	1993–98
Clinton "uncapped" deficit baseline	$319	$301	$296	$297	$346	$390	$1,949
CBO January 1993 deficit baseline	310	291	284	287	319	357	1,848
Deficit reduction locked in by the 1990 budget agreement	(9)	(10)	(12)	(10)	(27)	(33)	(101)
Deficit reduction claimed by the Clinton budget plan	13	(39)	(54)	(92)	(140)	(148)	(460)
Deficit reduction realized by the Clinton budget plan	22	(29)	(42)	(82)	(113)	(115)	(359)

Prepared by the Office of U.S. Senator Don Nickles on 18–Feb–93.

Mr. NICKLES. Mr. President, I would also like to mention the new taxes, yes, which incidentally break the President's pledge. He said: "I'm not going to tax the middle class," but he certainly is. He also says there are spending cuts in his plan but those cuts are pale in comparison to the spending increases.

Let me just read off a few of the spending increases the President has promised which have every single group out there, including the members of Congress, applauding. The big spenders in Congress got excited last night when the President said he was going to spend more money. Every time he said it he was applauded.

The increases include: Federal highways over 4-years, $8.4 billion; Community Development Block Grants, $2.5 billion; mass transit, $1.2 billion; clean water funds for the States, $2.7 billion; the WIC Program, women, infants and children, $2.6 billion; Head Start, $9.3 billion; dislocated worker assistance, $4.6 billion; unemployment compensation, $2.4 billion; AIDS initiatives, $8.2 billion; food stamps, $9 billion, crime initiative, $2.3 billion; summer youth jobs, $2 billion; national Service, $6 billion; education reform, $6.2 billion, and I have to stop, Mr. President, because I ran out of room. I will submit a full list for the record at a later point after we have time to really analyze this program.

So the President is proposing an explosive spending program paid for with a lot of new taxes. I do not know if my colleagues realize this, but this is the largest tax increase ever proposed in American history.

Let me give you the facts. The facts are that the tax increase is not $246 billion. It's $360 billion, and if you add $36 billion in the user fees and other receipts gross tax increases are $396 billion. The President also proposed tax cuts of $83 billion, so the net tax increase over the next 5 years is $313 billion.

Fifty-nine percent of the President's so-called deficit reduction package is in the form of tax increases.

With regard to the President's spending cuts my chart shows a domestic cut of $71 billion and entitlement cut of $78 billion, but also new domestic spending of $144 billion and new entitlement spending of $18 billion, for a total of $162 billion of new additional spending.

The President's program, in short, is massive new taxes and massive new spending. It will not decrease the deficit. These tax increases on corporations, the middle class, and energy will put people out of work.

One example: The Btu tax. The cost of the Btu tax on the airline industry alone is $1½ billion. The airline industry is already losing money. They are a big employer in my State, and this is a heavy hit. The automobile industry is also losing money. This tax will be a dramatic increase for the automobile industry. I'm not sure they can pass it on. This tax increase will cost jobs. It's very similar to the tax package we had in 1990 and that package cost jobs. I hope we won't make that mistake again.

Mr. President, I ask unanimous consent to print this chart in the RECORD as well.

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

THE CLINTON BUDGET PLAN: NEW TAXES AND PHANTOM SAVINGS

Deficit reduction category	Fiscal years 1993 to 1998	As a percentage of total
New taxes [1]	$360	68
User fees and other receipts	36	7
Tax cuts	(83)	−16
Net new revenues	313	59
Defense cuts	187	35
Domestic cuts	71	13
Entitlement cuts	78	15
New domestic spending	(144)	−27
New entitlement spending	(18)	−3
Net new domestic spending	(13)	−2
Debt service savings	46	9
Total deficit reduction	533	100

[1] Includes increased taxes on Social Security.
Items represent change from CBO's uncapped baseline.
Items which increase the deficit are shown in (parenthesis).
Data provided by Senate Budget Committee minority staff, and compiled by the Office of U.S. Senator Don Nickles.

Mr. NICKLES. I yield the floor knowing I have several colleagues who wish to speak.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I too want to address this issue of the President's economic plan. Mr. President, the economic plan being floated by the new administration I feel represents broken promises, false advertising, and very definitely the wrong remedy for a frail economy. In my view, America should insist that it be returned to the drawing board.

The package reflects an about-face from the promises made to the American people. We expected to see a more effective Government with fewer dollars. Instead, Government will continue to grow as we tax and spend as we always have. This very day, before the Budget Committee, and I am a member of that committee, Deputy OMB Director Alice Rivlin admitted that one way to look at this package is that we are raising taxes to spend more.

Quite frankly that is a very candid comment, and I congratulate Dr. Rivlin for being very candid and open about it, how philosophically this package is put together, and in that statement there is no camouflage. But I am not sure that that is the way this package is being reflected by other people in the administration. I think it would be a great public service for us in Congress to disrobe this plan and be as candid about it as Dr. Rivlin is—to strip away its false advertising—so we can see the plain, naked truth, that what we are ending up with here is higher taxes for higher spending. Already just this very day we have seen part of this disrobing going on. Less deficit reduction than was originally advertised. Just in 24 hours, we lost nearly $200 billion in deficit reduction. Just some calculations that have gone on in the last 24 hours that this thing has been out to the public.

There are some fundamental reasons why this plan cannot and will not work.

Most fundamental is the fact that America was promised change, but America is not getting change. This is a business-as-usual budget cloaked in false advertising. It is a used masquerading as brand new. As soon as America test-drives this lemon, it will be back to the drawing board for those who engineered it.

Those who support the plan suggest we look at the whole package, not just bits and pieces. Well, OK, I would like to take you up on that option of looking at the whole package. First, as I mentioned yesterday, we did not get $2 of spending cuts for $1 in tax increases that originally Director Panetta has said was going to be part of the plan. In fact, we did not even get $1 in cuts. Instead we are getting 44 cents in cuts for each $1 of tax increases. That again is an example of false advertising. That is more than 2 to 1 in the opposite direction, $2 in tax increases for each $1 cut from spending.

What that means is that spending is not a problem in Washington like we are ignoring it as a problem. Spending has not caused the deficit. The solution? Tax and spend, of course.

This is not change, Mr. President. The only change here is that a Republican President would have demanded $2 or more in spending cuts for every $1 in tax increases. That is because we believe Government is too big and spends too much. The American people believe that, as well. What we are getting here, though, is an old-fashioned, liberal Democrat tax-and-spend package represented as bitter-but-necessary medicine for our country. And, in the final analysis, it is really snake oil.

Let us look at the spending side of this plan. As I mentioned yesterday, Mr. President, much of the savings on the spending side is the result of an inflated baseline. Those are phantom spending cuts. It is money that Congress had already saved. The administration wants to claim it again as savings, just like Senator DOMENICI said about defense. They are claiming 60 percent savings that have already been saved by this Congress in the 1990 budget resolution.

So this is kind of like if you were to walk into the store to buy a sweater. It is marked 50 percent off. That sounds like a good buy. So you think it is a good deal and you buy it. But what you did not know is that the owner of the store doubled the price before marking it 50 percent off. Did you really save money? Of course not. That is false advertising. Yet that is what this plan does. It inflates the spending baseline by $123 billion, then cuts it and claims a savings of $123 billion. Abracadabra. Presto.

This plan also calls tax increases spending cuts. The tax on Social Security is labeled a spending cut. That logic works only in an Orwellian novel. This is how the proponents of the plan are able to claim, though falsely, that it is a 1 to 1 ratio. Also counted as spending cuts are the amount of interest we will avoid paying with a supposed lower deficit. In the real world, that is no spending cut, Mr. President. Again, it is false advertising.

A second fundamental reason to oppose this economic plan is because it makes no economic sense. The President has correctly diagnosed the illness—spiralling debt, a growing structural deficit, and a limping economy. Right on, Mr. President. He has articulated the problem as well as anyone. The problem is not with his definition of the problem. It is with his prescription. Since when does it make sense to enact the largest tax increase in history while coming out of a recession? In medical terms, this would be called malpractice. Not even John Maynard Keynes would have fallen for that one. Perhaps for the first time ever, both Keynes and Adam Smith are turning over in their graves simultaneously. I feel confident that neither of these two great economists would have prescribed this 2-by-4 remedy for this recovering economy: The patient is just getting out of bed, and we are gonna hit him with a 2-by-4 and say get better.

The final fundamental reason to oppose this approach, Mr. President, is that it will be a step backward from how we changed the Tax Code in 1986. To illustrate this concern, I would like to quote liberally from an op-ed in yesterday's Washington Post by economist Robert J. Samuelson, who does great justice to the argument.

Mr. Samuelson says this distraction in the President's budget from the 1986 sound tax reform package is very bad policy. Let me quote from the op-ed piece:

> Every so often, the president and congress do the right thing. They did just that when they passed the 1986 tax reform. The idea was that government should stop dispensing tax breaks as political favors and economic "incentives." President Clinton is about to gut the reform.
>
> Clinton wants Congress to pass new tax incentives.
>
> Rhetorically, Clinton's programs sounds fine. But this formula is precisely the expansive tax philosophy that was rejected—correctly—in 1986, because it is presumptuous in theory and corrupt in practice.
>
> It is naive to think Clinton's proposals, if enacted, would constitute only a limited unraveling of the 1986 reform. By embracing high rates and selective preferences, he sanctions a new quest for tax breaks. The process is corrupt, because one person's justifiable incentive is another person's ugly loophole. The more some groups get breaks, the more all groups want them. Tax breaks spread, creating pressure to raise top tax rates. All this feeds cynicism and unproductive work: tax avoidance and lobbying for new breaks. It's a boon for lawyers, accountants and lobbyists.

Mr. President, the American people want to contribute to reducing the deficit. But there are two pre-conditions. One, they want us to cut spending first. And two, they want to make sure their contribution will be used for deficit reduction, not spending.

These criteria cannot be met under this plan, Mr. President. America will not buy a 44 cents-to-$1 ratio. And they will not allow us to spend their taxes any longer—as we would under this plan, and as Congress historically always has.

There is a lesson that nobody has learned yet. You just cannot raise taxes high enough to satisfy the appetite of Congress to spend money.

Mr. President, if I had a gong right here on this floor, I would use it. Instead, I would merely suggest humbly that this uneconomic plan be returned to the drawing board and hope that the next time they get it right.

Thank you, and I yield the floor.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER (Mr. DASCHLE). The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I wish to compliment our colleague, Senator GRASSLEY, for an outstanding statement.

The PRESIDING OFFICER. The Senator from Florida.

Mr. MACK. Mr. President, President Clinton was elected on his core commitment to help the economy and he will be judged by his ability to keep the campaign promises he made to the American people. That certainly is appropriate.

He should be given credit for pursuing some Republican proposals, like enterprise zones and workfare, but overall, as an economic agenda, the plan does not live up to his pledges.

The President made tax relief for middle-class working men and women a central theme of his campaign—then told them in his State of the Union Message that they would have to sacrifice and accept bigger taxes.

In the campaign, he said a gas tax would be "backbreaking" on the middle class. But now he says he wants a Btu tax which would effectively raise the price of gas by over 7 cents a gallon.

He reminded us that the private sector is the key to jobs growth, but outlined more restrictions and higher taxes on businesses that create jobs.

The President promised us spending cuts, then told us how Government needs to do more with all kinds of new programs, offering few details and certainly no price tags.

In the campaign, Bill Clinton said he would fight for the line-item veto "to eliminate pork-barrel projects and cut government waste". But that idea was nowhere to be found in his message. Have the Democrat bosses in Congress already told him no?

Quite simply, the Clinton economic plan will create more taxes, more spending, more Government, more unemployment, more debt and less freedom to restore the American spirit of innovation and competition.

Raising taxes is an open invitation to a spend happy Congress to simply squander the money. Ross Perot is right. Congress needs outside spending limitations that only a balanced budget amendment can provide.

I call on the leadership of the Congress to place a balanced budget amendment to a vote immediately to show American taxpayers that we are serious about spending their money wisely. Ross Perot and the American people understand all too well that a balanced budget amendment would give Congress the spending discipline it lacks. Without a balanced budget amendment, Americans have every right not to trust Congress.

When it comes to producing jobs, the economy needs incentives to boost growth, not more taxes and more Government to burden it. We cannot tax ourselves into prosperity. We should be implementing innovative ideas to create opportunities, not dusting off failed policies to punish success.

President Clinton must understand that higher taxes have never helped the economy and never will. Higher taxes have never produced jobs and never will.

In 1990, Congress passed a $500 billion deficit reduction plan of higher taxes and spending cuts. We were told then that the plan of sacrifice would hit wealthy Americans the hardest without harming the economy.

It didn't.

Talk of taxing the wealthy led to the luxury tax on boats which cost hundreds of jobs in Florida's boat-building industry. When the luxury tax was passed, middle-class workers lost their jobs because people quit buying boats.

The rich were supposed to get soaked, but the middle-class workers and small businesses dependent on the industry got drenched.

That 1990 budget deal, with all its talk of sacrifice and budget cuts, left us with more taxes, more unemployment, and more debt. My fear is that the Clinton economic plan is, as Yogi Berra says, deja vu all over again. It is a lesson we must not repeat.

But President Clinton has not learned that lesson. In his package, he has not even eliminated the 1990 luxury taxes that have caused so much misery.

In order for jobs to grow and prosper, the economy need freedom from taxation and overregulation.

I applaud his desire to reduce capital gains taxes on those who invest in start-up businesses. It is certainly a step in the right direction. But with all of the other tax increases in his program, this is one step forward and a dozen steps backward.

President Clinton should take a page from President Kennedy's economic plan and significantly cut capital gains taxes across the board to boost investment in jobs.

In 1963, President Kennedy said:

> The tax on capital gains directly affects investment decisions, the mobility and flow of risk capital from static to more dynamic situations, the ease or difficulty experienced by new ventures in obtaining capital and thereby the strength and potential for growth of the economy.

A significant reduction in capital gains taxes would not only encourage investment in new, small ventures, but aid homeowners and benefit senior Americans who have prepared for retirement through investments.

Jobs are created because people are willing to take risks that they just might succeed. But tax policies that are burdensome, discourage investment in new jobs and small businesses. More Government regulations cause small business owners to worry more about complying with every minuscule rule than marketing their products.

As I said, there were some areas of agreement in the State of the Union Message. The President should be given credit for encouraging enterprise zones and workfare. Senate Republicans are eager to work with him on those proposals. In the past, however, Congressional majority Democrats have been reluctant to implement these programs. We hope the President is prepared to fight for these ideas.

In the end, we all want America to move forward and prosper. Senate Republicans have outlined areas of agreement with the President. We are willing to work with him. But at a time when the economy needs a boost to revitalize the American spirit, higher taxes simply would do more harm.

I yield the floor, Mr. President.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. DURENBERGER. I thank the Chair.

(The remarks of Mr. DURENBERGER pertaining to the introduction of S. 402 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

HEALTH CARE REFORM

Mr. DURENBERGER. Mr. President, I rise today to address one of the proposals made by President Clinton last night which I find just a little bit disturbing. I enjoyed very much both the President's comments on health care reform and in particular the enthusiastic response in the Chamber and across the country for his plea for health care reform. But it was the proposals the President made in changes in the Medicaid and Medicare Programs which I think total in the neighborhood of $38 billion that bothered me a great deal.

I have been at this business of Medicare and Medicaid changes since I came to the Senate in 1978. The proposals I heard last night I heard before or I would not have the temerity to stand here today and comment on them. I must make these comments because I think they will not only cause serious harm to the quality of health in this country, but ultimately they will fail the President in his objective of cost containment in health care.

We have been down this road, Mr. President. We have repeatedly enacted price caps on health care providers, and the results have always been a counterproductive disaster. There is no reason to believe this proposal is going to be any different. It looks a lot like its forebearers, the most famous one being the 1984 doctor and hospital freeze. Subsequent to that, it was COBRA's and the OBRA's of the late 1980's. But a policy failure of this magnitude

would be even more heartbreaking at a time when we are within striking distance of fundamental health care reform.

Make no mistake: Far from being an effective stopgap, as the President claimed last night, his proposal would actually impede our efforts to reform health care. Just look at its timetable. The Medicare freeze is supposed to go into effect at the conclusion of the fiscal year 1994 budget process; in other words, close to the end of this year. But on May 1 of this year, the President will be submitting his detailed health care reform proposals.

My question, Mr. President, is simply this: Why at the very time we are trying to overhaul the system, should we freeze in a payment schedule that rewards inefficiency? And that is exactly what this proposal would do.

Look at what specifically we would be freezing in: A system under which health premiums in Los Angeles cost 78 percent more per person that the national average, and health premiums in Minneapolis cost 15 percent less than the national average.

Mr. President, behind this is doctor bills and hospital bills that look about the same; freeze in 78 percent higher in one State and 15 lower in another State. If the President is looking for a way to reap cost savings, this is not the way to go. Rather, it is a way to reward the bureaucratic inefficiency that he so eloquently denounced in his address last evening. What we do need to reward is cost efficiency. As an example that many will understand, I offer these sort of real life examples.

If you look at this chart, you see one of America's most famous health care delivery systems, the Mayo Clinic in Rochester, MN. The Mayo Clinic is a multispecialty clinic to which people go from all over the world for highly specialized medical care. The Mayo Clinic is delivering superior quality care while keeping costs 20 percent below the national average. This first line is the growth in national health care spending per capita, 9.6 percent across this current period of time from 1988 to 1992.

Here is the Mayo Clinic, 4.7 percent on the average year after year, virtually half the rate of growth across this Nation.

It is even well below the 6.5 percent which is the medical care CPI for the Minneapolis-St. Paul market which is itself substantially below the national average.

That is the kind of excellence and this is the kind of low-cost direction in the delivery of health care that we ought to be rewarding in this country rather than penalizing.

We need to look for ways to improve quality and create a sound market that can serve as a springboard for universal access, not just universal coverage. Judged by this standard, the President's proposal is a step backward.

The history of Medicare policy proves that when you cap costs, even though you say you are putting the limits on the doctors and the hospitals, when you cap the costs, the result is cost shifting not cost containment. The reimbursement process is a shell game with billings and classifications being manipulated so expertly that never do you get the cost savings that you estimated. If you push out prices in one area, they rise up in another. When we clamped down on part A of Medicare, the inpatient services, in 1983, spending increased almost double in part B of the outpatient services. When Medicare rates fall too low, providers raise their rates on private-pay patients. When there is no place else to go to raise rates, providers make up the shortfall by increasing the volume of services they provide or curtailing access to certain procedures.

But, Mr. President, that is in communities with lots of people and lots of health insurance. Communities like suburbia, not communities like South Dakota or rural Minnesota. In rural America, a somewhat worse situation exists because in rural areas, physicians cannot cost shift. When prices fall below their costs, they leave the area. And when they leave, the hospitals leave, and that is what has happened in the past when we enacted proposals like the ones that President Clinton offered just last night.

So to assert, as the President did, that capping provider payments will cut costs without cutting any current Medicare benefits is disingenuous. It will not cut costs and it will entrench a health care delivery system that results in inefficient rate-driven care to patients. Is this the system we want to lock in when the American people are demanding fundamental change? We have to do a lot better than that.

Current projections tell us part A of Medicare is going to be insolvent in another 12 years. We have no time to waste on expensive and counterproductive stopgaps like the one President Clinton proposed last night. Cost containment without comprehensive health reform will fail, not because of some mean spirited special interest, but because it will not meet the basic needs of the beneficiaries, especially in rural America. That is why I strongly urge the President to reconsider this unwise proposal and to lead America toward the basic changes that we need. I and all Americans stand ready to help him in this vitally important task.

Mr. President, I yield the floor.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

THE PRESIDENT'S PROPOSAL

Mr. MURKOWSKI. Mr. President, I urge that my colleagues reflect on some of the promises of our new President, specifically his promise to bring about change during the first 100 days. It has been 107 days since the election. Some 140 days ago, some of you may recall candidate Clinton referred to President Bush as: "Shameless, baseless and desperate" after President Bush warned people earning $36,000 that Mr. Clinton would raise their taxes.

One wonders if the candidate of change has since changed his opinion of George Bush as well.

Mr. President, much has been said today about the fact that President Clinton has presented the American people with a tax-and-spend proposal. New taxes in the plan total $360 billion; user fees, which are another form of taxes, total $36 billion; with only $83 billion in tax cuts, leaving new taxes totaling a net $313 billion. Where are the cuts? The cuts are in defense—$187 billion. Yet the world is a very dangerous place. One only has to look at Russia today to recognize that.

Domestic cuts and entitlement cuts total $149 billion, but new domestic spending and new entitlement spending total $162 billion. So the net is only $13 billion in spending reduction, and that is simply unacceptable. If one looks at the rate of growth of entitlements, one can clearly see that the President avoids the cuts necessary to address the rate of growth of Federal spending. This rate simply must be reduced.

The President proposed a total deficit reduction of $533 billion with most of that coming from new taxes.

I am going to take one phase of that tax increase and talk a little bit about it, and that is the Btu tax, because it is a tax that is regressive, and it is a tax that is not very well understood.

The effect of a Btu tax on my State of Alaska would be unbearable. It is not fair to compare States like mine that have cold climatic conditions with the Southern States. The President talks about fairness. This is clearly not a fair proposal. One study indicates that a resident in Alaska would be assessed the second highest per capita tax as a result of the proposed Btu tax some $275 for every man, woman, and child in my State of Alaska. That is on an average of $1,000 per family.

In Alaska, a bush family in the rural area spends up to 25 percent of his or her total living expenses on energy costs. Under the Clinton plan they are going to even pay more. This is truly a regressive tax on the hard-working people of my State.

Alaskans must travel great distances by boat, by car, by airplane, because the state is one-fifth the size of the continental United States. Because there is little manufacturing or agriculture in our State almost everything Alaskans consume has to be transported up from the Pacific Northwest. So we are looking at an increased cost of living as a consequence of increased transported costs, which is a con-

sequence of the increase in the Btu tax, for the people of Alaska. It will raise the cost of fuel for our fishing fleets, for our timber industry, for our mines and for remote villages which rely on diesel fuel for power.

Mr. President, one wonders at the merits of such a tax when the tremendous resources of Alaska; its oil and its gas reserves could provide jobs for this Nation and independence from imported oil.

And the President's plan would tax Alaskans in other ways. One looks at the proposed 12.5-percent royalty on hard rock mineral. A royalty of 12.5 percent, Mr. President, will shut down virtually every mine in my State of Alaska, and I would say most of the mines in the United States.

A few days ago the largest world-class silver mine in North America located in my State of Alaska at Greens Creek, was shut down. That shutdown will become effective in April. Some 200 workers lost their jobs and another 200 who work in fields dependent on green creek mine stand to lose their jobs as well. This is a new mine, built within the last 4 years at a cost of $180 million but, because of world mineral prices, is no longer economical.

President Clinton also proposed eliminating below-cost timber sales. Cutting below-cost timber sales sounds good, but when the cost of environmental appeals to a sale is attributed to or charged against the sale, the value of the sale is artificially skewed. By this process persistent appeals by environmental activists could stop timber sales. For instance, expenses for timber sales in the Tongass has hiked costs as high as 25 percent under current Forest Service figures.

Finally Mr. President, we are facing a situation where this new tax proposal, particularly the Btu tax, but also including the royalty proposals, are making it harder for our people to live in our State. Prices of gas, heat, transportation, and food will rise. Job opportunities in mining and forestry will be lost, businesses will be put in jeopardy.

And what about cuts? Mr. President, as we reflect on the cuts in our military, where most of the cuts are occurring, we are told that some 200,000 additional troop cuts will have to be made by 1997, yet there is no assessment available to this body as of the security implications of such a cut in light of the world that we live in, and the difficulties that we see in both Europe and other parts of the world.

So, Mr. President, I think it is time that this body examine thoroughly the proposal of our new President and recognize it for what it is, a tremendous increase in taxes and an inadequate response to the rate of growth of Federal spending.

I thank the Chair, and I yield the floor.

Mr. McCAIN. Mr. President, last night, President Clinton finally unveiled his long anticipated economic plan. Let me say at the outset, and give credit where credit is due, that the President did an excellent job. He articulately and forcefully described the budgetary crisis that is confronting our country, and struck a chord with many people. I am concerned, however, that the rhetorical flourishes do not always square with reality, especially in views of the President's track record.

For example, this past summer, candidate Bill Clinton made a number of promises to the American people. He promised to cut the deficit in half by 1997. He promised a middle-class cut. He promised to create 8 million jobs over the next 4 years. He promised enactment of a line-item veto. It was on the basis of these promises that he was elected as President, and he will be judged by his ability to keep these promises.

This past fall, President-elect Clinton promised to reduce the deficit—not by half, but by some $145 billion by 1997—38 percent—and his designated budget chief said that there would be $2 of spending cuts for every $1 of additional spending.

During his inaugural address, President Clinton said we have to face hard truths and make tough choices.

At each step of the way, I pledged, as did my Republican colleagues, to work closely with the President to craft a credible bipartisan plan to eliminate this country's enormous budget deficit, formulate a plan for long-term business and job growth, and place our country on a sound financial footing so that we do not mortgage our children's future.

Sadly, the plan unveiled by the President last night does not chart a new course for America's future, but rather leaves a trail of broken promises. The winds of change sweeping Washington have turned out to be so much hot air and bloated rhetoric. While I believe that there are some constructive elements to the President's plan, particularly with respect to some of his spending cuts, on balance, it is simply unworkable, unfair, and intellectually dishonest.

Mr. President, I have a few very fundamental problems with the President's plan.

First, rather than offering a bold and credible plan for deficit reduction, the President offers the largest tax increase in history—$360 billion—and enormous new spending increases—$190 billion. These proposals are eerily reminiscent of the Carter economic program which led to 20 percent interest rates and 14 percent inflation.

Candidate Clinton told you he would not raise taxes on the middle class to pay for new programs. President Clinton has told you that the enormous tax increases he announced last night are necessary. Both statements were false. The bulk of the tax increases are not being used for deficit reduction, they are being used for new Government spending programs. Although we have not been given any specifics, I am willing to work with the President on his proposed spending cuts. It is likely that we could then forego any tax and spending increases.

Second, the President wants to play the old game of "pass the new spending first, and we'll worry about the cuts later." I know, and the American people know, that they will never materialize. This is an unacceptable course of action.

Third, the President's plan contains no mechanisms for ensuring spending cuts and maintaining budget discipline. In every past agreement to cut spending, increase taxes and reduce the deficit, the deficit has actually risen. As Ross Perot said this morning, "if you give the Congress more money, it's like giving a friend who's trying to stop drinking a liquor store. The point is they will spend it." Ross is exactly right. And that's exactly why it is imperative that the President support the line-item veto and that Congress pass a balanced budget amendment.

Fourth, although he certainly looks and sounds sincere, the President is not being honest with the American people. As I noted earlier, the American people should understand that the new taxes that they are being asked to pay are supporting new spending programs. In addition, they should also be told that this is not the end of the tax game. As disclosed in the Wall Street Journal this week, the President will seek to increase taxes by up to an additional $90 billion later this year to pay for health care reforms. Moreover, the President has given no indication of how he will pay for the programs which he alluded to in last night's address, but which will not be forthcoming until later in the year.

Instead of requiring Congress to sacrifice and control its profligate spending habits, the President is asking the middle class and the elderly to make sacrifices to support new pork barrel projects and spending for special interest groups.

What the Clinton plan does is—

Increase the tax burden on the middle class;

Increase the tax burden on the elderly;

Gut America's national security apparatus;

Increase Government spending on wasteful pork-barrel projects;

Increase inflationary pressures and raise long-term interest rates; and

Cause the loss of jobs.

What the Clinton plan does not do is—

Reduce the deficit by half as promised;

Cut $2 in spending for every $1 in tax increases as promised;

Cut taxes on the middle class as promised; and

Contain a line-item veto.

In offering this plan of action, the President has wrapped himself in the American flag and told us that it is our patriotic duty to embrace his proposals. I frankly resent Bill Clinton telling me what it takes to be a patriot. I do not have to impose new taxes or lower the standard of living for the middle class and the elderly to prove my patriotism to Bill Clinton.

I suspect the President is right on one count though—the American people are willing to make sacrifices in order to balance the budget. However, according to recent polls, and what Arizonans are telling me, they are understandably skeptical that any sacrifice on their part will be responsibly used by Congress to reduce the deficit. Of course, they are right. History has demonstrated compellingly that tax increases merely support increased spending. In fact, in every instance since 1960 in which Congress passed a significant tax increase, the budget deficit also increased.

President Clinton says this time is different. But should the American people believe a President who has already discarded many of his most ardent campaign promises? Who, according to a Wall Street Journal story, is already planning up to $90 billion in new tax increases later in the year to pay for health care reforms? Should the American people believe a Congress which so clearly lacks the discipline and fortitude to control it's own wasteful spending habits?

Maybe some taxes will have to be increased to completely eliminate the budget deficit. However, the American public should not be asked to commit one thin dime in additional taxes until Congress and the President have actually demonstrated a commitment to curbing their voracious appetite for spending.

We should not even consider an increase in taxes until Congress has enacted meaningful spending cuts.

We should not even consider an increase in taxes until Congress has given the President the line-item veto.

We should not even consider an increase in taxes until we have passed a balanced budget amendment to the Constitution.

If the President is serious about deficit reduction, then he should be mobilizing his favorite constituencies to support these vital reforms to the budget process. Since Congress is not able to make the necessary hard choices, institutional reforms are necessary to instill a little backbone.

Mr. President, the American people, and my constituents in Arizona, understand that the enormous budget deficit is a cancer in the economy, burdening the present, threatening our future, and slowly eating away at our standard of living.

Arizonans are a tough breed. The frontier spirit that led to Arizona's settlement still burns around the Grand Canyon State. These Arizonans, as well as most Americans across the economic and political spectrum, possess the intestinal fortitude to make sacrifices and swallow the bitter pill of medicine necessary to reduce the budget deficit.

However, they will not, and should not, tolerate placebos and feel good solutions, or spoonfuls of sugar being doled out to special interest groups.

They don't trust the Congress to prescribe the right treatment and, after getting a good look at the operation President Clinton is planning for them, they will understand that much of it is unnecessary surgery and that he is engaging in major medical malpractice.

An examination of the various elements of the President's plan demonstrates quite clearly why it is unfair, unworkable and intellectually dishonest.

AN ECONOMIC STIMULUS PACKAGE—OR PORK BARREL POLITICS?

One element of the President's plan is a $31 billion so-called stimulus package. No self-respecting economist believes that a stimulus of this magnitude will affect a $6 trillion economy—it's simply a gnat on an elephant.

Cast in its best light, this tax and spend package is simply an excuse to dole out several billion dollars to favored interest groups. At worst, it is a crass political attempt to be able to take credit for the economic recovery which was promised by President Bush, and which is now well underway—incidentally, a recovery which candidate Bill Clinton said would not take place without a $60 billion stimulus package.

The stimulus package proposed by President Clinton is unnecessary because our economy has steadily strengthened over the course of the past year. Since June, the average annual growth rate has been 3.6 percent—far better than the German and Japanese economies the President wants to emulate. Economists generally believe that growth on the magnitude of 3 percent will continue for the foreseeable future. In addition, productivity has increased and inflation and interest rates continue to be at historic lows. I will be willing to bet my bottom dollar, however, that the Clinton administration will soon be claiming credit for the economic recovery.

While job growth has lagged overall economic performance, the unemployment rate has fallen from 7.9 percent in June to 7.1 percent today and claims for jobless benefits continue to decline. Moreover, as I will more fully discuss in a moment, the Clinton plan potentially will result in a net loss of jobs, rather than create the hundreds of thousands promised.

When one takes a close look at the composition of the stimulus package, it becomes clear that it simply is meant to appease special interest groups. Included are funds for Pell grants, Head Start, AIDS research, immunization programs, enhanced natural resources, and waste water grants, among others.

Some of these are actually worthwhile programs, ones that I have supported and will continue to support, as long as they are funded by current revenues. Many of them are worthless, wasteful pork barrel projects. The point is, however, that they will do nothing to stimulate the economy.

The most obvious point to make about the stimulus package, however, is that it simply increases the deficit. Why in the world does someone who says he is serious about deficit reduction want to first increase the deficit by $31 billion? As economist Robert Samuelson has noted, if a bigger deficit for 1993 is OK for 1993, why not for 1994 or 1995? The economy is already experiencing a $300 billion plus stimulus—how much more is needed?

MORE TAXES AND MORE SPENDING

President Clinton is proposing to increase taxes by $360 billion over the next 5 years, the biggest tax increase in the history of this country. These new taxes will strike at families all across the economic spectrum. While candidate Clinton told the American public that he would not balance the budget on the backs of the middle class, that only families who made more than $200,000 would be subjected to higher taxes, President Clinton now proposes raising taxes on families which make as little as $30,000. He is also imposing new taxes on elderly individuals who make as little as $25,000 or couples who make as little as $32,000. When President Bush told middle-class America to watch its wallet, he obviously knew what he was talking about.

Apart from the question of fairness and broken promises, the fundamental point to be made is that revenues are not the problem, spending is. The budget deficit is not the result of lower tax receipts—it is solely the result of increased governmental spending. While revenues relative to gross domestic product have averaged 19 percent over the past 30 years, spending has steadily increased to 24 percent of GDP.

Moreover, increasing taxes will not reduce the deficit. As I noted earlier, after each of the significant tax increases imposed since 1960, a higher deficit followed. More recently, the 1990 budget summit, which resulted in increased taxes and a purported agreement to eliminate the budget deficit, actually led to a much greater deficit. In fact, on average, since 1947, for every dollar of higher taxes, spending has increased by $1.59.

WHERE ARE THE JOBS?

President Clinton has said that he is the jobs President and intends to cre-

ate 8 million jobs over the next 4 years. It is surprising then that his economic plan shows such callous disregard for the working men and women of this country. In addition to burdening middle-class families with higher taxes and freezing the pay of more than 2 million Federal workers, President Clinton's plan will cause significant job losses in many industries.

For example, President Clinton has proposed gutting the defense budget well below that which was proposed by President Bush and now by the Joint Chiefs of Staff. These cuts could result in the loss of 400,000 service jobs over the next 4 years, as well as hundreds of thousands of civilian layoffs. In fact, my home State is still reeling from previous defense cutbacks. Now the President is proposing draconian cuts that may leave deep wounds in Arizona's economy.

Furthermore, tax increases, especially of the magnitude contemplated by the President will inevitably lead to additional job losses in the affected industries. When Congress imposed a new luxury tax on boats in 1990 because they were used by the rich, it simply served to result in job losses for ordinary Americans in the boat manufacturing industry.

Finally, any jobs that might be created as a result of additional spending on infrastructure projects such as those proposed by President Clinton are really only short-term make work jobs. My Republican colleagues and I are committed to working with the President to foster structural job formation, such as occurred during the 1980's when 19 million new jobs were created.

A PLAN OF ACTION

Mr. President, a credible and comprehensive deficit reduction and economic growth plan requires that we take coordinated actions on several fronts. I am committed to just such a program, as are my Republican colleagues.

First, we must cut Government spending, and do so before even considering the possibility of any tax increases or revenue raisers.

Second, we must reform the budget process to ensure that spending cuts are actually made and that Congress adheres to deficit reduction targets. Therefore, the President must support the line-item veto and Congress must enact a balanced budget amendment.

Third, we need to have in place policies that promote free and open trade with our trading partners. It is vital that President Clinton demonstrate commitment to free trade principles by actions, not words. He can do so in short order by instructing his trade team to work toward rapid completion of the current round of the GATT talks and to act swiftly on the North American Free Trade Agreement.

Administration officials have estimated that a new GATT Agreement alone could add $1.1 trillion to America's GNP over 10 years, saving the average family $16,800 by cutting the price of goods, and by creating more than 2 million new jobs. The failure of the GATT round, on the other hand, could fuel protectionist sentiments here and abroad, and quash hopes for global economic growth.

Similarly, the NAFTA could result in the creation of 316,000 new jobs in this country, as well as tens of thousands of jobs in my home State of Arizona, in addition to adding considerably to overall economic output in Arizona, the United States and Mexico. President Clinton says that we must have safeguards to protect our workers and the environment. I agree that it is important that we negotiate these side agreements, but they should not forestall moving forward on the underlying agreement.

Fourth, we must also take steps to reduce or eliminate artificial barriers to capital formation that result from unnecessary or unduly burdensome regulations and governmental mandates. Business, especially the small businesses and entrepreneurs which are the backbone of our Nation's and Arizona's economy, and which create the vast majority of new jobs, must have ready access to low cost capital in order to be able to grow and prosper in an increasingly competitive global economy.

Banks ability to lend to business has been severely impacted by recent laws enacted by Congress, and by new rules imposed by the banking regulators. The American Bankers Association has estimated that these laws cost the banking industry $11 billion per year; funds which could be used to make $86 billion in new loans.

While many small companies rely on banks for their financing needs, others look to the capital markets to raise seed capital from investors. The capital markets are also the primary source of funding for larger companies. Unfortunately, our Federal and State securities laws are increasingly imposing significant costs on market participants. According to some commentators, a quarter or more of the proceeds of a public offering of securities by a small company goes to legal or administrative costs. Again, these are funds which could be used for additional investment in new plant or equipment.

Fifth, we need to reform our Nation's civil justice system. This may seem to be unrelated to an overall economic growth program, but it is actually a vital component. For example, as President Clinton has correctly noted, the cost of health care has soared in this country in recent years. What he fails to understand is one of the principal reasons that costs have soared so dramatically is that liability costs have skyrocketed. Our civil justice system encourages litigation—expensive, time-consuming and wasteful litigation that rarely benefits the persons who may be harmed by wrongful conduct, but always benefits the lawyers involved.

Liability concerns impact not only the medical industry, but virtually every sector of the business community. Proponents of the existing litigation system believe that it is necessary to protect consumers and punish corporate wrongdoers. Unfortunately, the cost of our litigiousness is ultimately passed on to, and born by, consumers. Unless we reform our civil justice system, we will not be able to significantly lower health care costs and our businesses will have difficulty competing effectively in global markets.

Mr. President, if we are, indeed, to embark on a bold new course to improve our standard of living and ensure our children's future, then we must discard the tired rhetoric and failed policies of the past. We cannot tax our way to prosperity. We cannot spend our way to prosperity.

The people of Arizona, and all Americans, are willing to do their fair share to ensure prosperity for our children. But, Mr. President, I refuse to ask these individuals to give more unless we, Congress, do more first. We must cut Government spending, eliminate waste and pork barrel politics, impose budget discipline through a balanced budget amendment and a line-item veto.

We must also work together to foster an economic environment which will encourage investment and savings, promote free and open trade, and allow businesses to grow and prosper to create new high-paying jobs for all Americans.

If we are to ask Americans to make sacrifices, we must ensure that there are commensurate rewards. Ultimately that is the price that they will require. The real test of any plan is not how the rhetoric sells inside the beltway, but in places such as Tucson, Freedonia, Prescott and Mesa, that really matters.

THE PRESIDENT'S ECONOMIC PROGRAM

Mr. SIMPSON. Mr. President, I rise to offer some of my thoughts regarding our country's economic situation and the President's program for confronting it.

Mr. President, I want to begin my remarks by saying that I am not speaking out of a spirit of partisanship, but rather on the basis of my firmly held beliefs regarding the challenges facing our country, and the measures that must be taken to address them.

I believe I can truly say that I have resisted all temptation to take pure, old, partisan potshots at our new President. Like all Americans, I feel a stake in his success, particularly on the issue of the Federal deficit. I have told him, and I have told others, that if the President comes before this Congress and asks us to cast some tough votes to control runaway Government spending,

I am ready to swallow hard and to do that.

I have always been of the belief that some broken promises by the new President were inevitable. When President Clinton was still candidate Clinton, I reviewed his budget plans, and I knew then—and said then—that the numbers would not add up to real deficit reduction. Some unpopular shifts would have to be made after he became President. I certainly did not feel an immediate interest in clubbing the President with that reality, if the only result was to deter him from pursuing the measures that needed to be taken.

But I do wish to share with my colleagues some of the facts regarding the Federal budget. I think we are all aware of most of them. Last year entitlement spending went up by a whopping 24 percent. Some of that was in temporary increases—such as unemployment compensation. Most of that, though, was in the form of systematic increases that stand to continue unabated unless we reform the way that the Government spends money.

That is so important to understand. It is not a problem of insufficient taxation. No matter how you measure it, Federal taxation is at a historic high—whether measured in constant dollars or as a percentage of GDP—we're approaching 20 percent of GDP. If your entitlement spending goes up 24 percent per year, then without spending reforms, tax increases only buy you a couple of years before you have to raise taxes again. And that is what we have been doing now for decades.

Some in this Chamber will argue that individuals who are not willing to vote for huge tax hikes are not serious about deficit reduction. That is simply not the case. I held my nose and voted for the unpopular 1990 budget agreement—and that one had more taxes than I was comfortable with. I would have liked to see more spending cuts, and fewer tax increases, but I took the political heat and I voted for that one.

Now I am confronted with a package which relies even more heavily on tax increases—$330 billion over 6 years—than the 1990 budget agreement did.

Mr. President, I would suggest to you that this is no longer, if it ever was, a question of political philosophy. It is a question of simple math. There is no tax rate that will keep up with the mandatory spending increases that are already built into the law. That is true regardless of your own beliefs regarding appropriate levels of Federal taxation. Tax hikes in the absence of the type of spending reform that we need, not only pose all of the problems for the economy that we are aware of, but are effectively irrelevant to the long-term problem of eliminating the budget deficit.

Mr. President, I am strongly with the President when he calls for sacrifice—shared sacrifice. But my colleague from Texas, Senator PHIL GRAMM, has said it best—we've asked for enough sacrifice from those taxpayers who are pulling the wagon—it's time we ask for more sacrifice from those riding in it—like wealthy Americans who are enjoying the benefits of nonmeans tested entitlement programs. Currently, 80 percent of entitlement spending is not in any way means tested.

That is the issue.

That is what drives the deficit.

Mr. President, we do not lack for political courage on this side of the aisle. But I would say to this Chamber that true political courage lies in confronting the real structural causes of our national deficit.

That is the sort of change that Americans are telling us that they want, and which I am willing to cast the tough votes to help them get.

In the absence of that kind of restructuring, however, I am unwilling to support sticking the public with a new tax bill of $330 billion. That will only hurt the economy, and it will ultimately not even help with the deficit. We can do better than that, and it is my hope that together we will. We surely must.

Mr. PRESSLER. Mr. President, I rise to offer my initial response to the comprehensive plan offered by the President last evening.

We all agree that we must plant the seeds of long-term economic growth. We must embark on a path of long term deficit reduction. Achieving both simultaneously will be difficult. President Clinton, to his credit, has offered some ideas worth looking at—putting a lid on the growth of the Federal bureaucracy, immunizing every young child, just to name a few.

South Dakotans are willing to do their fair share to reduce the budget deficit, and put our economy on the track of long-term growth. Is the President asking too much from South Dakotans? I think so. In fact, I believe the impact of the President's plan will be devastating for South Dakota.

Mr. President, we all know small business is an important part of this Nation's economy. Nationally, 92.8 percent of all businesses are small businesses. The Small Business Administration reports that from June 1991 to June 1992, small businesses created 173,000 jobs, while firms with more than 500 employees lost 235,000 jobs. Small businesses accounted for two out of every three new jobs from 1982 to 1990. These companies employed 57.3 percent of all private, nonfarm workers in 1990.

The bottom line is simple: If you hamper small business development, you hobble our country's economy. I am concerned that President Clinton's proposals to increase income tax rates would do just that.

Eight out of ten small businesses pay taxes as individuals rather than as corporations. Thus, raising taxes on individuals means raising taxes on the vast majority of small businesses. Indeed, 21 million small businesses nationwide and some 15,000 in my home State of South Dakota could see their income tax burden increase.

President Clinton proposes to raise the top individual income tax rate to 39.6 percent. He also intends to increase the corporate income tax rate to 36 percent. Just think of it—not only will small businesses see their income tax bills increase, some could end up paying more in taxes than our Nation's major corporations. A mom and pop shop could end up paying proportionately more tax than IBM and General Motors.

President Clinton calls this only a tax on the rich. A tax increase only on the wealthy? Think again. According to U.S. Treasury Department figures, 67 percent of the revenue paid by the top 2 percent of taxpayers is paid by small businesses and family farms, many of which file as individuals under subchapter S of the Internal Revenue Code.

Speaking of taxes, I have some initial thoughts on the proposed energy tax. This levy would impose taxes on most fuels, according to the heat content of the fuel measured in British thermal units. Included are coal, natural gas, nuclear energy, and oil. Hydroelectricity also would be taxed using a different formula.

This tax also hits South Dakotans hard, especially farmers and ranchers. Farmers, ranchers, and small businesses in my State and other smaller States consume more fuel in producing and marketing their products. They must drive farther than anyone else in conducting their business. And an unusual amount of energy is consumed in processing agricultural products, all of which adds to their cost.

Added to that, the cold winter weather in Northern States like South Dakota require the use of more energy in heating homes, apartments, and places of business. How will the elderly, retired couple pay for it? Obviously, at first glance, this is an unfair tax which should not be thrust on the people of South Dakota and other farm States.

Mr. President, I ask unanimous consent that an article from the Huron, South Dakota, Plainsman on the proposed energy tax be placed in the RECORD following the conclusion of my remarks.

Unfortunately, South Dakota farmers face more than just higher fuel taxes. Again, rural America is ready to do its share in reducing the Nation's budget. The key is a fair share. Yet, when you analyze the President's proposal, and begin to add the cumulative effect of that proposal on rural America, the results are staggering.

Take for example the proposed changes in the Rural Electric Administration [REA] loan program. The REA

plays a vital role in providing electricity to South Dakota's farm and ranch families. The President's proposal will raise the electric rates of South Dakota REA users 15 to 20 percent. The proposal also likely will halt all new construction; forgo needed upgrades; result in less reliable service; and hamper the ability of REAs to respond to disasters such as tornadoes, ice storms, and fires.

The President's proposal to phase out certain timber sales will mean job losses and tighter lumber supplies in the Black Hills area of my State. Tight timber supplies arising from costly appeals of timber sales from our national forests already have cost many South Dakotans their jobs. This proposal will cost more families their livelihood and put some mills in the Black Hills in jeopardy of closing down.

Furthermore, the President's elimination of the honey program would wreak economic havoc on South Dakota. For those who do not know, South Dakota is the third largest honey-producing State in the Nation—a $12.3 million industry in South Dakota. Nationally, the $9.7 billion benefit to agriculture from bee pollination would be diminished. President Clinton stated last night we should subsidize those programs that work. Well, according to the Congressional Budget Office, the honey program will save the federal government $3 million in fiscal year 1996 and $2 million in 1997. Mr. President, the honey program works just fine.

The proposal to reduce payments under the wool and mohair program will reduce the incomes of 4,000 wool and mohair producers in South Dakota. Grazing on public lands is an essential component to the survival of countless western communities. Bankers in South Dakota have warned that without grazing on public lands, many small towns in western South Dakota are going to go by the wayside.

For South Dakota timber suppliers, farmers and ranchers, the President is offering them economic extinction, not economic stimulus.

Mr. President, in developing a deficit reduction plan, the Government should take a page from the lesson books of small business. Cash flow is often the most critical problem facing the small entrepreneur. When this happens, the small business owners goes to his local banker for help. The business person and the banker have a well established relationship—the bank has already loaned money to the business on a number of occasions.

As a prudent business person himself, the banker tells the business owners that he will lend additional money to the business on one condition: the business owner must demonstrate a willingness to reduce expenses.

The owners must get the business' economic house in order first. Words and promises are not enough. The business owner must produce a firm plan for reforming the business and reducing expenses. Do that, says the banker, and then we can talk about providing you with more money to fix other problems you may have, or to expand into other areas.

Mr. President, the Federal Government is like a business with a severe cash flow problem. Its new CEO, President Clinton, has gone to the bank—the American taxpayers—to ask for an additional loan. Before that loan is given—before new taxes are approved—this Government should get its financial house in order. We should be looking for ways to reform programs, and reduce wasteful spending. Only when we can do no more on that front, should we consider asking the American people to provide more money to this enterprise we call the United States Government.

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

ENERGY TAX COULD SOCK FARMERS, RANCHERS

(By Robert Pore)

South Dakota farmers could be hit hard by a broad-based energy tax that President Bill Clinton is expected to propose tonight in his State of the Union address, spokesmen for the state's two largest farm organizations said Tuesday.

"The big concern first is to see what the president's proposal will be," said Chuck Groth of the South Dakota Farmers Union. "It would be unfortunate if agriculture has to assume a disproportionate burden of any energy tax without some sort of exemption."

Farmers and ranchers now can write off taxes they pay on fuel used in the field. Farmers are exempted from paying taxes at the time of sale for diesel and propane.

President Clinton will speak to a joint session of Congress tonight to outline his economic proposals to reduce the nation's $300 billion budget deficit. Clinton is expected to recommend a tax on the heating content of all types of energy.

Mike Held, administrative director for the South Dakota Farm Bureau, said an energy tax would burden farmers more than other parts of society.

"Agriculture would pay a larger part of the bill with an energy tax," he said. "It would be a double whammy for South Dakota. Because we are a rural state, we drive a lot of miles to get where we are going. Also, because we live in a northern climate, we use a lot of energy in heating our homes."

He said South Dakota is the most agricultural-oriented state in the nation, and that an energy tax would ripple through the entire state economy.

"Agriculture is a very energy-dependent from the fuel, fertilizer and chemicals farmers use to produce their crops to transportation to processing," Held said. "It would also have an inflationary effect as those higher energy costs are passed along to the consumer."

Groth said farmers can't absorb higher energy costs at a time when input costs are up but commodity prices are flat.

"It seems like that for the last 15 years farmers have either been in a recession or depression or teetering on the edge of both" Groth said. "This could have a devastating affect, but we won't know until we see all the details."

He said he believes farmers are sympathetic to reducing the deficit.

"But agriculture has been assuming too much of the pain and sacrifice as this nation continues to pursue a cheap food policy," Groth said.

Held said Farm Bureau research shows that farmers could see their income decline as much as 4 percent if an energy tax raises more than $10 billion.

Groth said farmers can't afford to lose any more income with commodity prices below their cost of production.

"Farmers can't pass along their cost when they sell their commodities, they just have to absorb it" Groth said.

"Energy, whether it's fuel, fertilizer or chemicals, is a large part of those input costs."

PRESIDENT CLINTON'S STATE OF THE UNION ADDRESS

The PRESIDING OFFICER. Under the previous order, the Senator from West Virginia is now recognized.

Mr. ROCKEFELLER. I thank the distinguished Presiding Officer.

Mr. President, for about 25 years I have, to the best of my ability, served the people of my home State of West Virginia as an elected official. I have worked very hard to bring economic development to a rural State. We are not, as in the case of Arkansas, necessarily a wealthy State. I have fought to make health care available and affordable to as many people of my State as possible, for our working families, for our seniors, and for our children. I have battled to ensure a good education for West Virginia's children, to see that their parents obtained the training that they need to hold down a job, to attract new businesses as best as I possibly could, and to put our people to work.

As I moved from the State office to the Senate, I have tried to broaden the battle, fighting for economic growth and health care reform for all Americans and at the same time, ever since I arrived in the Senate, the burden of these battles has grown heavier every single day. The deficit has grown. Two Presidents in a row ignored the needs of working American families. Health care costs spiraled completely out of control while an entire administration claims that there was not anything in the world they could do about it, and, indeed, they did nothing about it. The greatest economic engine in the world, Mr. President, slowed down almost to the point of standstill.

Mr. President, last night we were given the chance to lift that burden. I felt the possibility of renewing the strength and the vitality that we as Americans have when we are at our very best, and that is to unite and to pursue, as Americans—Republicans and Democrats—a common goal. And to be honest, I felt, to paraphrase President

Kennedy, who in a sense influenced me into public office in the first place, that after years of self-absorption, of just a concern about ourselves, and a very short-term vision, we are really finally ready to ask what we can do for our country.

President Clinton has called upon that which is great within all of us, within all of us who are Americans, our patriotism, our commitment to our children and to our future. I hope that we will respond with the same fire and the same commitment that have always marked our Nation's greatest moments.

Far too many years obstructionists and allies of an unfair status quo have stymied the move toward, for example, health care reform, middle-class investment, real deficit reduction, and the development of a competitive dynamic self-sustaining national economy.

Mr. President, those people's days have passed. Those critics do not count anymore. With his speech last night, President Clinton embraced the working families of West Virginia who elected me to this body, and my job is now to work with the President to see that these families receive the benefits the passage of the economic program will bring to them—jobs and training; a chance for their children to earn a college education; and the security of knowing that when they are sick, yes, they will be able to see a doctor.

Mr. President, as a soldier in the battle for health care reform, I hope that all Americans heard the President's passionate and steadfast commitment to changing our course. I had the feeling in fact that he was ad libbing, not reading from the teleprompter, but ad libbing particularly that health care portion of the speech because he felt so strongly about it that the words were not enough for him on the page. He had to reach inside himself and speak out more strongly and he did. It came through so clearly.

No single aspect of the President's package is more important to our economy and to our people than his commitment to reform our health care system. Uncontrolled health care costs will dwarf any efforts that we make to balance the budget, and continue to drive companies out of business and threaten every single family in America with ruin.

I say it is time to slay the beast. But much more important, the President of the United States said last night that it is time to slay that beast.

President Clinton has asked some sacrifice of almost everyone, and there is frustration over the thought of spending more in tough times. But I say this: To older Americans, if you are angry at the idea of doing a little bit more, turn your anger toward those who made this taxation necessary. To the businesses angered at perhaps an energy tax, be angry at those who built the deficits that demand this kind of action. And to working families, battered and neglected for so long, transform whatever frustration you are feeling into an energy that we need to get this program of economic recovery and deficit reduction passed, and take the unfair burden, once and for all, off the shoulders of working Americans.

Much has been made of the President's deficit reduction plan, especially by the people who created this multibillion-dollar drag on our economy. They did it back in the 1980's. Then they pledged to cut taxes by a few dimes a week for middle-class Americans, but forgot to mention the hundreds of billions of dollars in deficits that they were running up year after year after year. Now invoking the needs of that same middle class they have pledged "not a dime's worth" of revenue increases unless the spending is cut. Of course we are still paying for the last dime they saved us, so to speak, in the 1980's.

Where were these defenders of dimes when billions were being spent on missiles without a mission, tax cuts for the very wealthy, for the top 1 percent, and the S&L? Where were they then?

We are not going to be fooled again? None of us are. Their priorities are getting reelected, protecting privilege, and defending their particular special interests, the same special interests who got us into this mess in the first place. Ours are getting the budget balanced—something they have talked about and something that we are going to do—and investing in the middle class who have suffered during this whole process.

The key to the Clinton proposal is not blind slashes of the bureaucracy. But the President knows that cuts must be made and they must start at the top. He has already cut the White House staff by 25 percent and then directed his Cabinet Secretaries to cut administrative costs in the agencies by $9 billion. He has challenged Congress to match his cuts, and I pledge, as one Senator, to meet that challenge.

The President's plan also includes 150 specific budget cuts, some of which are painful, some of which would be hard to make, but all of which are made because he understands and has convinced me among others that a deficit budget is now a real cancer, stopping the great potential of our future in America.

The contributions that working Americans make to economic revitalization, in other words, are not going to be wasted, because we are going to be efficient and prudent about the way we do Government.

Maybe they will say it is the first time a Democrat ever was that way. Maybe it will be. But that is the way President Clinton is, and that is the way he is going to be. Every new dime the President has asked for will pay back $1, or a job, or a healthy child, or a better education. While ineffective and unresponsive programs are cut back, the President has asked us to invest in transportation, to create jobs, and streamline our economy. In environmental cleanup, to make our world better for our children. In energy research, so we never have to go to war for oil like we did very recently. And a massive investment in the technology development policies that will keep us the most competitive, the most creative, the most imaginative, and the best-trained work force on the globe.

The fact is, Mr. President, more Government spending is not better. Less Government spending is not better. Better Government spending is better.

The time for talk has, in the judgment of this junior Senator, entirely passed. The American people demand action. Our President has shown the way. We cannot allow tawdry partisanship or the failed policies of a very different era to zap our resolve. Our work in the coming months will determine how America enters the 21st century with strength.

We can be a proud and competitive Nation again, healthy and free of debt, dedicated to the working people who have made us what we are today. Or, we can be a tottering giant shackled by our obligations, unmet and unfulfilled, and governed for the benefit of the lucky few, which has been the history of the last 12 years.

Mr. President, the speech that I heard last night by the President of the United States is the best political speech that I have ever heard. But much more importantly, it was the best blueprint for the future of America that I have ever heard come out of a politician's mouth, much less a President's mouth.

I have faith in our future because of his leadership. We can and we must in this body work with President Clinton and the American people, and we must keep this country great.

I believe we are going to do that.

I thank the Presiding Officer. I yield the floor.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. Under the previous order, the time now allotted to Senators is available upon recognition, and I recognize the Senator from Arkansas.

Mr. BUMPERS. I thank the Chair.

Mr. President, this afternoon I was listening to the ranking Republican member of the Budget Committee, Senator DOMENICI, and he said something that was very disturbing that I certainly had not heard at that time. He said Leon Panetta, President Clinton's new Director of the Office of Manage-

ment and Budget, had announced this morning that apparently he was off on his projections on how much deficit spending was going to be reduced. We have been told, and the President said in his speech, that this program, if enacted, would save $500 billion.

The Senator from New Mexico said that Mr. Panetta apologized for that, or maybe he just announced, that the correct figure was $325 billion. I immediately began to check this out, and, as best I can find out, the New York Times said the figure did not add up, and they used the $325 billion figure; but it was a 4-year figure, rather than the President's 5-year figure. So the President's figure of $476 billion is still the operative figure. That is how much deficit reduction we are going to have over the next 5 years.

The Senator from New Mexico went on to say that he thought the President's package was a pretty good package, if it were not for the $30 billion stimulus. I must say that the stimulus is a problem for me. But I will tell you the reason I come down on the side of going ahead with the stimulus. No. 1, the President correctly pointed out last evening that even though the economy has been improving, the growth rate has been up, interest rates are down, the economic recovery is not reflected in the unemployment rate. There are still about 8 million to 9 million people in this country who are unemployed.

So you have a phenomenon here that is rather rare, unique, and different than in the past recessions. You have a recovery that looks like it is on its way, but it is not reflected in putting people back to work. So the President said last night: "Let us have a recovery that will put America back to work." And everybody in the Chamber sprang to their feet and applauded. Then he said the way to do this is to do the stimulus program. The Senator from New Mexico says that is not needed, and why should we do it? I say we need it because we need to get the unemployment rate well below 7.1 percent, and you cannot do it in this recovery without a stimulus.

No. 2, when the Defense Department comes out with its new spending cuts, it is going to mean a lot of lost jobs. What we need to do, then, is to go ahead with the stimulus, start building highways, start building more airports, all of those things we know we have to do, and create jobs, so that when the defense industry starts laying off, we have something in place to help. Southern California, incidentally, has lost 800,000 jobs in the last 2 years, defense related jobs, and they are going to lose a lot more. So let us start getting people back to work to cushion what we know is to come—more dislocation because of Defense cuts.

If we do not do that, if you do not have a stimulus, and you cut the kind of figures the President is saying we should cut, you are going to have a lot of unemployment, and the unemployment rate is likely to go well above 7.1 percent, and the recovery is over. I think it is very dangerous not to do the stimulus.

Finally, Mr. President, the people of this country elected Bill Clinton President, and he told them repeatedly that is what he was going to do. Now the press criticizes him because he has broken promises. Here is one he wants to keep, and they want to criticize him for that. It is tough to be President and keep everybody happy. He is doing precisely what he said he would do, and I intend to help him with that.

He also said something else last night. He said two "somethings" that were very important to me. For 12 long years—and you can put any kind of a twist you want to on it—we were told that we Democrats were the "taxers and spenders," and all the time we were being told we were the taxers and spenders, they were borrowing and spending. Which do you think is worse, going out into the markets and going further in debt, borrowing from the future, borrowing from our children and grandchildren, in order to satisfy ourselves now, and at every whim and caprice, stand up and rhetorically, day after day after day, pretend that somehow we can keep doing it?

Mr. President, the proof is in the pudding. The day Ronald Reagan held up his hand and said "I will," the debt was $980 billion. Today, it is over $4 trillion, quadrupling in 12 years. As I said earlier, it was the most profligate, irresponsible economic policy in the history of the world. You are looking at a Senator that did not vote for any of it. I want that put on my epitaph. A country lawyer from Charleston, AR, had enough horseback common sense to know that you could not cut taxes by $2.5 trillion over a 12-year period, squander an additional $1 trillion on defense, and balance the budget. When you look back on it, you think about it, the sheer craziness, the zaniness of such a proposal, but it swept across this body and so here we are—what to do.

So the President said last night, "Those of you who disagree with this or who want to cut more, be my guest. You just tell me where you want to cut." Chairman ROSTENKOWSKI of the Ways and Means Committee in the House said to the Republicans, "If you want more cuts, send them to me. We will have hearings on them. We will hear you out." And that is what the President said last night. If you want to cut more, do like I have, be specific and send me your cuts; send them to your floor and to the chairmen of your committees and consider them.

I am going to tell you something. If there is anything about this program I do not like, it is that it does not cut enough. There are some things I am going to have a terrible time cutting, but there are a lot of things that are not in there I want to cut.

Last year, Senator SASSER and I stood on this floor until we both almost collapsed, saying to our colleagues: Here is the chance to save $250 billion over the next 35 years on programs that have absolutely no economic or socially redeeming value, and no military value. Yesterday morning, I got on the elevator, and one of my good Republican friends—and they are all my friends, I like to believe—one had a button on that said, "it's spending, stupid." A take off on "it's the economy, stupid." I took one and put it in my pocket. I like to keep souvenirs like that. I certainly did not keep it because I thought it made that much sense.

But I can tell you I agree with my Republican colleagues on spending cuts. I would like to think they are serious when they say you can do this with spending cuts. I am going to help them, and I hope they will help me. But they are going to have to improve, because they did not help last year. They are going to have to rethink their positions if they are really serious about spending cuts, because I will tell you what happened last year. I was specific last year, and I intend to be specific again this year.

Last night, I started off trying to torpedo the superconducting super collider down in Texas. Like all projects around here, it started at $4 billion. Everything starts at $4 billion. The first thing you know, it is up to $5.9. The next thing you know, it is up to $8.2, and every time you pick up the paper, you see where the cost overruns are out of sight. It is the biggest slab of pork ever invented, next to the space station.

The super collider is designed to determine the origin of matter. I am not a physicist. I would not know it if I found it. Senator BYRD says you can find it in First Genesis. If that is true, we ought not to spend $20 billion over the next 25 years.

You know if I were a physicist, I would be curious about the origin of matter and I would want to know the origin of matter. But I am not a physicist so I am not that curious. But I tell you something else, Mr. President, you know why I do not have a condominium in Aspen is because I cannot afford it. I might like one, but I cannot afford it. I do not have an oceanfront home in Florida because I cannot afford it. And the U.S. Government has no business embarking on a program like that that is going to cost $20 billion over the next 35 years because we cannot afford it.

But my Republican colleagues after I show them should join me now and let us torpedo this super collider and let us be serious about cuts. You can save

over $500 million this year, in 1993. The total direct savings over the life of that project is $22 billion. Add interest at 4½ percent for 35 years, and the reason I use 4½ percent is because the figure ought to be 7½ percent but I am taking inflation off. The real interest rate is 4½ percent. You add that and that will give the U.S. Senate an opportunity over the next 35 years to save $41 billion.

You know why I lost? Jobs. Louisiana, Texas, they all say it is going to cost a lot of jobs in my State and there is the vote. I lost. Senator SASSER and I lost 62 to 31.

But, Mr. President, that was our high watermark on Republican votes. How many Republican votes do you think we got to save $41 billion? There it is, eight. Eight Republican votes. That was on August 3.

September 9, after we came back from recess, we take after the space station, Senator SASSER and I, and we said to this entire body you can save $1.6 billion and terminate it, have enough to terminate the cost and still save $607 million in 1993 alone and over the life of the project, 35 years, direct savings of $111 billion and when you add interest, $275 billion.

This figure is a very conservative estimate. A lot of people say that figure ought to be $200 billion, and if it is, this one probably ought to be over $400 billion. So we said to you Republicans who want to save money you want to cut. We "ain't" talking about $500,000 to restore Lawrence Welk's home; we are talking about real money.

We improved a little bit. We only got beat 63 to 34 on that one and from the Republicans we got 4 votes, 4 Republican votes from the fiscal conservatives who want to cut.

So then, Mr. President, we turned to SDI, Strategic Defense Initiative, to protect us against the Soviet Union which does not exist anymore. The President had asked for $5.4 billion; the committee came out with $4.3 billion. Senator SASSER and I wanted to cut a billion off that and let it go to $3.3 billion and save a billion dollars. And we debated that for a day or two and, lo and behold, Senator NUNN moved to table our amendment. And guess what? It was not tabled. I never saw so many shocked people in my life.

I assumed when Senator NUNN moved to table, it was all over. But you know the Senate had a sudden spate of sanity. I have not seen the Senate break out with sanity many times, but it did on August 7, and we won 49 to 43. Not only did we only get five Republican votes, the leader put in a quorum call and virtually held the quorum call until we went on recess in August and they could twist arms out of their sockets out of the 30-day period. They did and when we came back here guess what? We lost 48 to 50.

There were a lot of sore arms, and a lot of new elbow replacements had to take place after that. And that was with all the big fiscal conservatives and cutters. There it is, Mr. President, five votes. Of the 48 votes Senator SASSER and I got just trying to cut a paltry $1 billion out of SDI, we got five Republican votes.

So this time it was all over. We lost 50 to 48. And we ultimately were able to save $500 million on it. The figure turned up to $3.8 billion for 10 days of hard work by Senator SASSER and me. We cut the budget $500 million, one-half of $1 billion. And here is what we could have saved, $1 billion this year, $72 billion in direct savings over the life of SDI, $166 billion over a 35-year period. We got five Republican votes.

And, finally, Mr. President, we went after the intelligence budget. Everybody knows what the New York Times and the Washington Post reported the intelligence budget to be. I am not supposed to say anything. I am absolutely convinced the intelligence figures are kept secret so you cannot get up out here and tell the American people the truth about how outrageous it is. But in any event, we tried to save $1 billion—I will not belabor this. We lost. You want to know how many Republicans we got trying to cut $1 billion, and I can tell you it is a paltry sum compared to what the Intelligence Committee saves. I promise you CNN will give you free today what we have been spending many billions for. But nobody wants to cut even though the Soviet Union does not exist anymore. We said please join us in $1 billion, $1 billion savings on the intelligence. No, they could not do it. We could save $35 billion in direct expenditures over the next 35 years, $81 billion when you compute the interest on it.

Mr. President, by this time we got down to the Trident II missile. It is hard to believe we almost had enough Trident II missiles. The day we debated stopping the production of that missile, we had almost enough warheads for all the warheads we were allowed under the START II Treaty, and they wanted to build more.

I tried, but I was going to get my brains knocked out. They settled for a study. The Pentagon came back with their own study. And what did they say? Exactly what I said on the floor last year. Save $13 billion over 35 years and $45 billion, and here is the proof, Mr. President, about what great budget cutters our friends are on the other side of the aisle.

We had a chance to save $5 billion in 1992, $253 billion over the next 35 years in direct expenditures, and over the next 35 years counting the interest we have to pay, because we had to borrow every dime of it, $608 billion.

And our high watermark was eight Republican votes.

Mr. President, on this one right here on intelligence, where we tried to cut $1 billion on intelligence, you know how many Republican votes we got on that? Zip, zero, not one. So it rings a little below.

So this year, Senator SASSER and I will be back at this desk and that desk right over there. We are going to be offering all these great budget cutters yet another opportunity to prove their mettle.

And finally, Mr. President, the argument is incessantly made in this body: You cannot cut the space station. It costs too many jobs in Maryland and Texas and Louisiana, and you name it. You cannot cut here. It is going to cost jobs.

Do you know how many jobs we create in the space station for each billion dollars we spend? Ten thousand. We have about 25,000 people working and we are paying $2½ billion for it. That is 10,000 people per billion, or $100,000 for each job.

Do you know how much we get when we build highways for a billion dollars? Fifty-thousand jobs; five times as many.

You could cut the space station out, put half of the $2 billion on the deficit, the other billion building highways, and create over twice as many jobs as it is creating right now.

Mr. President, that is my sermonette. That is the reason I intend to support the President on what he is trying to do, because time is running out. We do not have any choices anymore. We may think we do, but we do not.

I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I thank the Chair.

Mr. President, I ask unanimous consent that I be allowed to proceed as if in morning business for a very brief period of time for the purpose of introducing a piece of legislation and then I wish to make some comments on the matter that is before the body.

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

The Senator from Nebraska is recognized.

Mr. EXON. I thank the Chair.

(The remarks of Mr. EXON pertaining to the introduction of S. 412 are located in today's RECORD under "Statements on introduced Bills and Joint Resolutions.")

THE CRISIS THAT CONFRONTS US

Mr. EXON. Mr. President, I have listened to some of the speeches today on the matter of the crisis situation that faces the United States of America today with regard to the correction of the crash course toward total bankruptcy of the United States and all that this great country stands for.

It is not an overstatement to say that last night, in the joint session between the House and the Senate, our new, young, vigorous President alerted, I think for the first time, all of the

country to the critical lack of fiscal discipline that has been rampant in these United States for the last several years, and alerted, probably for the first time, all Americans, or most Americans at least, to the crisis that confronts us.

Mr. President, I just listened with great interest to my good friend and colleague from the State of Arkansas. And the RECORD will show that this Senator was with him on many of the votes that failed. Most of those votes should not have failed because, had we accepted those, we would be at least somewhat further down the road to financial sanity or some type of order that has been lacking for a long, long time.

I heard my friend from Arkansas say that he was one of those that did not vote for the Reagan tax cut package in the early 1980's. I wish that I could make that statement on the floor of the United States Senate tonight, but I cannot. The fact of the matter is that that was early in my time in the U.S. Senate and I cast a vote in support of the President at that time; I must admit, though, with some reservations.

It is clear to me that that vote that was cast, over the objection of a very few people in the Senate, including my learned friend from Arkansas, was the beginning of the absolute fiscal crisis that faces the United States today, so well explained by the President last evening.

That was the time, though, you remember, Mr. President, when President Reagan came into office and—I must say, probably with all good intentions and honesty—promised to balanced the budget of the United States of America in 4 years. Now, many people have forgotten about that, but the fact is that it was made.

I simply say that that first 4 years of the Reagan administration was when we went on this binge of not taxing and spending, but of borrowing and borrowing and borrowing and spending.

I recall the last year of the Jimmy Carter administration—and it came up this morning in the Budget Committee deliberations—when we had before the Budget Committee our former distinguished colleague, now Secretary of the Treasury, and his assistant, Dr. Alice Rivlin. At that time, Dr. Rivlin, I believe, was the Director of the Office of Management and Budget.

I asked her if she remembered, I believe it was, in 1979—she said she thought I was correct—the Budget Committee being called to the White House by the President because it was discovered that the latest projections had indicated that we were going to have the astounding figure of an $80 billion deficit in the budget for that fiscal year.

She said, "Yes, I do remember that very well."

I said, "Wasn't it true at that time that we were under a trillion dollars in the national debt?"

And she said, "That is correct."

Let me deviate for just a moment, if I might, and emphasize something that I think is critically important and that many people of the United States are coming to realize and understand. But I have found that there is a great lack of understanding of the difference between the deficit and the national debt. We throw these big figures around and many Americans, I think, become somewhat confused by the difference between the deficit and the national debt.

As most people now are finally coming to understand—but I want to repeat it once again—the deficit that we hear so much about, that has been hovering at about $300 billion a year, in that area for some time now, is the difference between what we take in and what we expend in a fiscal year. In other words, we have a total budget of the Federal Government of about $1.5 trillion. But we have been taking in, in receipts, about $1.2 trillion. The difference, then, at the end of each fiscal year, is the deficit that we have for allowing expenditures to exceed receipts.

Of course, we have a very happy and ingenious system taking care of that. At the end of each fiscal year we just transfer money to the national debt. Whether it is $80 billion, like we had back in 1979, or the $300 billion, approximately, we had last year and will have again this year, we magically do away with that by transferring it to the national debt. So that each and every year, at the end of the fiscal year and the beginning of the new fiscal year on October 1, we just do away with our terrible spending ways and start all over, clean.

On the first day of the fiscal year, lo and behold, we are in balance for a day. Then the second day it all starts to catch up with us once again.

I only deviated to compare that period in 1979 with today. Jimmy Carter was President of the United States. He was liberally referred to as another one of those tax-and-tax and spend-and-spend Democrats. Some big spender; he had an $80 billion deficit. And the total national debt of the United States was under $1 trillion.

What has been the situation since that time? In the last 12 years, we have never even come close to the meager—I use the term advisedly—$80 billion deficit we had under Jimmy Carter. Our deficit has skyrocketed now to the $300 billion range.

But even more devastating, lest we forget, is the fact that the national debt of the United States—long term, money that is owed—is going to have to be paid back. And the interest on that national debt is eating us alive. It is by far the largest percentage increase in the last few years, and will be in the years immediately to come, the interest that the coupon clippers receive, many of them foreigners—the interest they receive for loaning us money to put over temporarily to another day our wasteful spending habits.

When Jimmy Carter left office it was under $1 trillion. In 12 years, because of our wasteful spending habits we did not tax and tax and spend and spend. We borrowed and borrowed and borrowed and borrowed and borrowed and spent, to the point where we are now not just over the $1 trillion figure, but past that into the $2 trillion figure; and past that into the $3 trillion figure; and past that, now, to over $4 trillion in debt.

The famed budget summit and agreement that was entered into at Andrews Air Force Base last year guaranteed—and I have said this before—that the Federal debt would go over $5 trillion. It was very clear, even when we looked at anybody's proposal, Democrats' or Republicans', that that debt is going to continue to go up as far as we can see into the future, probably to $6 trillion or $7 trillion.

That is why it is critically important that we respond to the outstanding courage that I think it took for our young President to talk to the people on Monday night and outline his programs to the joint session of the Congress last evening. It is time that America wake up, and it is interesting to note that the wake up call that the President gave to the public last night has evidently been well received. We have heard today of two or three different and separate polls that indicate 70 percent of the people polled—and these are reputable polling firms that did these polls, national news organizations—70 percent of the people said they support the President of the United States.

Yet we have the detractors. Last night on my way home, after hearing the President of the United States, I was skating across the dial and I came upon one of these hate talk shows. I was absolutely astonished to hear this hate peddler telling about how this President is ruining America. This President is selling America down the river. This President is a very dangerous man. And he, this learned talk show host, said: I am starting tonight a movement to impeach—impeach—the President of the United States, basically for what he told the people last night.

Yet, this morning we found out, according to the polls, that 70 percent of the people thought the President was saying the right thing. I think it is time we try to place not only our fiscal house in order, Mr. President, but I think it is time we place our passion, our illogical statements, and some of the rabble rousers that have prominent, well paid positions today, in proper perspective as only people who are speaking one person's opinion.

With regard to what has gone on on the floor of the Senate today, and some of the statements that were made in the Budget Committee this morning, I would simply say that I salute the President for what he has done. He has sent the wake up call.

Mr. President, this Senator is not totally happy with all of the proposals that were made by the President last evening. I am not totally sold on all of the tax increases. In am not totally sold on all of the budget cuts. I am not totally sold on the package that is generally referred to as the $30 billion package to stimulate the economy.

But that is what our Government is all about. I, for one, will not give a blank check to the President of the United States on this or any other matter. The House and the Senate will work their will. There will be some changes made in the President's program, I am sure. And if I were called to vote tonight up or down on the President's package, without any amendment, I doubt very much if I would vote to support it.

Yet, on the other hand, I am here to say the President has laid out a plan, a specific plan, a plan with a lot of pain, a plan that most of us thought would cause great political pain if it went through.

I am concerned, since I have had some experience in budget matters. As Governor of my State of Nebraska for 8 years, I balanced the budget of that State each and every year for 8 years—because I wanted to. But even more importantly, maybe, was the factor that I knew that the Constitution said I had to, as Governor of the State of Nebraska.

I have been here, and I have been amazed at what has happened over the years. I said earlier that one of the great mistakes that I made was that first big vote, in voting for the Reagan tax-cut package that put us on this road to ruin as far as sound fiscal policies were concerned.

So I was part of that, and I take that responsibility. On the other hand, Mr. President, I have never voted for—I have never voted for—an increase in the debt ceiling when it went above $1 trillion. And I do not intend to vote for further borrowings or further increase in the debt ceiling unless I can become convinced that we have agreed upon a plan that will get us on a glide path to a balanced budget. I will not vote for a debt ceiling increase.

One of the problems that I think we have had, especially these last 12 years, in going from under $1 trillion to $4 trillion in national debt was in the end we always found it most convenient of all, after the failure of Gramm-Rudman, Gramm-Rudman 2, son of Gramm-Rudman, the famed budget summit at Andrews Air Force Base last year where the President, then President Bush, went back on his read my lips tax pledge, all of those have been well-intentioned and well-meaning. But, Mr. President, I want to say that I did not vote for any of them because I was convinced that despite their good intentions, despite the fact they were going to be enforced by caps, they were going to be enforced by sequesters, we were going to face the bullet. We never faced the bullet. In the end for one reason or another, we never met the bogy or the goal that was outlined.

If there is one shortcoming that I see as a possibility in the President's new plan, it is the fact that without a better enforcement mechanism that is currently outlined, we could find ourselves right back in the soup once again. In this case the best laid plans put forward forthrightly by a new President would fall by the way side.

I have been very much disturbed by the talk in the Budget Committee this morning and the talk from the floor today about why do we not cut the budget more? I would like to cut the budget more. I think that is a great idea, but as Senator BUMPERS so well said, and others probably said it today that I have not heard, those people who are saying cut the budget, cut the budget, cut the budget, the new President of the United States has outlined specifically where he would cut the budget and he has taken the political heat and will take the political heat as a result thereof.

So I simply say that those who criticize his plan and want to cut more, if they are sincere, have an obligation to not just give a Chamber of Commerce speech, or a Rotary speech about cutting the budget. I think they have a responsibility to come forth and say, "and here is where we would cut." But I have not heard that today from that side of the aisle. I heard Senator BUMPERS on this side of the aisle come forth with a plan for cutting the budget, most of which I have supported in the past.

I simply say and hope that the message that the President said last night I am afraid has been fractured by the debate and statements that I have heard today that let us stop looking backward, let us look to the future, let us stop trying to find fault and recognize that whose ever fault it was—and it was everybody's fault to some extent—this is the time to get together for a workable plan.

So I will be working with the President, with my colleagues on that side of the aisle and on this side of the aisle to take the President's plan as a framework, to make some changes that we will make in it, I believe, in our deliberations, including hearings. I am on the Budget Committee and I will have some input there.

I simply say that I wish that everybody who had talked for or against this plan today would have come out forthrightly and said what I firmly believe: At least we owe a debt of gratitude that we have an elected President today who has told the American people the truth, the whole truth, and nothing but the truth, and that is something new. I am not saying maybe everything he proposes is right, but because of that action, maybe—just maybe, Mr. President—we will have a coming together in the U.S. Senate and in the House of Representatives to come up with a plan that would do what President Clinton said we should do and to what extent and how far we should go in that particular area. The crisis is here. We should salute the President for bringing it to our attention.

Mr. President, I yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER (Mr. EXON). The Senator from South Dakota is recognized.

IT IS TIME TO STEP UP TO THE PLATE

Mr. DASCHLE. Mr. President, let me commend the Senator from Nebraska for his comments just stated. Given his long experience in the Senate, he speaks with a good deal of credibility on the many budget questions he so eloquently addressed tonight. I appreciate his contribution and his colloquy this evening, as I do the participation of so many of our colleagues who have come forth all day long and contributed to what I think has been a very successful discussion of the intent and the determination expressed so well by the President last night.

I think it is fair to say that all our Democratic colleagues share the enthusiasm, the determination, the idealism and the great fervor that the President so eloquently expressed last night. In talking with my colleagues today and last night, I was amazed at the number of people who concluded, as I did, that it was perhaps the single best speech given by a President to a joint session of Congress in the time we have been here. I certainly felt that way. I felt that way for two reasons: First, for what it asked and, second, for the courage it showed. His message was clear and straightforward: It is time to step up to the plate. That is what the President said last night. He reminded us that this is a defining moment, and how we respond, all of us—Republicans and Democrats, the Congress, the executive branch—how we address the problems that he laid out last night will chart our greatness or our decline in the next generation.

I am pleased, as the Senator from Nebraska pointed out, with the overnight reaction of the American people. I am pleased, frankly, but not really surprised. The American people said all along, last year and during the beginning of this year, that they want the truth. They do not want to be told what we think they want to hear. They do not want to be lied to. They do not want politics as usual. Last night they

got what they have been asking for. They got the truth, warts and all.

Bill Clinton did not just ask us to get into the batter's box and swing at some very tough pitches by ourselves. What he said last night is that he will be there, too. He got into the batter's box himself last night, big time. He used honest numbers for the first time in a dozen years. He did not assume our economy will grow like magic, as has been assumed for so long now. He did not give us a bunch of baloney about eating our cake and having it, too. He used conservative, almost pessimistic, projections about our economy. And he made his budget come out anyway.

He did not lie. He put spending cuts and tax increases that he was asking for right out there, up front, for everybody to see. He even asked us, the privileged ones inside the beltway, to cut our spending, too—100,000 fewer Government jobs, cuts in the way we do business here in the Congress, and pain for Government employees as we freeze their pay.

The President challenged us to hit three of the toughest pitches there are. But they are the ones that matter the most to our American future. We recognize that. Privately, we know what he was telling us last night is the truth. Privately, we acknowledge that these are very tough choices. But those are the tough pitches.

The first tough pitch is to reduce the deficit, to really reduce the deficit with spending cuts and fair taxes. We have been told now for the last 12 years that all we have to do is use discretionary spending reductions alone as a method by which to reduce the deficit. Well, the Senator from Nebraska laid it out very well. Using that technique, we started with $800 billion in 1979, and now in 1993 we are at over $4 trillion.

The President proposes a tax of 36 percent on people in the highest income bracket—less than 2 percent of all taxpayers. I recall so vividly President Reagan in 1981 making a similar proposed tax on the highest income brackets. His was not 36 percent; it was 35.

And the President said last night that he was going to take the advice of many experts in the tax and energy fields in coming forth with a new proposal, a Btu tax, a tax which, as you analyze it, may be the most fair of all the energy consumption taxes to be considered, a tax which amounts to about $10 to $15 for families with incomes of less than $40,000 a year.

Perhaps most dramatically of all, the President came forth last night with cuts or the elimination of Federal spending in 150 programs. That is not easy, and that is the honest, real pain that we have needed for so long.

Second, the President reminded us of the urgency of thinking about tomorrow, of investing in tomorrow, investing in our people first and foremost, with the Women, Infants, and Children Program, with Head Start, with education, with health care, recognizing if our people are not doing well, our economy and our country cannot do well. He proposed last night that we invest again in our businesses, in new tax tools and capital gains reductions, and in the investment tax credit. And he proposed that we invest in infrastructure.

The third pitch was to put people back to work, not just with any jobs—slaves have jobs—but with good jobs, jobs with honor and jobs with dignity, jobs with meaning, jobs that allow the American people to hold their head high and proclaim honestly their belief in their future and that of their children.

These are tough pitches, Mr. President. We know that. If they were easy, the President's predecessors would have come up with them over the last 12 years, but they did not. And the alternative, as he said so well last night—to do nothing—is even tougher. To do nothing would leave us with debt out of control, a $600 billion deficit by 1997, a second-rate economy, and the loss of all trust in the Government for perhaps a generation. No one should be misled about the consequences of failure, not just for the economy, not just for the deficit, but for the institution of Government itself.

I know we hate to admit it; as we talk among ourselves, we recognize the difficulty of facing reality when it comes to the low perception that people have of Government today. We lament it; we worry about it; and sometimes we even blame others for it.

But the time for excuses is over. The Nation now needs action. We have a President willing to lead the charge, to step into the batter's box. He is asking us to join that team. The tough choices are there, and some of us might rightfully ask: Are the tough choices bad politics? Well, maybe. But tough choices are good government, and I have always felt that good government is good politics.

For most of 200 years, in the best of American history, at that time when our country needed it the most, during the Civil War, during World War I, during the Great Depression, during World War II, during civil rights unrest, our leaders challenged the American people to think of their future, to think of us as a country, not just as individuals, to think of we, not me. When we did so, when our leaders convinced us to do that during those difficult times, our country moved forward, making it much better for those who followed.

This is our time. Will it be we or me? Let us hope the answer to that question is clear. With leadership, with the courage that the President showed last night, we can succeed. We can look back on this time as a shining moment in American history when we did what was right, when we responded to the call as only we can.

EXECUTIVE SESSION

DEPARTMENT OF EDUCATION

Mr. DASCHLE. I ask unanimous consent that the Senate proceed to executive session to consider the following nomination reported today by the Committee on Labor and Human Resources; that the Senate proceed to the immediate consideration of Madeleine Kunin, to be Deputy Secretary of Education.

I further ask unanimous consent that the nominee be confirmed; that any statements appear in the RECORD as if read; that the 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 PRESIDING OFFICER. Without objection, it is so ordered.

The nomination was considered and confirmed.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

MEASURE PLACED ON CALENDAR

Mr. DASCHLE. I ask unanimous consent that H.R. 750, an act to temporarily extend the Export Administration Act, received from the House be placed on the calendar.

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

STATEMENT ON THE NOMINATION OF BEVERLY BYRON

Ms. MIKULSKI. Mr. President, I would like to rise today to support the nomination of Beverly Byron to the Defense Base Closure and Realignment Commission. I, as well as other Members of the Senate, can readily attest to her many fine personal and professional qualities. I have known Beverly over the years from our service with Maryland's congressional delegation, and can think of no one better qualified than her for her new responsibilities. I can strongly attest to her dedication, impeccable record of public service, fairness, sound judgment, and compassion. As a past Chair of the House Armed Services Subcommittee on Military Personnel and Compensation she has been on the cutting edge, dealing with the tough issues that face our military and that impact on the decisions of base closure.

Those of us who call her friend realize the challenges that face Beverly as a Commission member. However, we

also know that the Commission is getting our very best at a time when our country needs her the most. I can say with pride that Beverly Byron will get the job done with fairness and dedication.

TRIBUTE TO BILL WISECARVER

Mr. DOLE. Mr. President, I rise to thank Bill Wisecarver of my staff for his over 3 years of loyal and dedicated service to me and to the U.S. Senate. During his tenure, a lot has happened in the world, and some would say that Bill has had pretty good seats. The Berlin Wall, long the symbol of slavery and oppression collapsed before our eyes. The people of Eastern Europe and the old Soviet Union took their first long awaited breaths of freedom. Saddam Hussein rose to seize the worlds oil supplies and brutalized the tiny emirate to the south. America took to arms and dramatically crushed the vaunted republican guard freeing Kuwait. Coups and historic arms control agreements, dramatic shifts in the balance of power, peaceful transitions and bloody conflict. It has been an interesting time. And through it all, Bill has not been a spectator. He has been an active participant.

Every veterans group in America knows Bill Wisecarver as a friend. He has served the veterans community with compassion and understanding. A 10-year veteran of active duty in the Marine Corps himself, Bill understands the needs of our military personnel and has served them well. And through it all, Bill completed his studies at Georgetown Law School, and passed the bar last summer. Bill could give moonlighting a good name.

Like many of my colleagues in the Senate, I have relied on his good counsel, his tireless research, and his unyielding commitment to the causes of justice and freedom. Bill Wisecarver has earned the respect of everyone who has had the privilege of working with him. He is, in every sense, a patriot.

I am pleased to note, that Bill is not lost to the Senate. As he takes his new post, as minority counsel for the Senate Armed Services Committee, I wish him all the best—and I look forward to working with him in his new position. For now, though, let me say thank you Bill, and well done.

COMMENDING HEIDI HIXON

Mr. DOLE. Mr. President, I want to taken this opportunity to thank Heidi Hixon of my staff for her outstanding service to me, and to the U.S. Senate.

Heidi is departing my office to assist Congressman PAT ROBERTS of Kansas with the Rural Health Care Coalition he is organizing in the House. She will be deeply missed, but this is important work that will make a real difference to the people of Kansas and rural communities all across America.

Heidi is a team player. She has a special enthusiasm and deep commitment to public service. Congressman ROBERTS and the Rural Health Care Coalition will be well served by the good work I know Heidi will do. Wakeeny, KS has sent Washington a very special person. I wish Heidi all the best in her new position, and I thank her for her loyal service to me, to Kansas, and to the Senate.

SALUTE TO JIM McMILLAN

Mr. DOLE. Mr. President, I have often joked that my wife and I are the only two lawyers in Washington, DC that trust each other. I want to amend that statement today by adding the name of Jim McMillan to the list of lawyers I trust.

Jim has served as my legal counsel for the past 3 years, and he is returning next week to private practice.

A graduate of Harvard Law School, Jim provided me—and many other Republican Senators—with guidance on a wide variety of issues, including parental leave, banking, extension of unemployment benefits, striker replacement, job training, and ethics.

Many of these issues were time sensitive ones that have been on the front lines of public debate throughout Jim's tenure, meaning lots of late nights and hard work. I am just glad that Jim was not charging by the hour.

I am especially grateful for Jim's work in exposing Lawrence Walsh's Iran-Contra investigation for the politically motivated travesty of justice and monumental waste of tax dollars it truly is.

I would venture to say that Mr. Walsh has not accomplished as much in 6 years as Jim usually does in 1 week.

Mr. President, my entire staff joins with me in wishing Jim luck, and in thanking him for 3 outstanding years of public service.

IMPLEMENTATION OF THE STRATEGIC ARMS REDUCTION TREATY II

Mr. DASCHLE. Mr. President, when the Senate considered the Strategic Arms Reduction Treaty [START] late last year, I argued that its ratification was paramount to future arms control efforts including the joint understanding signed by former President George Bush and Russian President Boris Yeltsin on June 17, 1992. In a statement on September 30, 1992, I commended former President Bush and President Yeltsin for reaching this initial agreement that laid the groundwork for START II.

On January 17, 1993, former President Bush and President Yeltsin achieved yet another notable success by signing START II. The concessions they each made in order to sign the treaty in the last days of the Bush administration is a testament to their dedication to reducing the nuclear threat. Again, I would like to take this opportunity to offer my sincere congratulations to them.

The agreement reached calls for the United States and Russia to reduce their strategic nuclear weapons by roughly two-thirds. Specifically, START II would limit each side to a level of 3,000 to 3,500 by the year 2003 or possibly by the end of the decade. The treaty also rolls back another controversial milestone in the nuclear arms race by eliminating all multiple-warhead—MIRV'd—land-based missiles that are considered to be the most dangerous and most destabilizing nuclear weapons. Under the agreement, Russia is required to destroy all of its large 10-warhead SS–18 missiles, and the United States must dismantle or modify its 10-warhead MX missiles.

In my earlier statement, I urged the administration to implement the nuclear reductions outlined in the joint understanding on an accelerated time schedule. As I mentioned then, the destruction and bloodshed that have plagued Yugoslavia unfortunately prove that regional conflicts can erupt anywhere in the world, and the instability that exists in some of the former Soviet republics has the potential to develop into similar destructiveness. As a result, time is still of the essence with respect to reducing nuclear weapons.

Ivo Daalder, director of the Project on Rethinking Arms Control at the University of Maryland's Center for International and Security Studies, also recommends that the United States move swiftly to implement START II. In an editorial that appeared in the Washington Post on January 27, Daalder suggests that the administration reduce our forces to START II levels by the end of 1993. Mr. Daalder urges the Clinton administration to "take some 3,600 warheads off land- and sea-based missiles, converting up to 100 bombers to perform conventional missions only and removing all MX missiles from their silos." Although Mr. Daalder suggests that President Clinton should consider taking these steps unilaterally, I would emphasize his point that it is necessary for President Clinton to work with President Yeltsin to achieve Russian reductions during the same timeframe.

I realize that it would be difficult for the United States and Russia to reduce their forces to START II levels by the end of 1993. Nonetheless, I believe that Mr. Daalder's proposal to implement START II on an accelerated time schedule merits consideration. Under his proposal, the United States could save countless defense dollars otherwise required to keep these nuclear forces active for another decade. Perhaps more importantly, such a move by the United States would likely

strengthen President Yeltsin's ability to get START II approved by the Russian parliament. Finally, this action would provide the United States and Russia with the opportunity to proceed rapidly to additional arms control efforts. It is essential to the security interests of the United States, Russia, and the world community that we implement the nuclear reductions outlined in START II so we can concentrate on the next step toward eliminating the nuclear threat that confronts us all.

Mr. President, I ask that the aforementioned article by Mr. Ivo Daalder be printed at the close of these remarks and commend this article to my colleagues' attention.

The article follows:

[From the Washington Post, Jan. 27, 1993]

SETTING A START II EXAMPLE

(By Ivo H. Daalder)

It used to be that negotiating arms control agreements with the Soviet Union was the hard part. Once an agreement was reached, it was sure to be ratified and implemented. But one of the inevitable consequences of the recent changes in Russia is that neither ratification nor implementation of the just-completed START II treaty can be ensured. It will be up to President Clinton to help Boris Yeltsin save the treaty.

Ever since Presidents Bush and Yeltsin agreed to the basic framework of START II in June 1992, the agreement has been in troubled Moscow. Opposition to the agreement has centered on the requirement for large-scale reductions in Russia's land-based missiles, including the elimination of the large SS-18 missiles, which have been the backbone of its strategic arsenal.

During the final days of negotiation, the Bush administration made significant concessions to help Yeltsin in countering his hard-line opposition. The United States agreed to allow Russia to convert rather than destroy 90 SS-18 silos for use of the smaller SS-25 missile. Moscow will also be permitted to retain 105 SS-19 missiles by removing five of their six warheads. Most significant, the United States acceded to Russia's request to inspect American B-2 bombers, a right Washington had successfully denied the Soviet Union in earlier START negotiations.

These American concessions were sufficient to clinch the deal Bush and Yeltsin signed in Moscow Jan. 3. The question remains whether they are also sufficient to persuade the sizable political opposition in the Russian parliament to vote in favor of the treaty's ratification.

The Clinton administration can help Yeltsin by moving swiftly to implement the START II treaty. Specifically, Clinton should announce that the United States will reduce its forces to START II levels by taking some 3,600 warheads off land- and sea-based missiles, converting up to 100 strategic bombers to perform conventional missions only and removing all MX missiles from their silos.

These steps could be achieved within a year, so that by the end of 1993 only the 3,500 warheads allowed under START II would remain deployed. In addition, the United States should declare its intention to destroy all warheads and missiles removed from service and invite Russia to verify this commitment through co-site inspections.

While making clear that the United States will undertake these steps unilaterally and unconditionally, Clinton should urge Yeltsin to match the initiative within the same time frame.

A unilateral initiative along these lines offers many gains at little cost. As Gen. Colin Powell told Congress last July, "With a U.S. force structure of about 3,500 weapons, we have the capability to deter any actor in the other capital no matter what he has at his disposal." This being the case, the United States can safely go down to START II levels even if Russia does not immediately follow suit.

But Yeltsin is likely to reciprocate. In moving unilaterally, the United States would clearly demonstrate that it is not trying to exploit Russian weaknesses but merely to reduce the nuclear danger common to all. The forces of reform would be strengthened, nullifying the suspicions of the old guard and arguments in favor of the status quo.

A Russian commitment to match this initiative would ensure that START II reductions were fully implemented within a year and that those weapons withdrawn from service would in fact be destroyed. An agreement to verify these steps through reciprocal on-site inspections would reassure both sides that commitments were being implemented.

The time to implement START II is now. The United States can lead the way with bold and decisive action. This would provide Yeltsin with the incentive he needs to counter his hard-line opposition, thus ensuring not just the ratification but the full implementation of this historic agreement.

A VISION OF CHANGE FOR AMERICA—MESSAGE FROM THE PRESIDENT—PM 5

The PRESIDING OFFICER laid before the Senate the following message with accompanying report from the President of the United States; pursuant to the order of August 4, 1977, referred jointly to the Committee on the Budget and the Committee on Governmental Affairs.

To the Congress of the United States:

To accompany my address to the Joint Session of the Congress, I am submitting this report, entitled *A Vision of Change for America*. This report describes the comprehensive economic plan I am proposing for the Nation.

I am asking you to join with the American people in their call for change. My vision is one of fundamental change—to invest in people, to reward hard work and restore fairness, and to recognize our families and communities as the cornerstones of America's strength.

For more than a decade, our government has been caught in the grip of the failed policy of trickle-down economics. While the rich get richer, middle-class Americans pay more taxes to their government and get less in return. My plan will put an end to government that benefits the privileged few and mark the beginning of an economic strategy that puts people first.

My plan has three key elements: economic stimulus to create jobs now while laying the foundation for long-term economic growth; long-term public investments to increase the productivity of our people and businesses; and a serious, fair, and balanced deficit-reduction plan to stop the government from draining the private investments that generate jobs and increase incomes.

The change will not be easy, but the cost of not changing is far greater. We must ensure that our children's generation is not the first to do worse than their parents. We must restore the American dream.

We have already heard the clamor of the powerful special interests who oppose change because they profit from the status quo. But the American people have demanded change, and it is our responsibility to answer their call. With that in mind, I ask for your help and support to restore our economy and give our people hope.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 17, 1993.*

MESSAGE FROM THE HOUSE

ENROLLED JOINT RESOLUTION SIGNED

At 4:41 p.m., a message from the House of Representatives, delivered by Mr. Hayes, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.J.Res. 101. A joint resolution to designate February 21 through February 27, 1993, as "National FFA Organization Awareness Week."

MEASURES PLACED ON THE CALENDAR

The following bill, received yesterday from the House of Representatives for concurrence, was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 750. An act to extend the Export Administration Act of 1979 and to authorize appropriations under the Act for fiscal years 1993 and 1994.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FORD, from the Committee on Rules and Administration, without amendment:

S. Res. 71. An original resolution authorizing financial expenditures by the committees of the Senate (Rept. No. 103-5).

S. Res. 72. An original resolution to authorize the printing of a collection of the rules of the committees of the Senate.

EXECUTIVE REPORTS OF COMMITTEE

The following executive report of committee was submitted:

By Mr. KENNEDY, from the Committee on Labor and Human Resources:

Madeleine Kunin, of Vermont, to be Deputy Secretary of Education.

(The above nomination was reported with the recommendation that the nomination be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

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. GORTON:

S. 386. A bill to authorize a certificate of documentation for the vessel *Pandacea*; to the Committee on Commerce, Science, and Transportation.

By Mr. HATFIELD:

S. 387. A bill to amend title 35, United States Code, to impose a 2-year moratorium on the patenting of certain human tissues and organs, on human gene cells and on animal organisms, in order to provide time for Congress to fully assess, consider and respond to the economic, environmental and ethical issues raised by the patenting of such entities, and for other purposes; to the Committee on the Judiciary.

By Mr. HATCH:

S. 388. A bill to protect individuals engaged in a lawful hunt on Federal lands, to establish an administrative civil penalty for persons who intentionally obstruct, impede, or interfere with the conduct of a lawful hunt, and for other purposes; to the Committee on Environment and Public Works.

By Mr. DASCHLE:

S. 389. A bill to amend the Solid Waste Disposal Act to regulate above-ground storage tanks used to store regulated substances, and for other purposes; to the Committee on Environment and Public Works.

By Mr. MACK:

S. 390. A bill to extend the existing suspension of duty on metal oxide varistors; to the Committee on Finance.

By Mr. McCAIN (for himself and Mr. CAMPBELL):

S. 391. A bill to amend the Internal Revenue Code of 1986 to treat for unemployment compensation purposes Indian tribal governments the same as State or local units of government or as nonprofit organizations; to the Committee on Finance.

By Mr. DURENBERGER:

S. 392. A bill to extend until January 1, 1995, the existing suspension of duty on certain piston engines; to the Committee on Finance.

By Mr. LIEBERMAN:

S. 393. A bill to amend the Internal Revenue Code of 1986 to provide incentives for urban and rural enterprise zones, and for other purposes; to the Committee on Finance.

S. 394. A bill to amend the Internal Revenue Code of 1986 to allow a credit for payments or contributions to certain cooperative research organizations, and for other purposes; to the Committee on Finance.

By Mr. LIEBERMAN (for himself and Mr. PRYOR):

S. 395. A bill to provide for a program for the diversification of the activities of certain Federal laboratories; to the Committee on Armed Services.

By Mr. LIEBERMAN (for himself, Mr. STEVENS, and Mr. DODD):

S. 396. A bill to establish the Small Business Capital Access Program to enhance the availability of financing for small business concerns; to the Committee on Small Business.

By Mr. GRASSLEY:

S. 397. A bill to amend the Harmonized Tariff Schedule of the United States to temporarily suspend the duty on mercuric oxide; to the Committee on Finance.

S. 398. A bill to amend the Harmonized Tariff Schedule of the United States to provide duty-free status for hosiery knitting machines and parts thereof, and for hosiery knitting needles; to the Committee on Finance.

By Mrs. FEINSTEIN:

S. 399. A bill to provide for the conveyance of lands to certain individuals in Butte County, California; to the Committee on Energy and Natural Resources.

By Mr. JEFFORDS (for himself and Mr. CAMPBELL):

S. 400. A bill to amend the Employee Retirement Income Security Act of 1974 to provide for the treatment of settlement agreements reached with the Pension Benefit Guaranty Corporation; to the Committee on Labor and Human Resources.

By Mr. CAMPBELL:

S. 401. A bill to amend title 23, United States Code, to delay the effective date for penalties for States that do not have in effect safety belt motorcycle helmet safety programs, and for other purposes; to the Committee on Environment and Public Works.

By Mr. DURENBERGER (for himself and Mr. THURMOND):

S. 402. A bill to amend the Social Security Act to increase the domestic service wage exclusion, and for other purposes; to the Committee on Finance.

By Mr. BREAUX:

S. 403. A bill to amend the Internal Revenue Code of 1986 to allow a tax credit for fuels produced from offshore deep-water projects; to the Committee on Finance.

By Mr. GLENN (for himself and Ms. MIKULSKI):

S. 404. A bill to amend title VII of the Civil Rights Act of 1964 and the Age Discrimination in Employment Act of 1967 to improve the effectiveness of administrative review of employment discrimination claims made by Federal employees, and for other purposes; to the Committee on Governmental Affairs.

By Mr. LIEBERMAN (for himself and Mr. LAUTENBERG):

S. 405. A bill to create an environmental innovation research program, and for other purposes; to the Committee on Environment and Public Works.

By Mr. WOFFORD:

S. 406. A bill to amend the Harmonized Tariff Schedule of the United States to correct the rate of duty on certain mixtures of caseinate; to the Committee on Finance.

By Mr. BINGAMAN (for himself and Mr. COCHRAN):

S. 407. A bill to create a National Commission on School Finance To Meet the National Education Goals; to the Committee on Governmental Affairs.

By Mr. CHAFEE:

S. 408. A bill to promote small business lending to small business concerns in States in which there is a declining number of federally-insured financial institutions; to the Committee on Small Business.

By Mr. GLENN (for himself and Mr. HATCH):

S. 409. A bill to extend the terms of various patents, and for other purposes; to the Committee on Finance.

By Mr. DASCHLE (for himself, Mr. INOUYE, Mr. McCAIN, Mr. COCHRAN, Mr. SIMON, and Mr. DECONCINI):

S. 410. A bill to establish within the Bureau of Indian Affairs a program to improve the management of rangelands and farmlands and the production of agricultural resources on Indian lands, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. D'AMATO:

S. 411. A bill to freeze domestic discretionary spending for fiscal years 1994 and 1995 at fiscal year 1993 levels; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one Committee reports, the other Committee have thirty days to report or be discharged.

By Mr. EXON (for himself, Mr. KERREY, Mr. PRESSLER, Mrs. KASSEBAUM, Mr. DANFORTH, Mr. HATCH, Mr. DORGAN, Mr. BOND, Mr. PRYOR, Mr. BURNS, Mr. GORTON, Mr. LOTT, and Mr. PACKWOOD):

S. 412. A bill to amend title 49, United States Code, regarding the collection of certain payments for shipments via motor common carriers of property and nonhousehold goods freight forwarders, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. KENNEDY:

S.J. Res. 49. A joint resolution to designate the week of March 28, 1993, through April 3, 1993, as "Distance Learning Week"; 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. FORD:

S. Res. 71. An original resolution authorizing financial expenditures by the committees of the Senate; from the Committee on Rules and Administration; placed on the calendar.

S. Res. 72. An original resolution to authorize the printing of a collection of the rules of the committees of the Senate; from the Committee on Rules and Administration; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GORTON:

S. 386. A bill to authorize a certificate of documentation for the vessel *Pandacea*; to the Committee on Commerce, Science, and Transportation.

DOCUMENTATION FOR THE VESSEL "PANDACEA"

• Mr. GORTON. Mr. President, today I am introducing legislation to provide for the necessary documentation for the vessel *Pandacea*. The *Pandacea* is a 38-foot sailboat—CG #665892. The vessel is owned by Judy and Donald Padgett of Seattle, WA. The vessel was built in 1984 in Taiwan. The first owners were U.S. citizens, as are the Padgetts. The Padgetts have owned the sailboat, a Panda 38, since 1986.

The Padgett's plan to take an offshore cruise that could last several months. They plan to travel along the coast of Mexico and in the Caribbean. As Mr. Padgett possesses a U.S. Coast Guard masters license he would like to

charter the boat to supplement his income while cruising. Mr. Padgett anticipates that his charters would be of short duration intended primarily for sightseeing and occasionally for fishing. As the vessel was constructed in Taiwan, Mr. Padgett needs a Jones Act waiver to obtain coastwise and fisheries privileges.●

By Mr. HATCH:

S. 388. A bill to protect individuals engaged in a lawful hunt on Federal lands, to establish an administrative civil penalty for persons who intentionally obstruct, impede, or interfere with the conduct of a lawful hunt, and for other purposes; to the Committee on Environment and Public Works.

SPORTING HUNTING SAFETY AND PRESERVATION ACT OF 1993

Mr. HATCH. Mr. President, I am pleased to introduce today the Sporting Hunting Safety and Preservation Act of 1993. Sports hunting is a venerable tradition in our country and in my State and provides recreation for millions of our citizens. But, it is more than just a sport; sports hunting, when carried out pursuant to law, is a necessary and beneficial element in the proper conservation and management of healthy, abundant, and biologically diverse wildlife resources.

The bill I am introducing today would make it unlawful to interfere with, or obstruct lawful hunting or fishing on Federal lands. In addition, this bill would permit State agencies with wildlife management jurisdiction, the Justice Department, and private parties to obtain injunctive relief to enjoin obstruction of, or interference with, lawful hunting. Finally, this bill would permit private parties to bring a civil action for damages for obstructing or interfering with a lawful hunt on Federal lands. Persons found guilty of violating its provisions would be subject to civil penalties.

Mr. President, I urge speedy passage of this measure.

By Mr. DASCHLE:

S. 389. A bill to amend the Solid Waste Disposal Act to regulate aboveground storage tanks used to store regulated substances, and for other purposes; to the Committee on Environment and Public Works.

ABOVEGROUND STORAGE TANKS ACT OF 1993

Mr. DASCHLE. Mr. President, I rise to introduce legislation to correct the glaring oversight in Federal law that leaves the environment and the public vulnerable to hazardous substance and petroleum leaks from aboveground storage tanks.

This is the third consecutive Congress I have introduced this legislation, and I anticipate it will be the last. With a new environmentally conscious administration in place and RCRA reauthorization high on the list of Congress' legislative priorities, this is the year I believe we will finally take action to prevent and control aboveground tank spills.

It is not a minute too soon, Mr. President. It is an appalling fact that no single Federal statute, or combination of statutes, adequately addresses the prevention and cleanup of spills from many aboveground storage tanks. The EPA has no authority to protect ground water from spills from these facilities. While the Federal Government has moved to tighten regulation of higher profile tanker spills at sea or in harbors, leaks from aboveground tank farms go largely unnoticed outside the communities affected by them.

It may be difficult to picture dangerous transparent vapors or contaminated ground water. But that does not make such spills any less dangerous to the people who live near them. And no one knows that fact better than the residents of Sioux Falls, SD.

In 1987, a slow leak of at least 20,000 gallons of gasoline from an aboveground storage tank facility in my State's largest city went undetected until the underground water source was completely contaminated and gasoline fumes had infiltrated an elementary school to the point where schoolchildren had to be evacuated. Today, 6 years later, the ground water remains contaminated, the Hayward Elementary School has been torn down, local residents continue to live with the fear that the aquifer below their homes contains gasoline, and, most disturbing of all, there is no national program in place to prevent a similar spill from occuring again.

A proper detection system would have identified this Sioux Falls leak well before it reached the crisis stage. It would have precluded the evacuation and condemnation of the Hayward Elementary School building. It would have prevented any harm to drinking water and the astronomical cost of cleanup.

The Sioux Falls spill is not an isolated incident. There were over 110 known petroleum spills from aboveground storage tanks from 1987 to 1991 in South Dakota alone, and this does not include hazardous substances leaked from tanks or spills from piping. In the absence of comprehensive Federal legislation, my State has forged ahead to develop prevention, detection and cleanup rules, which are currently being implemented. However, effective State regulation remains the exception rather than the rule nationwide.

And make no mistake about it; nationwide, we do have a serious problem with aboveground storage tank leaks.

EPA's rough estimates for known releases during the 3-year period from 1988 to 1990 show an average of 6,000 spills nationally that released an average of 14 million gallons of petroleum or some other regulated substance. In 1991, a General Accounting Office report decried the absence of an effective Federal program to prevent pollution from petroleum facilities. And it has been reported that an EPA official involved in the cleanup of a recent aboveground storage tank spill declared that he could "go to every [tank farm] in the country and find a problem."

It has been demonstrated that the absence of regulation of many aboveground storage tanks has set stage for future disasters waiting to happen. Furthermore, there is no way of knowing how many aboveground storage tank leaks do occur, or what potential leaks lurk ahead, because no comprehensive data collection system for assessing the state of these facilities exists.

Few areas are exempt from this potential threat. I urge my colleagues to examine their own backyards.

In fact, consider a recent incident in our backyard here in Washington. I refer to the spill that occurred in the summer of 1991 just across the Potomac River in Fairfax, VA, when an estimated 250,000 gallons of diesel oil, jet fuel, and gasoline leaked from a tank farm and spread about 1,000 feet. Potential leaks into basements, wells, and streams now threaten the area. Risks of fire and explosions also exist.

While Virginia State law sets penalties on the industry for spills, it has no provision for prevention. State officials have already begun working to fill that gap.

Mr. President, the legislation I am introducing today will establish a comprehensive approach for dealing with the problem of inadequate regulation of aboveground storage tanks. The bill addresses this problem by amending the Solid Waste Disposal Act to establish regulations designed to prevent, detect, control and clean up spills from these facilities. It will not duplicate any existing law. Its emphasis is on the prevention of future spills through the establishment of standards for construction, corrosion protection, compatibility, and integrity of new and rebuilt tanks. These standards will ensure that quality tanks are constructed and maintained properly.

The bill will also require release detection systems, periodic inspections, and secondary containment. These safeguards should prevent leaks such as those that occurred in Sioux Falls and Fairfax.

To address spills that do occur, the bill will authorize the development of corrective action plans, allow for shutting down faulty tanks, and establish financial responsibility for cleanup.

Finally, the bill will establish a notification system to identify existing tanks, tanks not in operation, and future tanks. It will provide us with more accurate aggregate numbers and facilitate monitoring of the tanks.

Each one of us who investigates this problem in our home States will find

that our constituents potentially face enormous problems from leaking aboveground storage tanks. It is time to take action to minimize the potential for future aboveground leaks and give EPA the authority to ensure that cleanup of spills is conducted quickly and correctly.

It is extremely fortunate that, as far as we know, no one in South Dakota became seriously ill from inhaling gasoline fumes or from drinking contaminated water as a result of the 1987 spill. If we fail to act with a sense of urgency, future Americans may not be so fortunate.

It is time we realize that whether a leak comes from underground or aboveground tanks, whether it is released into surface water or into the ground, the effect is equally dangerous and should be managed in an equally conscientious and effective manner. I urge my colleagues to join the effort to prevent the degradation of our environment and the endangerment of our people from aboveground storage tank spills by supporting effective Federal oversight of these facilities.

Finally, I'd like to praise the excellent work of my good friends from Virginia, Senator ROBB and Congressman MORAN. Senator ROBB is an original cosponsor of this legislation, and both he and Congressman MORAN are working very hard on similar legislation that will be introduced in the near future. I look forward to working with these respected legislators and other affected parties to negotiate the final details of the program. If we are successful in enacting a program during this Congress, and I believe we will be, it will be in large part because of Senator ROBB and Congressman MORAN's dedication and legislative skill, as well as the leadership of the able Senate Environment and Public Works Committee Chairman MAX BAUCUS.

Mr. President, I ask unanimous consent that a summary of the legislation I am introducing be printed in the RECORD.

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

ABOVEGROUND STORAGE TANK REGULATION ACT

SEC. 10001. DEFINITIONS AND EXEMPTIONS

The initial section identifies the types of tanks that are regulated and those that are not; the substances to be regulated; and the responsible parties.

SEC. 10002. NOTIFICATION

It will require the reporting of existing tanks; those taken out of operation; and future tanks. It also identifies those who share in the responsibility of reporting.

Each state will develop two inventories—one for petroleum and one for all other regulated substances defined in CERCLA.

SEC. 10003. RELEASE DETECTION, PREVENTION AND CORRECTION REGULATIONS

Promulgation of regulations.—The Administrator will issue regulations that will take effect no later than 30 months after enactment for petroleum tanks and no later than 36 months for other regulated substances.

Distinctions in the Regulations.—The Administrator may distinguish aboveground tanks by type, class, or age. Some of the factors the Administrator may consider in making these distinctions include the following: location of the tanks, soil and climate conditions, age of the tank, current industry recommended practices, national consensus codes, national fire protection codes, water table, size of the tanks, and the compatibility of the regulated substances and the materials of which the tank is fabricated.

Regulation requirements.—The regulations issued will include the following requirements: maintaining a leak detection system; maintaining records of any monitoring or leak detection system; prevention requirements (including certified inspection, secondary containment); reporting or releases; corrective action plan; closure of the tank; and maintaining evidence of financial responsibility.

Financial responsibility.—The requirements for demonstrating financial responsibility include: the methods; those liable; the minimum liability and listing of waivers to that amount; and conditions for suspension of financial responsibility.

Performance Standards.—The Administrator will issue performance standards for new and rebuilt tank standards to take effect no later than 30 months after enactment for petroleum tanks and no later than 36 months for other regulated substances. Interim prohibition is established during the period that is more than 180 days after the date of enactment and before the issuance of the standards. Installation may be considered during this time if the tank meets specific standards.

EPA Response Program.—The EPA or a State approved program will undertake corrective action under specific conditions both before regulations are issued and after. It stipulates how priority order for corrective action will be assigned and the means for recovering cost.

SEC. 10004. STATE PROGRAMS

The Act will allow States to conduct the program if the State includes all requirements and standards of the Federal law and provides adequate enforcement of compliance.

The EPA will provide technical assistance to States to assist in compliance.

States considering this option will undergo a review and approval process.

States have the authority to set standards or requirements that are more stringent than those that are listed.

SEC. 10005. ACCESS TO INFORMATION

The owner or operator of an aboveground storage tank will, upon the request of EPA, State, or designated representative: furnish information relating to tanks, associated equipment and contents; conduct monitoring or testing; or have access for corrective action. This information will be subject to public access with some confidentiality exceptions.

SEC. 10006. FEDERAL ENFORCEMENT

The Administrator can issue an order of compliance and order prohibiting the use or operation of any or all of the facility. Includes the procedures, contents of order and civil penalties associated with such order.

SEC. 10007. FEDERAL FACILITIES

All executive, legislative and judicial branches must follow the requirements of this section.

The President may exempt an aboveground storage tank of a department, agency or instrumentality in the Executive branch from compliance with a requirement if the President determines it to be in the interest of the United States to do so.

SEC. 10008. STUDY OF ABOVEGROUND TANKS

The Administrator will conduct two studies. One will be completed in 12 months and address petroleum. The second will be done within 36 months and address all other aboveground storage tanks. Elements of the study are defined.

A third study is required of the Administrator which addresses farm and heating oil tanks. The elements are different from those of the first two. It will include the number and location of tanks and analysis of potential releases. A report with recommendation of necessity to regulate these tanks will be prepared.

SEC. 10009. AUTHORIZATION OF APPROPRIATION

This Act authorizes the appropriation of such funds necessary to comply with the program.

By Mr. MACK:

S. 390. A bill to extend the existing suspension of duty on metal oxide varistors; to the Committee on Finance.

METAL OXIDE VARISTORS DUTY ACT OF 1993

• Mr. MACK. Mr. President, today I am introducing legislation to extend the duty suspension on metal oxide varistors which was first enacted into law in 1990. This legislation is very similar to S. 2243, which I introduced during the 102d Congress, to continue the duty suspension on this product for an additional 5 years, and to legislation I introduced in 1989 to place a duty suspension on this product.

Prior to 1989, when duties were set under the Tariff Schedules of the United States, metal oxide varistors entered the United States duty free under a tariff heading devoted to diodes, transistors, and other similar semiconductor devices. When the United States converted to the harmonized tariff system in 1989, metal oxide varistors were reclassified under a nonsemiconductor, dutiable heading. Action taken by Congress in 1990 suspended the duty on this product in response to a view by American industry that the reclassification under HTS incorrectly removed metal oxide varistors from the zero duty category accorded other semiconductor devices.

The legislation I am introducing today will extend the duty suspension which has been in place for metal oxide varistors since 1990, and is identical to S. 2243 except that it incorporates a change suggested by the International Trade Commission. This change limits the scope of this legislation to small scale metal oxide varistors weighing less than 2.5 kilograms, a change which will clearly distinguish them from large scale arrestors. This modification will also alleviate any potential concerns of the domestic suppliers of large scale arrestors who have indicated that they face closed foreign markets for their products.

In 1990, and again in 1992, the U.S. Department of Commerce's International Trade Administration had no opposition to congressional passage of this legislation. The Department's position was based upon the fact that no adverse effect on domestic industry from the duty-free treatment of metal oxide varistors was expected, since the products had entered duty-free previously with no adverse effect.

Passage of this legislation is vital to several segments of America's electronics industry since the duty in effect for the past few years expired at the end of 1992. Therefore, I encourage the Committee on Finance to move expeditiously on this measure to minimize the financial disruption likely to result from resumption of the duty.•

By Mr. McCAIN (for himself and Mr. CAMPBELL):

S. 391. A bill to amend the Internal Revenue Code of 1986 to treat for unemployment compensation purposes Indian tribal governments the same as State or local units of government or as nonprofit organizations; to the Committee on Finance.

INDIAN TRIBAL GOVERNMENT UNEMPLOYMENT COMPENSATION ACT AMENDMENTS OF 1993

• Mr. McCAIN. Mr. President, I rise today on behalf of myself and Senator CAMPBELL to introduce a bill that would correct a serious oversight in the way the Internal Revenue Code treats Indian tribal governments for unemployment tax purposes.

The Federal Unemployment Tax Act, or FUTA, involves a joint Federal-State taxation system that levies two taxes on most employers: A 0.8 percent unemployment tax and a State unemployment tax ranging up to more than 9.0 percent of the portion of an employer's payroll. Since its enactment in 1935, FUTA has treated foreign, Federal, State, and local government employers differently from private commercial business employers. It exempts all foreign, Federal, State, and local government employers from the 0.8 percent Federal FUTA tax. It exempts foreign and Federal Government employers from State unemployment programs and allows State and local government employers to pay lower State unemployment taxes. FUTA also treats income tax-exempt charitable organizations the same as State and local governments. All other private sector employers pay both the Federal and State FUTA tax rates. The FUTA statute does not expressly include tribal government employers within the definition of governmental employers.

In recent years, tribal governments have been subject to differing interpretations over whether and how they are covered under FUTA. The interpretations of FUTA made by State governments, the U.S. Internal Revenue Service, and the U.S. Department of Labor have varied from region to region and State to State, resulting in differing treatment of Indian tribal governments in different periods of time.

As one might expect, this has led to considerable confusion among tribal governments about the amount they are supposed to pay. Some tribes have paid the Federal FUTA tax and then successfully obtained tax refunds because they were deemed exempt. Some tribes have not paid, assuming they were exempt, and then have been investigated by the IRS for nonpayment of hundreds of thousands of dollars in unemployment taxes, plus penalties and interest. Some tribes have paid taxes; other tribes have not had to pay. In each case, the tribes are identically situated but are treated differently simply because they are located within differing IRS regions or have been scrutinized by different IRS agents. This inconsistency of interpretation has also resulted in many former tribal government employees being denied eligibility to receive unemployment benefits.

This problem recently surfaced again in Minnesota, where one of the latest tribal governments to get caught in the middle of these conflicting interpretations of FUTA is the Red Lake Band of Chippewa Indians. The Red Lake tribal government is the main employer on its reservation in northern Minnesota. For years the tribal government has operated under the assumption, guided by conflicting IRS pronouncements and conduct, that it is treated under FUTA as if it is a Federal, State or local unit of government. As a result, most of the Red Lake tribal government's employer subdivisions have not paid into the State unemployment compensation fund, and those former tribal government employees who are otherwise eligible have been denied unemployment benefits by the State because they worked for an exempt employer. In recent months the IRS has made it plain that it intends to levy a large assessment against the Red Lake tribal government for unpaid unemployment taxes, an assessment which could reach hundreds of thousands of dollars per year.

All the more troubling is the fact that under FUTA's unique enforcement mechanisms, none of the assessed funds collected would return to former employees of the Red Lake tribal government in the form of unemployment benefits, nor would such funds return to the State of Minnesota. Instead, the FUTA enforcement mechanism requires the Federal IRS to collect the highest possible State and Federal unemployment taxes and place all of these funds, not into the State's unemployment compensation fund, but instead directly into the U.S. Treasury without credit or benefit to any workers, Indian or otherwise, in Minnesota. The result is that these funds, forcibly collected from a relatively impoverished Indian tribal government's non-Federal accounts, end up as general payments into the U.S. Treasury. No one can reasonably argue that it is fair to impose this kind of taxation without benefit on the meager funds of an Indian tribal government simply because it has followed an interpretation of FUTA that some regional offices of the IRS and the States previously followed but now have abandoned.

According to a study made by the Congressional Research Service several years ago, some States have interpreted FUTA to not permit tribal governments to contribute into a State unemployment fund. Other States, such as Minnesota, have permitted but not required tribal governments to participate so long as they pay into the State fund as if they were a private, commercial for-profit business and not a governmental entity. It appears that this is a nationwide problem.

Unless this problem is resolved, many former tribal government employees will continue to be denied benefits by State unemployment funds. Indian and non-Indian workers who are separated from tribal governmental employment should be included within our Nation's comprehensive unemployment benefit system.

The bill I am introducing today would permanently resolve this matter across the Nation for every Indian tribal government. For unemployment tax purposes, it would require the Federal and State Governments to treat federally recognized Indian tribal government employers, and the same way they treat Federal, State, and local government employers, and the same way they treat other tax-exempt organizations. It would also remove an unemployment tax liability of tribal governments who did not pay unemployment compensation taxes in the past in the belief that they were exempt, provided that no benefits were paid to their former employer.

I have requested a revenue estimate from the Joint Committee on Taxation. I believe, however, that the bill is essentially revenue neutral. The bill would require States to pay benefits to otherwise eligible former tribal government employees. It would require tribal governments to contribute into State unemployment funds as do State and local units of government and other income tax exempt organizations. This means tribes would either pay a State's unemployment tax or reimburse the State's Unemployment fund for those amounts paid out in benefits to former tribal employees. As a matter of fairness, the bill clarifies that tribal governments are exempt, just as are foreign, Federal, State, and local governments, from paying the Federal 0.8 percent tax on each tribal employee's first $7,000 in annual gross compensation, annually this amounts to a maximum of $56 per employee.

Mr. President, I believe this bill is a matter of simple justice. The bill gives tribal governments no unfair competitive advantage. Operations carried out by tribal governments are in many ways similar to those carried out by Federal, State, and local units of government. Moreover, tribal governments are also income tax exempt organizations, with combined governmental and business purposes uniquely designed under Federal Indian law to support self-government and self-sufficiency in Indian communities and reservations.

Mr. President, I ask unanimous consent that a copy of the bill and a section-by-section analysis of the bill's provisions be inserted into the RECORD immediately following my remarks.

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

S. 391

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 "Indian Tribal Government Unemployment Compensation Act Amendments of 1993".

SEC. 2. TREATMENT OF INDIAN TRIBAL GOVERNMENTS UNDER FEDERAL UNEMPLOYMENT TAX ACT.

(a) IN GENERAL.—Section 3306(c)(7) of the Internal Revenue Code of 1986 (defining employment) is amended—

(1) by inserting "or in the employ of an Indian tribe," after "service performed in the employ of a State, or any political subdivision thereof,"; and

(2) by inserting "or Indian tribes" after "wholly owned by one or more States or political subdivisions".

(b) PAYMENTS IN LIEU OF CONTRIBUTIONS.—Section 3309 of the Internal Revenue Code of 1986 (relating to State law coverage of services performed for nonprofit organizations or governmental entities) is amended—

(1) in subsection (a)(2) by inserting ", including an Indian tribe," after "the State law shall provide that a governmental entity";

(2) in subsection (b)(3)(B) by inserting ", or of an Indian tribe" after "of a State or political subdivision thereof";

(3) in subsection (b)(3)(E) by inserting "or the tribe's" after "the State"; and

(4) in subsection (b)(5) by inserting "or of an Indian tribe" after "an agency of a State or political subdivision thereof".

(c) STATE LAW COVERAGE.—Section 3309 of the Internal Revenue Code of 1986 (relating to State law coverage of services performed for nonprofit organizations or governmental entities) is amended by adding at the end the following new subsection:

"(d) ELECTION BY INDIAN TRIBE.—The State law shall provide that an Indian tribe may elect to make contributions for employment as if the employment is within the meaning of section 3306 of the Internal Revenue Code of 1986 or to make payments in lieu of contributions under this section, and shall provide that an Indian tribe may make separate elections for itself and each subdivision, subsidiary, or business enterprise chartered and wholly owned by such Indian tribe."

(d) DEFINITIONS.—Section 3306 of the Internal Revenue Code of 1986 (relating to definitions) is amended by adding at the end the following new subsection:

"(t) INDIAN TRIBE.—For purposes of this chapter, the term 'Indian tribe' has the meaning given to such term by section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e)), and includes any subdivision, subsidiary, or business enterprise chartered and wholly owned by such an Indian tribe."

(e) TRANSITION RULE.—For purposes of the Federal Unemployment Tax Act, service performed in the employ of an Indian tribe (as defined in section 3306(t) of the Internal Revenue Code of 1986 (as added by this Act)) shall not be treated as employment (within the meaning of section 3306 of such Code) if—

(1) it is service which is performed before the date of enactment of this Act and with respect to which the tax imposed under the Federal Unemployment Tax Act has not been paid, and

(2) such Indian tribe reimburses a State unemployment fund for unemployment benefits paid for service attributable to such tribe for such period.

SECTION-BY-SECTION ANALYSIS

SECTION 1. SHORT TITLE

SECTION 2. TREATMENT OF INDIAN TRIBAL GOVERNMENTS UNDER FEDERAL UNEMPLOYMENT TAX ACT

Subsection (a). In General.—This subsection (a) amends section 3306(c)(7) of the Internal Revenue Code. Section 3306(c)(7) provides an exemption from the 0.8% federal unemployment tax for employment for a state, any of its political subdivisions, or any of its wholly owned instrumentalities. This subsection of the bill would make employment for a tribal government or any political subdivision or wholly tribally owned subsidiary thereof likewise exempt from the 0.8% federal unemployment tax.

Subsection (b). Payments in Lieu of Contributions.—This subsection amends several provisions of section 3309 of the Internal Revenue Code.

Section 3309(a)(2) of the Internal Revenue Code now requires a state unemployment fund to offer coverage and benefits to employees of a state government, its political subdivisions and wholly owned instrumentalities, and to employees of a religious, charitable, educational or other income tax exempt organization described in Section 501(c)(3) of the Internal Revenue Code. These employers may then elect to either pay a flat tax rate as do private, for-profit commercial businesses, or to make contributions, on a reimbursable basis, for all benefits paid out to their former employees. Subsection (b)(1) of the bill would provide the same options to a tribal government or any political subdivision or wholly tribally owned subsidiary thereof.

Section 3309(b)(3)(B) of the Internal Revenue Code now exempts from all unemployment taxes service performed by members of a State or political subdivision legislative body or judiciary. Subsection (b)(2) of the bill would provide the same exemption to a tribal government's legislative body or judiciary.

Section 3309(b)(3)(E) of the Internal Revenue Code now exempts from all unemployment taxes service designated by State law to be a major nontenured policymaking or advisory position or a policymaking or advisory position that ordinarily does not require more than 8 hours per week. Subsection (b)(3) of the bill would provide the same exemption to the same service so designated by tribal law.

Section 3309(b)(5) of the Internal Revenue Code now exempts from all unemployment taxes service that is part of an unemployment work-relief or work-training program assisted or financed in whole or in part by any Federal or state agency. Subsection (b)(4) of the bill would provide the same exemption to the same service assisted or financed in whole or in part by a tribal government.

Subsection (c). State Law Coverage.—This subsection adds a new subsection to section 3309 of the Internal Revenue Code. Section 3309 contains provisions relating to State law coverage of services performed for nonprofit organizations or governmental entities. Subsection (e) of the bill extends to tribal governments and their subsidiaries certain flexibilities now extended to other governments and to charitable organizations. The new subsection provides that a state must permit a tribe to choose to pay the comparable tax rate paid by commercial businesses under the Act, or to choose to reimburse, like other governments and charitable organizations, the State fund in lieu of such contributions with amounts equal to the compensation attributable under State law to such service. The new subsection also provides that a tribe may make separate elections for itself and one or more of its enterprises, subsidiaries, or subdivisions.

Subsection (d). Definitions.—This subsection amends section 3306 of the Internal Revenue Code. Section 3306 contains definitions relating to the Federal Unemployment Tax Act provisions. Subsection (c) of the bill would add a definition of an "Indian tribe" to mean for these purposes a federally recognized Indian tribal government, adopting the same definition of a tribe as that used in 25 U.S.C. 450b(e), the Indian Self-Determination Act. The bill clarifies that, just as the subdivisions of a state government are included within the definition of a state, and consistent with federal Indian law provisions recognizing the unique nature of tribal government, included within the bill's definition of a tribe are its subdivisions, subsidiaries and enterprises wholly owned by the tribal government.

Subsection (e). Transition Rule.—This subsection of the bill provides tax relief to those tribal governments who in good faith did not pay federal or state unemployment taxes deemed due by the U.S. Internal Revenue Service under the Federal Unemployment Tax Act. It ceases all federal assessment and collection actions aimed at extracting nonfederal funds from tribal governments who have not paid unemployment taxes provided they reimburse a state fund for all benefits paid to otherwise eligible former tribal employees during this period of non-payment. This relief is available only for periods prior to the date of enactment of this bill. The bill does not authorize refund actions for taxes already paid nor relief from a tribe's obligation to reimburse a state unemployment fund for benefits paid to former tribal employees.●

By Mr. DURENBURGER:

S. 392. A bill to extend until January 1, 1995, the existing suspension of duty on certain piston engines; to the Committee on Finance.

PISTON ENGINE DUTY ACT OF 1993

● Mr. DURENBERGER. Mr. President, today I am introducing legislation to suspend the duties on certain piston engines used in all-terrain vehicles [ATV], snowmobiles, and burden carriers. This legislation would be retroactive to January 1, 1993.

Polaris Industries L.P., a Minnesota-based company, produces snowmobiles, ATV's and burden carriers for the U.S. market—as well as for export. Polaris, like other domestic manufacturers of these vehicles, must foreign source all engines for these vehicles since no domestic manufacturer currently produces ATV or snowmobile engines.

Under the TSUS, these engines entered duty-free; under the Harmonized System of Tariffs, these engines are classified in categories which carry a 3.1-percent duty rate. When Congress converted to the Harmonized System, it was intended to enhance the competitiveness of the United States. In reality, Polaris must raise the prices of its products to compensate for the added expense of the duty. This places Polaris at a competitive disadvantage domestically and internationally at a time when we continue to be under the intense competitive pressure from large Japanese companies.

Mr. President, this bill would extend the temporary duty suspension for piston-type engines, with a cylinder capacity greater than 50 cubic centimeters but not to exceed 1,000 cubic centimeters—provided for in subheadings 8407.32.20, 8407.32.90. 8407.33.20, 8407.90—to be installed in vehicles specifically designed for traveling on the snow, golf carts, nonamphibious all-terrain vehicles and burden carriers—provided for in subheadings 8703.10.00, 8704.31.00, 8703.21.00 or 8709. This is not difficult provision to administer, as only a small number of companies import the subject engines which all come from one country and enter primarily through two ports.•

By Mr. LIEBERMAN:

S. 393. A bill to amend the Internal Revenue Code of 1986 to provide incentives for urban and rural enterprise zones, and for other purposes; to the Committee on Finance.

ENTERPRISE ZONE TAX ACT OF 1993

• Mr. LIEBERMAN. Mr. President, I rise today to introduce the Enterprise Zone Tax Act of 1993.

Mr. President, as we attempt to craft a solution to the economic problems faced in America's inner cities I believe it is necessary to first identify some of the causes. On the economic side they are really no great mystery. Manufacturing and industry, which used to be the centerpiece of economic activity and employment in our inner cities, have largely disappeared. With the loss of manufacturing went—in this order—good jobs, wholesale trade, retail businesses, and a large source of local tax revenue. At the same time we saw a rise in poverty, crime, drug use, homelessness, and illiteracy. With a shrinking tax base, cities needed to provide more services with less revenue. As a result, cities were forced to raise revenue from sources such as residential property taxes, which added to the outward migration of many middle-class residents and homeowners. Finally, infrastructure continued to decline, and crime rates rose, making cities even less attractive to businesses and residents.

Mr. President, if we conclude that the decline of business activity in urban America is one of the major causes of our present crisis, than it is clear that a program to attract business back to our cities must be a part of the solution. I believe enterprise zones will help convince businesses to build and grow in poor neighborhoods. They will create jobs and stimulate entrepreneurship. And, perhaps most importantly, they will help restore the tax base to communities that have been forced to provide increasing social services with decreasing sources of revenue.

The objective of the enterprise zone program is to use tax policy, targeted spending, and other forms of public policy to direct investment and employment opportunities to distressed urban and rural areas that would otherwise not occur. The increased investment and employment, spurred by the package of incentives should begin to counter the inner-city cycle of decay.

This program recognizes that the economic problems affecting many of our cities cannot be solved by Federal handouts alone. Instead, we must form a partnership between governments, businesses and communities to develop a strategy that will attack chronic poverty and urban decay over the long term.

The program also recognizes that small businesses have been and will continue to be the primary source of job creation and economic growth in this country. The program focuses specifically on small business capital formation which is perhaps the largest barrier facing today's entrepreneur.

We have now had more than 10 years worth of experience with enterprise zones and we know they work. At the State level, 36 States plus the District of Columbia have adopted enterprise zone programs. I am proud to say that the State of Connecticut led the Nation in establishing enterprise zones in 1982, offering a wide range of State and local incentives, as well as administrative support to help develop distressed urban areas.

In total, according to the 37 State economic development offices, enterprise zones have created more than 250,000 jobs and have attracted more than $28 billion in capital investments. This has all been obtained without Federal incentives, which are critical to the maximum possible enterprise zone success. It is true that some zones have not been as effective as others, but overall there is a very strong pattern of success.

According to statistics from the Connecticut Department of Economic Development, Connecticut's 11 zones have attracted over $450 million in new investment, and created or retained more than 17,000 jobs, without the benefit of accompanying Federal incentives. By providing such Federal incentives, we can expect to see much greater investment and job creation in these regions.

Among many others, enterprise zones have been endorsed by the National Governors Association, the National Council of State Legislators, the Council of Black State Legislators, the Conference of Mayors, and the Conference of Black Mayors. These organizations have called for the adoption of enterprise zones across the country.

Mr. President, our former colleague and current Secretary of the Treasury Bentsen has been—and will continue to be—an important proponent of the enterprise zone concept. Indeed, last year the Senate under his able leadership passed an enterprise zone initiative in the tax bill. Unfortunately, that tax bill was vetoed by President Bush. It is the Senate passed version, authored by Secretary Bentsen, which I am proud to reintroduce today.

This initiative incorporates the best ideas from many proposals. It puts forth a program for economic growth and urban redevelopment which, I believe, begins to facilitate the rebuilding of some of America's most distressed urban and rural communities and is one very promising solution to the plight of our decaying local economies.

I am convinced that, if adopted, this program will bring hope to areas with little hope; offer jobs to those stricken by incessant unemployment; and promote economic growth in areas that have for too long experienced only economic decline.

What happened in Los Angeles should be taken as a signal that things are not well in our cities. Enterprise zones are not the whole cure for the social and economic ills plaguing our inner cities, but they are clearly a big step in the right direction.

Winston Churchill once said that "some see private enterprise as a predatory target to be shot, others as a cow to be milked, but few are those who see it as a sturdy horse pulling the wagon." The most appealing feature of enterprise zones is their attempt to involve and utilize private enterprise in doing something substantial on a national scale about urban decay and chronic poverty. Poverty and decay that not only encompasses whole sections of every one of our inner cities but also, in too many cases, spans generations. It is a cloud over our Nation's future. The unemployed and the poverty stricken, whether they are in the South Bronx, East St. Louis, New Orleans, Minneapolis, Liberty City, or Bridgeport are in need of our help. I believe enterprise zones can offer help to many inner cities in a long-term,

meaningful way. Their adoption is long overdue.●

By Mr. LIEBERMAN:

S. 394. A bill to amend the Internal Revenue Code of 1986 to allow a credit for payments or contributions to certain cooperative research organizations, and for other purposes; to the Committee on Finance.

COOPERATIVE RESEARCH AND DEVELOPMENT ACT OF 1993

● Mr. LIEBERMAN. Mr. President, I rise today to introduce the Cooperative Research and Development Act of 1993. This bill would provide extra incentive for R&D consortia to work together on developing cutting edge technology.

From 1989 to 1990 R&D spending went up 2.2 percent, the smallest annual increase since the 1970's. To make matters worse, the OECD, which adjusts its figures for inflation, indicated that U.S. corporate R&D spending may have actually declined by 1.6 percent in 1990. If we intend to get our economy moving again, to create new jobs, and to reestablish ourselves as the world's leading manufacturing nation, then we must invest more in research and development.

We must act to correct this situation by giving American firms more incentives to undertake R&D. While I advocate making the credit permanent, another way to encourage U.S. companies would be to offer an enhanced credit for collaborative research and development. Under collaborative R&D, companies can share their costs and make their own product development decisions based on research findings.

The legislation I am introducing would establish such a credit, enabling American companies to leverage their R&D spending. This, in turn, would help them to compete more effectively against foreign firms that spend considerably more on product research and development.

If we want to build a better computer or a more efficient car, we will have to spend money on research and development. Unfortunately, with the escalating cost of doing business in a global economy, spending on such activity can often be prohibitive. A tax credit for consortia will make R&D efforts more affordable.

This bill will promote cooperation in all phases of R&D, reducing duplicative efforts, and will let the collaborators in the effort decide which findings can be commercialized. As competition for American companies increasingly comes from overseas, it makes sense that U.S. firms work together on basic research efforts in order to compete more effectively.

Under this bill, companies would receive a 50-percent flat credit, determined in a nonincremental bases, for certain qualified cooperative research expenditure to qualified research consortia. Qualified cooperative research consortia are organizations which have five or more contributors and are registered under the National Cooperative Research Act of 1984.

Qualified cooperative research expenditures include cash, in-kind contributions, or the licensing or lease of real, personal, or intangible property to qualified cooperative research consortium.

With this credit, we are not only attempting to make certain R&D efforts more affordable but also to encourage new research efforts. Further, by putting in place such a credit, we are only offering American companies the same advantage afforded to their foreign competitors.

Last September, I entered into a colloquy with several of my colleagues and with the chairman of the Finance Committee on this issue. At that time, the chairman indicated that he looked forward "to examining all tax proposals designed to encourage collaborative research ventures." I look forward to working with the new chairman of the committee, Mr. MOYNIHAN, on this legislation and this issue.

I ask unanimous consent that a copy of the bill be placed in the RECORD immediately following my statement.

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

S. 394

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

SECTION 1. CREDIT FOR PAYMENTS OR CONTRIBUTIONS TO CERTAIN COOPERATIVE RESEARCH ORGANIZATIONS.

(a) ALLOWANCE OF RESEARCH CREDIT.—Section 41(a) of the Internal Revenue Code of 1986 (relating to credit for increasing research activities) is amended by striking "and" at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting ", and", and by adding at the end the following new paragraph:

"(3) 50 percent of the qualified cooperative research expenditures (as defined in subsection (h)) for the taxable year.

(b) QUALIFIED COOPERATIVE RESEARCH EXPENDITURES DEFINED.—Section 41 of such Code is amended by redesignating subsection (h) as subsection (i) and by adding after subsection (g) the following new subsection:

"(h) QUALIFIED COOPERATIVE RESEARCH EXPENDITURES.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified cooperative research expenditures' means the aggregate amount of qualified contributions to qualified cooperative research consortia for qualified research.

"(2) QUALIFIED CONTRIBUTIONS.—For purposes of this subsection—

"(A) IN GENERAL.—Subject to the limitations of subparagraphs (B), (C), and (D), the term 'qualified contributions' means all contributions to qualified cooperative research consortia for qualified research with respect to which the taxpayer elects to have this subsection apply.

"(B) PRIVATE SOURCE FUNDING LIMITATION.—

"(i) IN GENERAL.—Qualified contributions of a taxpayer shall not exceed the amount which bears the same ratio to qualified contributions (determined without regard to this subparagraph) as the private source funding ratio.

"(ii) PRIVATE SOURCE FUNDING RATIO.—For purposes of clause (i), the private source funding ratio is the sum of—

"(I) 50 percent of the ratio which the gross receipts of the organization (not including the amount of any governmental support) for the preceding taxable year bears to the total gross receipts of the organization for such taxable year, plus

"(II) 30 percent of such ratio for the second preceding taxable year, plus

"(III) 20 percent of such ratio for the third preceding taxable year.

"(C) LIMITATIONS.—For purposes of this subsection, the following shall not be taken into account in determining qualified contributions:

"(i) Contributions other than cash contributions to the extent they exceed cash contributions.

"(ii) Contributions representing overhead allocated to services performed by a taxpayer's employees to the extent such overhead exceeds 25 percent of the salary and benefit amounts allocated to such services.

"(iii) Contributions by a taxpayer to a qualified cooperative research consortium to the extent they exceed one-third of the consortium's total nongovernmental support for the consortium's taxable year with or within which the taxpayer's taxable year ends.

"(D) CONSORTIUM WITH FEWER THAN 5 PARTICIPANTS.—If a qualified cooperative research consortium has less than 5 persons making nongovernmental contributions, the qualified contributions of each such person (determined without regard to this subparagraph or subparagraph (B)) shall be reduced—

"(i) by 20 percent if there are 4 such persons, or

"(ii) by 40 percent if there are 3 such persons.

"(3) QUALIFIED COOPERATIVE RESEARCH CONSORTIUM.—The term 'qualified cooperative research consortium' means any organization—

"(A) which is registered under the National Cooperative Research Act of 1984, but only if such registration has been published (and is in effect) on the last day of the organization's taxable year with or within which the taxpayer's taxable year ends, and

"(B) which during such taxable year—

"(i) had at least 5 contributors, but only if—

"(I) no 3 members contributed more than 80 percent of total nongovernmental contributions, and

"(II) no single member contributed more than 50 percent of total nongovernmental contributions, or

"(ii) had either 3 or 4 contributors, but only if—

"(I) no single member contributed more than 50 percent (and no 2 members contributed more than 85 percent) of the total nongovernmental contributions, and

"(II) the contributors are engaged in the same trade or business.

"(4) SPECIAL RULES.—For purposes of this subsection—

"(A) NONCASH CONTRIBUTIONS.—Qualified contributions other than cash (including services provided by a taxpayer's employees) shall be taken into account at their cost (or such other basis determined under regulations).

"(B) OVERHEAD.—The cost of services provided by a taxpayer's employees shall include overhead properly allocable to such services.

"(5) NO DOUBLE BENEFIT.—Amounts taken into account under this subsection in computing qualified cooperative research expenditures shall not be taken into account under subsection (a) (1) or (2).

"(6) PREPAID AMOUNTS.—If any contributions paid or incurred during the taxable year to qualified cooperative research consortia are attributable to qualified research to be conducted after the close of the taxable year, such amount shall be treated as paid or incurred during the period which the qualified research is conducted.

"(7) REPORTS.—Each qualified cooperative research consortium shall provide to the Secretary a report containing—

"(A) its certification as such an organization,

"(B) its private source funding ratio, and

"(C) such other information as the Secretary may require.

Each consortium shall provide a copy of the report to each contributor."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of enactment of this Act.•

By Mr. LIEBERMAN (for himself and Mr. PRYOR):

S. 395. A bill to provide for a program for the diversification of the activities of certain Federal laboratories; to the Committee on Armed Services.

DEFENSE LABORATORY DIVERSIFICATION PROGRAM ACT OF 1993

• Mr. LIEBERMAN. Mr. President, Senator PRYOR and I are introducing a bill today that would encourage diversification of defense laboratories and greater cooperation in research and production activities with the private sector. This bill, very similar to one that we introduced last year, as well as to an amendment we introduced to last year's Defense authorization bill, encourages greater cooperation between Department of Defense research and production facilities and United States industry in order to enhance their mutual technological and productive achievements. Under this bill, the Secretary of Defense would establish a Federal Defense Laboratory Diversification Program to facilitate the diversification of Federal defense labs. In conjunction with this process, the Director of Defense Research and Engineering in cooperation with each Defense lab and in consultation with private industry, is required to develop benchmarks for a number of categories of diversification activities. The benchmarks will include such things as the budget resources, manpower, and facilities to be used by each lab and the dollar value of patent, royalty, and license agreements labs should pursue.

Defense labs will also be required to establish an industry and academic advisory panel to promote cooperation between the labs and the private sector. These panels will oversee the development of the lab's research plans and the implementation of the overall DOD program. Annual reports will be submitted to Congress by the Director of Research and Engineering at DOD on a survey of the nature of research being done by the labs under the program, along with recommendations on how the labs can better achieve the goals of the program.

The Director of the Office of Technology Assessment will work with industry to provide an assessment of the program from the point of view of the business community. The Director of Research and Engineering will then use the results of the OTA-Industry report in improving the implementation of the program.

I am pleased to report that the process of cooperation between Defense labs and industry has already begun. Federal labs have expertise that can be of great use to American companies trying to keep up in an increasingly competitive global marketplace. There are any number of examples of cooperative efforts already underway. For instance, Lawrence Livermore National Laboratory [LLNL], is working with the State of California Department of Transportation to help develop an intelligent highway system that would help alleviate traffic congestion. Work is also taking place on image enhancing and processing techniques that would help locate cancerous tumors. Los Alamos Federal Laboratory is working with General Motors to develop a fuel cell power system that could be used for transportation purposes. Caterpillar has been working with LLNL since 1988 to develop sophisticated earthmoving equipment in order to compete against foreign manufacturers like Japan's Komatsu Ltd.

All the major weapons labs—including LLNL, Los Alamos, and Sandia—are poised to make a contribution to civilian R&D. This bill would assist with that process by developing a plan to share research and the development of products that have a commercial purpose.

The end of the cold war has made defense cuts possible. But it is important that in the process of making these cuts we do not allow the expertise found in our defense labs to be cast aside. We must, literally, develop a comprehensive approach for turning our swords into plowshares. This bill would help to achieve that goal by having DOD establish a permanent program for cooperation between industry and Federal labs.

This legislation is an important step toward making certain that as we downsize the military-industrial complex, we do so in a way that it is both cost effective and will help make American industry more competitive.

We must begin the process of building a constructive partnership between business and government. This includes helping business to take advantage of government resources like the Federal Labs Program. If we are to be successful in our efforts to strengthen the American economy, we must support programs such as the one that Senator PRYOR and I are introducing today.

I ask unanimous consent that a copy of the bill be placed in the RECORD immediately following my statement.

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

S. 395

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

SECTION 1. PURPOSE AND FINDINGS.

(a) PURPOSE.—The purpose of this Act is to encourage greater cooperation between Department of Defense research and production facilities and United States industry in order to enhance their mutual technological and productive achievements.

(b) FINDINGS.—The Congress finds the following:

(1) Department of Defense research and production facilities possess valuable technological resources that could greatly enhance the innovation and productivity of United States industries.

(2) As leadership in the development of advanced technology increasingly shifts away from the defense sector of the United States economy to the commercial sector, the Department of Defense will have to draw on private sector technical expertise to satisfy defense needs.

(3) Private industry and the Department of Defense have independently identified many of the same technologies as critical for their respective purposes, thereby creating opportunities for the cooperative development and production of dual-use technologies.

(4) Department of Defense production and research facilities currently lack adequate incentives to carry out cooperative development activities with private industry and adequate means of measuring progress toward the goal of developing and producing more dual-use technologies.

(5) Private industry must have more opportunities to provide input into Department of Defense research and production facilities in order for such facilities to undertake more research, development, and production relating to dual-use technologies.

SEC. 2. FEDERAL DEFENSE LABORATORY DIVERSIFICATION PROGRAM.

(a) ESTABLISHMENT OF PROGRAM.—(1) The Secretary of Defense shall, as soon as practicable after the date of the enactment of this Act, establish a program to be known as the Federal Defense Laboratory Diversification Program (in this Act referred to as the "Program") for the diversification of Federal defense laboratories.

(2) The laboratories covered by the Program shall include all Department of Defense (including its services and agencies) owned or operated laboratories and Department of Defense federally funded research and development centers that undertake more than $5,000,000 in research (in this Act referred to as the "Defense laboratories").

(3) The Program shall be managed by the Director of Defense Research and Engineering.

(b) NATURE OF DIVERSIFICATION PROGRAM GOALS.—The Program shall undertake cooperation between Defense laboratories and private industry in order to—

(1) promote the development and application of dual-use manufacturing technologies to improve quality and efficiency in manufacture of both civilian and defense-oriented products;

(2) promote the development and commercialization of dual-use product technologies;

(3) promote the transfer of defense or dual-use technologies from laboratories to the private sector for the purpose of commercialization, through patent, royalty, and license agreements, cooperative research and development agreements, and other cooperative agreements and through symposia, meetings, and other mechanisms; and

(4) promote the efficient adoption and adaptation of civilian manufacturing product and process technologies to defense needs in sectors critical to maintaining defense preparedness.

(c) DEVELOPMENT OF BENCHMARKS FOR PROGRAM.—(1) The Director of Research and Engineering, in cooperation with each Defense laboratory and in consultation with private industry, shall develop benchmarks for each category of diversification activity described in subsection (b) for each Defense laboratory covered by this Act. The benchmarks established shall cover fiscal years 1993 through 1995 and include for each such fiscal year—

(A) the budget resources, manpower, and facilities to be utilized by each laboratory; and

(B) the dollar value of patents, royalties, and licenses broken down by product or SIC code to be sought and pursued by each laboratory, in implementing the Program.

(2) In establishing the benchmark under paragraph (1)(A) for all Defense laboratories covered by the Program, the Director shall establish benchmarks concerning the number and value of cooperative research and development agreements and other cooperative agreements to be established and undertaken, allocating, as appropriate, a minimum of two to five percent of budget to such cooperative work within two years of the establishment of the Program.

(3) Program benchmarks shall be established not later than 180 days after the date of the enactment of this Act. Upon establishment of the benchmarks, each Defense laboratory shall promptly proceed to implement same within its overall budget and utilizing other funds that may be available for implementation of this Act.

(4) Benchmarks shall be updated each fiscal year on an ongoing basis.

(d) INDUSTRY COOPERATION MECHANISMS.—Each Defense laboratory participating in the Program shall establish an industry and academic advisory panel to promote cooperation between the laboratory and the private sector in carrying out the Program. Each laboratory shall utilize its panel to oversee the development of each year's research plan and the implementation of the Program and its benchmarks and to provide advice on how to enhance the dual-use properties of the laboratory's research work on a project-by-project basis.

(e) REPORTS BY DIRECTOR.—(1) Not later than September 30, 1993, the Director of Research and Engineering shall submit to Congress a report on—

(A) the results of a survey undertaken by the Director delineating the nature of the research being undertaken at each laboratory included in the Program, evaluating the potential of each laboratory included in the Program to achieve the elements specified in subsection (b); and

(B) recommendations on how each such laboratory might become better oriented to achieving such Program elements.

(2) Not later than each of September 30 of 1994, 1995, and 1996, the Director shall submit to Congress a report on—

(1) the extent to which each laboratory participating in the Program has effectively implemented the benchmarks established by the Program;

(2) the accomplishments under the Program in achieving the elements described in subsection (b); and

(3) the steps the Director believes necessary to improve the effectiveness of the Program.

SEC. 3. INDUSTRY EVALUATION.

(a) IN GENERAL.—The Director of the Office of Technology Assessment shall, subject to the approval of the Technology Assessment Board, undertake, in close consultation with industrial firms that have cooperated and worked with Federal laboratories, an evaluation of practices and procedures that have proven effective in promoting the elements of the Program set forth in section 1(b), both in laboratories covered by the Program and elsewhere.

(b) ADDITIONAL EVALUATION.—In addition to the evaluation under subsection (a), the Director shall—

(1) evaluate the effectiveness of the Program in achieving optimal cooperation with private industry in meeting the elements set forth in section 1(b); and

(2) make recommendations for any improvements in practices and procedures for cooperating with industry that should be implemented.

(c) SUBMITTAL DATE.—The evaluations required under this section shall be submitted not later than 24 months after the date of the enactment of this Act.

(d) UTILIZATION OF REPORT INFORMATION.—The Director of Research and Engineering shall utilize the recommendations and results of such study in ongoing implementation of the Program.●

By Mr. LIEBERMAN (for himself, Mr. STEVENS, and Mr. DODD):

S. 396. A bill to establish the Small Business Capital Access Program to enhance the availability of financing for small business concerns; to the Committee on Small Business.

SMALL BUSINESS CAPITAL ACCESS PROGRAM ACT OF 1993

Mr. LIEBERMAN. Mr. President, I rise today to introduce the Small Business Capital Access Program, a bill designed to bridge the credit gap and make bank financing available to the countless number of small businesses and entrepreneurs presently unable to secure financing with conventional lending institutions.

Mr. President, a recent survey by the Connecticut Business and Industry Association found that 60.4 percent of all businesses responding reported credit availability problems within their industries.

The Small Business Capital Access Program is designed to bridge the credit gap and make bank financing available to the countless number of small businesses and entrepreneurs currently unable to secure bank loans at any cost.

This program represents a new and innovative market-based approach to small business lending. It will enable banks to extend credit to firms which have previously been unable to obtain commercial financing. It will do so with a minimum of regulatory oversight and without sacrificing safety, soundness, or conventional credit analysis. It will focus on small loans from a diverse assortment of companies. And, the program will accomplish all this with a negligible amount of government resources and with no hidden governmental liability.

The Small Business Capital Access Program is based on a portfolio insurance concept rather than the traditional loan-by-loan guarantee process. In other words, as opposed to current programs where government provides a guarantee for each individual loan, this program provides a reserve or guarantee on a portfolio of loans. This will enable banks to evaluate risk on a pooled or shared basis and apply an actuarial approach to small business credit analysis. The result will be banks making far more small business loans with far fewer Federal dollars.

In 1986, the State of Michigan, under the leadership of former Governor Blanchard, implemented a similar program which has provided loans to approximately 950 firms, for a total of $48.5 million in financing, and has resulted in a leverage ratio— that is total government obligation to total lending—of more than 20:1.

Here's how it works:

For each bank participating in the program, a special reserve fund would be established to cover future losses from a portfolio of loans which the bank makes under the program. The reserve fund would be owned and controlled by State government, but earmarked in each participant bank's name. Thus each bank participating in the program would have its own separate earmarked loss reserve.

Payments would be made into a bank's earmarked reserve each time the bank makes a loan under the program. The borrower would make a premium payment of between 1½ to 3½ percent of the loan amount and the financial institution would match the payment. The Federal and State Government would then, either directly or through a guarantee agreement, match the payment. Under this four part matching system, a bank could have anywhere from a 6 percent to a 14 percent loan loss reserve on the portfolio.

If a bank makes a portfolio of loans under the program, it might have a reserve equal to, for example, 10 percent of the total amount of that portfolio. In such a situation, the bank could sustain a loss rate of up to 10 percent on that portfolio and still be completely covered against loss. This gives the bank the ability to absorb a higher loss rate—perhaps 5, 6, or 7 percent—than it could tolerate on its conventional loans—usually 1 or 2 percent. Since this arrangement offers the bank a higher degree of coverage against loss than normally available, the institution may be able to offer more favorable interest rates and terms to small businesses.

The bank, however, must still be prudent in making loans under this pro-

gram since it is completely at risk for any losses that exceed the coverage provided by the reserve. Because of this incentive for prudence, there will be little need for strict regulatory supervision. This bank would decide whether or not and under what terms and conditions to make a loan.

The limited need for regulatory oversight is a critical component in the implementation of this program. Unlike other government loan programs which require strict oversight due to the government's large hidden liability which is inherent in any guarantee program, the Capital Enhancement Program has a limited government liability—at most, 3½ percent of a loan or a portfolio of loans. This compares to traditional SBA programs where the government exposure is 85 percent of the loan amount.

Also worth noting is the program's built-in bias for small loans. Because this concept is based on insuring a portfolio of loans as opposed to one loan, there is a structural incentive to build a large portfolio of diverse and smaller loans.

Thus, through this arrangement of shared risk, the Small Business Capital Enhancement Program would encourage banks that have been cutting back on commercial lending to extend credit to those small firms most affected by the credit crunch.

Mr. President, the credit crunch is strangling our economy and impeding economic recovery. Credit is the fuel of economic growth. Without credit, businesses cannot grow; without business growth, jobs can not be created; and without job creation this economy will not recover. It's as simple as that. The Small Business Capital Access Program will significantly expand lending to small businesses which will, in turn, create jobs and help put us back on the road to recovery.

By Mrs. FEINSTEIN:

S. 399. A bill to provide for the conveyance of lands to certain individuals in Butte County, CA; to the Committee on Energy and Natural Resources.

BUTTE COUNTY, CA, CONVEYANCE ACT OF 1993

Mrs. FEINSTEIN. Mr. President, I introduce for appropriate reference a bill to provide for the conveyance of lands to certain individuals in Butte County, CA. The bill is identical to H.R. 457 introduced in the House by Congressman WALLY HERGER.

Mr. President, the legislation is necessary to resolve boundary and title problems between land owners in the Stephens Ridge area of Butte County, CA, and the Federal Government. The problems stem from 1961 when the Forest Service accepted what now appears to be an erroneous survey of the Plumas National Forest boundary. The surveyor could not locate the original survey corner established in 1869 so he established a new corner. Since then, private landowners used the 1961 corner to establish boundaries and build improvements. Now the Forest Service has concluded that the 1961 survey is in error and 13 parties are occupying property was within the boundaries of the Plumas National Forest. The property owners relied upon earlier erroneous surveys which they believed to be accurate and have occupied and improved their property in good faith. I am not aware of any Federal interest in this property and believe the property owners should be granted relief.

The bill provides relief. It authorizes and directs the Secretary of Agriculture to convey without consideration all right, title, and interest in the Federal lands, consisting of less than 20 acres, to the 13 claimants. The bill describes the property in question and the claimants who are entitled to relief. The bill also describes the process to be followed and assigns to the Federal Government the responsibility to provide for a survey to monument and mark the lands to be conveyed.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

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

S. 399

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

SECTION 1. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds and declares that—

(1) certain landowners in Butte County, California who own property adjacent to the Plumas National Forest have been adversely affected by certain erroneous surveys;

(2) these landowners have occupied or improved their property in good faith and in reliance on erroneous surveys of their properties that they believed were accurate; and

(3) the 1992 Bureau of Land Management dependent resurvey of the Plumas National Forest will correctly establish accurate boundaries between such forest and private lands.

(b) PURPOSE.—It is the purpose of this Act to authorize and direct the Secretary of Agriculture to convey, without consideration, certain lands in Butte County, California, to persons claiming to have been deprived of title to such lands.

SEC. 2. DEFINITIONS.

For the purpose of this Act—

(1) the term "affected lands" means those Federal lands located in the Plumas National Forest in Butte County, California, in sections 11, 12, 13, and 14, township 21 north, range 5 west, Mount Diablo Meridian, as described by the dependent resurvey by the Bureau of Land Management conducted in 1992, and subsequent Forest Service land line location surveys, including all adjoining parcels where the property line as identified by the 1992 BLM dependent resurvey and National Forest boundary lines before such dependent resurvey are not coincident;

(2) the term "claimant" means an owner of real property in Butte County, California, whose real property adjoins Plumas National Forest lands described in subsection (a), who claims to have been deprived by the United States of title to property as a result of previous erroneous surveys; and

(3) the term "Secretary" means the Secretary of Agriculture.

SEC. 3. CONVEYANCE OF LANDS.

Notwithstanding any other provision of law, the Secretary is authorized and directed to convey, without consideration, all right, title, and interest of the United States in and to affected lands as described in section 2(1), to any claimant or claimants, upon proper application from such claimant or claimants, as provided in section 4.

SEC. 4. TERMS AND CONDITIONS OF CONVEYANCE.

(a) NOTIFICATION.—Not later than 2 years after the date of enactment of this Act, claimants shall notify the Secretary, through the Forest Supervisor of the Plumas National Forest, in writing of their claim to affected lands. Such claim shall be accompanied by—

(1) a description of the affected lands claimed;

(2) information relating to the claim of ownership of such lands; and

(3) such other information as the Secretary may require.

(b) ISSUANCE OF DEED.—(1) Upon a determination by the Secretary that issuance of a deed for affected lands is consistent with the purpose and requirements of this Act, the Secretary shall issue a quitclaim deed to such claimant for the parcel to be conveyed.

(2) Prior to the issuance of any such deed as provided in paragraph (1), the Secretary shall ensure that—

(A) the parcel or parcels to be conveyed have been surveyed in accordance with the Memorandum of Understanding between the Forest Service and the Bureau of Land Management, dated November 11, 1989;

(B) all new property lines established by such surveys have been monumented and marked; and

(C) all terms and conditions necessary to protect third party and Government Rights-of-Way or other interests are included in the deed.

(3) The Federal Government shall be responsible for all surveys and property line markings necessary to implement this subsection.

(c) NOTIFICATION TO BLM.—The Secretary shall submit to the Secretary of the Interior an authenticated copy of each deed issued pursuant to this Act no later than 30 days after the date such deed is issued.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appointed such sums as necessary to carry out the purposes of this Act.

By Mr. JEFFORDS (for himself and Mr. CAMPBELL):

S. 400. A bill to amend the Employee Retirement Income Security Act of 1974 to provide for the treatment of settlement agreements reached with the Pension Benefit Guaranty Corporation; to the Committee on Labor and Human Resources.

PENSION BENEFIT GUARANTY CORPORATION LEASE SETTLEMENTS ACT OF 1993

• Mr. JEFFORDS. Mr. President, I rise today to introduce a bill to amend the Employee Retirement Income Security Act [ERISA]. I am pleased to say that I am joined by my distinguished colleague Senator CAMPBELL. It will solidify a recent important settlement made by the Government agency that

insures pensions, the Pension Benefit Guaranty Corporation [PBGC] and Continental Airlines. This settlement will provide the PBGC with financial security in its effort to collect nearly $700 million in unpaid pension contributions. In October 1990, Eastern Airlines terminated its pension plans which were $700 million underfunded. Under ERISA, Continental Airlines, as a member of the controlled group, is liable for the pension money owed by Eastern Airlines.

Last October, Continental Airlines and the PBGC came to a settlement concerning these pension liabilities. This agreement has been approved by the court as well as the other creditors involved. However, due to the novelty of the arrangement, some legal questions remain outstanding. My bill would resolve this issue by specifically permitting in law what has already been agreed to by the parties involved. It clarifies that the PBGC, which obtained 15 planes in the settlement, will be protected in the event of a future Continental Airlines bankruptcy.

This will enable the PBGC to obtain the maximum amount it can from Continental Airlines. The more money the PBGC can obtain for Eastern's pension debt, the less money that will have to be obtained through raising the PBGC premiums paid by other plan sponsors. PBGC premiums have already risen 700 percent over the last 10 years.

Last October, the Senate unanimously passed this bill. However, the House was unable to complete action due to it being late in the session. This year, I urge my colleagues to act quickly in passing the legislation so that we can be sure the agreement remains intact. This will bolster the retirement security of 60,000 Eastern Airlines pensioners as well as protect the integrity of the defined benefit plan pension system that over 40 million Americans depend on.

Mr. President, I ask unanimous consent that the text of the bill be printed in the CONGRESSIONAL RECORD.

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

S. 400

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 "Pension Benefit Guaranty Corporation Lease Settlements Act of 1993".

SEC. 2. TREATMENT OF SETTLEMENT LEASES WITH THE PENSION BENEFIT GUARANTY CORPORATION.

Section 4062 of the Employee Retirement Income Security Act of 1974 is amended by adding at the end the following new subsection:

"(f) TREATMENT OF LEASES.—In the case of any settlement for liability under title IV of this Act entered into by the corporation and one or more other parties, if—

"(1) such settlement was entered into before the date of the enactment of the Pension Benefit Guaranty Corporation Lease Settlements Act of 1993,

"(2) one party to such settlement was a debtor under title 11, United States Code, and

"(3) the corporation is a party-in-interest to an agreement being entered into as part of such settlement, which agreement provided that it is to be treated as a lease,

then, for purposes of such title 11, such agreement shall be treated as a lease for purposes of section 1110 of such title 11.".●

● Mr. CAMPBELL. Mr. President, I rise today to join Senator JEFFORDS in the introduction of legislation that will reinforce a recent settlement made by the Pension Benefit Guaranty Corporation [PBGC] and Continental Airlines.

As my colleagues might remember, the Senate unanimously passed identical legislation last year, S. 3367. Though similar language had also been considered by the House, circumstances beyond our control kept the bill from passing during the last days of the 102d Congress.

Continental, which has only recently begun emerging from bankruptcy court protection, has experienced difficulties in dealing with PBGC, difficulties stemming from ambiguities in current law. One of the largest claims against Continental was filed by the PBGC. Continental, as a member of the controlled group of companies which included Eastern Airlines, was being held responsible for the pension shortfall the PBGC assumed when Eastern terminated its pension plans.

Because Continental could not make a large up-front cash payment, the PBGC insisted on receiving assurances that it would receive substantial future payments. Under the terms of the agreement, Continental agreed to transfer its ownership interest in 15 jet aircraft to the PBGC and lease them back. In addition, Continental agreed to guarantee the amount that PBGC would receive upon the future disposition of the planes. Because the equity interest in the planes is being transferred to the PBGC, the agreement requires Continental to restructure the arrangements it now has with the plane's existing debt holders.

The legislation that Senator JEFFORDS and I are introducing would clarify the fact that this arrangement should be considered as a lease in the event of a future bankruptcy filing. Unless the arrangement is treated as a lease, the important protections would be lost and the PBGC and the existing debt holders could lose rental payments and the ability to foreclose on the planes should Continental seek bankruptcy protection in the future.●

By Mr. CAMPBELL:

S. 401. A bill to amend title 23, United States Code, to delay the effective date for penalties for States that do not have in effect safety belt and motorcycle helmet safety programs, and for other purposes; to the Committee on Environment and Public Works.

MOTORCYCLE SAFETY PROGRAM ACT OF 1993

● Mr. CAMPBELL. Mr. President, I rise today to introduce legislation to protect the States from unfair penalties included in the Intermodal Surface Transportation Efficiency Act of 1991, ISTEA. Senators who have been following this issue will know that our colleague, Senator DURENBERGER, recently introduced legislation to repeal the penalty section of ISTEA. As a cosponsor of this legislation, I am extremely supportive of his efforts. The bill I am introducing today should be viewed as a companion bill—not as an alternative to the best possible solution of repeal, but rather as a fallback position should repeal be unattainable.

As my colleagues may know, ISTEA included provisions requiring States to have mandated safety belt and motorcycle helmet laws. While I understand and sympathize with the motivation of those supporting these mandates, I believe their efforts are misguided.

Under ISTEA, Public Law 102-240, each State is required to have both seat belt and motorcycle helmet laws in effect before October 1, 1993. If a State does not have both in effect by this deadline the State will be required, beginning October 1, 1994, to shift 1.5 percent of its Federal highways funds in three programs, the National Highway System [NHS], the Surface Transportation Program [STP], and the Congestion Mitigation and Air Quality Improvement Program [CMAQ], to section 402 safety programs. If by September 30, 1994, a State has not enacted both seat belt and helmet laws the State will be required to shift 3 percent of its Federal highway funds in the NHS, the STP and the CMAQ to safety programs.

Mr. President, the bill I am introducing today would postpone the deadline from October 1, 1993, to October 1, 1995. While my fellow Senators might disagree with me on the merits of mandating helmet use, they must agree that we ought to let States have ample opportunity to debate this issue. I am concerned with the deadline quickly approaching, individual States will not have the opportunity to carefully consider the ramifications of this issue.

In closing, I would urge my fellow Senators to carefully consider this legislation and to discuss the issue with motorcycle riders in their States. I think that if my colleagues review the facts, they will find that mandating helmet use makes little practical sense.

Mr. President, I ask unanimous consent that the text of the bill be included in the RECORD following my remarks.

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

S. 401

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

SECTION 1. USE OF SAFETY BELTS AND MOTORCYCLE HELMETS.

Section 153(h) of title 23, United States Code, is amended—

(1) in the heading of paragraph (1), by striking "1994" and inserting "1996";

(2) by striking "1995" in paragraph (1) and inserting "1997"; and

(3) by striking "1994" each place it appears in paragraphs (1) and (2) and inserting "1996".•

By Mr. DURENBERGER (for himself and Mr. THURMOND):

S. 402. A bill to amend the Social Security Act to increase the domestic service wage exclusion, and for other purposes; to the Committee on Finance.

OCCASIONAL EMPLOYMENT EQUITY

Mr. DURENBERGER. Mr. President, I rise today to introduce S. 402, the occasional employment equity bill. The cloud over the nomination of Zoe Baird to the Office of Attorney General has left in its wake at least one silver lining. It has focused America's attention on an issue of vital concern to anyone who hires what is considered to be a "household employee."

The category of household employees includes, among others, babysitters, nannies, housekeepers, and the kids who shovel your sidewalk and mow your lawn.

The question that is raised here is the following: At what pay level is it right to require the individuals employing these workers to file for withholding of Social Security?

Under current law, an employer must withhold Social Security for a household employee who earns more than $50 per quarter. This threshold was established in 1954—and not once has it even been adjusted for inflation. The $50 is ridiculously out of date. Anyone who has a lawn to be mowed or a walk to be shoveled in snowy weather knows that the neighborhood entrepreneurs would scoff at such wages.

As we all know, $50 went a lot further in 1954 than it does today. In 1954 a babysitter making 20 cents an hour would earn $1 per night for a long night of work. A total payment of $50 would allow the employer to go out 50 nights per quarter—or 200 times per year—without having to worry about filing withholding forms.

How far will that same $50 go today? Where I come from, not more than two or three nights' worth of babysitting.

So the wage paid to babysitters has kept up with the increasing cost of living—but the laws affecting their employers have failed to reflect these changes. The Congressional Budget Office estimates that $50 in 1954 is worth about $250 in 1993 dollars—and the bill I am introducing will bring our tax law in line with this fact.

The bill would increase the threshold for withholding to $250 per quarter and, to prevent this problem from recurring, it would provide for automatic inflation adjustments in the future.

At the new threshold of $250 per quarter, an employer would be able to use a single babysitter at $3 per hour for 6 hours per week—every week—without having to withhold Social Security. Any number of different babysitters could be employed to increase the average number of hours on the whole. For example, if parents knew of three babysitters who were available, they could all work an average of 6 hours per week every week without bumping up against the ceiling.

This bill will help reduce the reporting burden on ordinary Americans—whether it's a parent who hires an occasional babysitter, or a senior citizen who needs some help in shoveling the sidewalk or running errands. I think it is unconscionable to ask the employers of these occasional household workers to contend with the inconvenience of Federal paperwork for such a relatively insignificant amount of money.

I ask my colleagues to note carefully that this modified provision will not encompass full-time nannies or full-time housekeepers. Those who work in a full-time capacity deserve to have their long-term income security provided for by having their employer withhold Social Security.

Independent contractors—such as professional housecleaning services and professional lawn services—do not currently fall under these requirements, and my bill does not affect their exemption.

I invite my colleagues to join me in my effort to implement this change for the sake of the numerous people who have voiced their concern over this inequitable situation. There is currently very little compliance with this rule, and this bill would offer substantial clarification in an area that desperately needs it.

In fact, I believe that this bill will result in greater compliance and will increase revenue rather than lower it. Many people were unaware of this requirement prior to the Attorney General nominations, and creating a threshold which is reasonable by current standards, and fair to those who need occasional help in their daily lives, will lay the groundwork for increased awareness, understanding and compliance.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 402

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

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the "Occasional Employment Equity Act".

SEC. 2. INCREASE IN DOMESTIC SERVICE WAGE EXCLUSION.

(a) IN GENERAL.—Section 209(a)(6)(B) of the Social Security Act (42 U.S.C. 409(a)(6)(B)) is amended by striking "$50" and inserting "$250 for 1993 (or, in the case of any succeeding calendar year, the dollar amount for the preceding calendar year increased by the applicable adjustment determined under section 202(f)(8)(B) for such succeeding calendar year)".

(b) CONFORMING AMENDMENT.—Section 3121(a)(7)(B) of the Internal Revenue Code of 1986 is amended by striking "$50" and inserting "$250 for 1993 (or, in the case of any succeeding calendar year, the dollar amount for the preceding calendar year increased by the applicable adjustment determined under section 202(f)(8)(B) of the Social Security Act for such succeeding calendar year)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to service performed in calendar quarters beginning after the date of the enactment of this Act.

By Mr. BREAUX:

S. 403. A bill to amend the Internal Revenue Code of 1986 to allow a tax credit for fuels produced from offshore deep-water projects; to the Committee on Finance.

DOMESTIC ENERGY SECURITY ACT OF 1993

Mr. BREAUX. Mr. President, I rise today to introduce the Frontier Offshore Production and Economic Enhancement Act. The bill would provide a $5 a barrel credit for oil produced from deep water production—defined as 400 meters or more. This legislation is vitally needed to reduce our reliance on foreign oil, reduce the trade deficit, maintain a vital infrastructure, create jobs, and minimize the risk of oil spills.

Mr. President, this country continues to import an ever-increasing share of oil and petroleum products from abroad. In 1990, we spent $65 billion on oil imports, which amounted to 64 percent of our total trade deficit.

We also spent billions and risked the lives of thousands of young Americans defending our interest in the Persian Gulf. A large part of that interest is the oil and gas that lies below the desert sands.

The domestic energy industry continues to decline. Thousands of oil industry workers have been laid off and it looks like many more may become unemployed in the near future. Over 400,000 jobs have been lost in the oil and gas industry in the last 10 years; by some estimates, 40,000 to 50,000 may have been lost in 1992 alone.

Our national security depends on access to dependable domestic energy reserves. Unfortunately, our domestic oil and gas industry cannot turn on a dime. There is no magic spigot that can be turned on when the need for secure domestic oil reserves becomes acute. The expertise needed to develop oil and gas is highly skilled and trained, particularly now that the remaining domestic reserves are increasingly more difficult to recover.

Unless we take steps today to help preserve a viable domestic industry,

the next energy crisis may be chronic and very damaging to our economy. Unless we act to preserve a core of talent and capital in the United States, the domestic industry may not be able to deploy the necessary capital investment and trained labor necessary to quickly add large increments to our overall domestic supply of oil and petroleum products.

Finally, the most recent data obtained from the minerals management survey shows that only 2 percent of the world's oil spills are the result from Outer Continental Shelf [OCS] development. In contrast, 45 percent of the world's oil spills come from transportation related, or tanker spills. The more we import, the higher risk there is of large oil spills.

An important part of our strategy to assure the availability of domestic supply is the development of the Outer Continental Shelf [OCS], in particular areas in the deep water, well over 1,200 feet. The OCS contains almost one quarter of all estimated remaining domestic oil and gas reserves; much of the reserves are in deep water. According to the Department of the Interior estimates, there are 11 billion barrels of oil equivalent in the Gulf of Mexico in waters of a depth of 200 meters or more. The costs of finding and producing oil and gas in deep water areas is astronomical; for example, a state-of-the-art rig in deep water, over 3,000 feet can cost more than $1 billion, as opposed to $300 million for a conventional fixed leg platform in 800 feet of water.

Based on similar large-scale projects, the development of the deep water of the Gulf of Mexico would create tens of thousands of jobs in the oil industry and a multiple of that in the general economy. The investment required to find, develop, and produce 5–10 billion barrels of oil could range from $50–$100 billion. Since various studies have estimated that every billion dollars' worth of investment could create 20,000 jobs; a large scale effort could ultimately create up to one million jobs.

Under current economic conditions, most oil and gas potential in the deep-water Gulf of Mexico will not attract investment, due to the high cost of finding and producing hydrocarbons in a hostile deep-water environment. Therefore, I am introducing legislation to provide a $5-per-barrel credit for production of qualified fuels, defined as domestic crude and natural gas produced from property located under at least 400 meters of water. Unlike the general business credit, the deep-water credit cannot be carried back 3 years. Unused credits can be carried forward for 15 years. Unused credits can be carried forward for 15 years. The credit could be used to offset the corporate alternative minimum tax since many companies in the oil production and services industries are subject to the minimum tax.

Mr. President, I must emphasize that I have designed the credit to minimize revenue loss to the Government. Since there is typically 5 to 8 years between discovery and production of oil and gas in commercial quantities, there will not be a negative near-term impact on tax revenues. In fact, in the first few years, the deep water credit could raise revenue. During this interim time period, significant investments will be made to assure that the oil and gas will be brought to market. Suppliers, contractors, and employees will pay taxes on the additional income generated by these development activities. Their increased spending will increase the earnings and stimulate employment in many industries throughout the United States.

I urge my colleagues to join me in supporting this important legislation.

By Mr. GLENN (for himself and Ms. MIKULSKI):

S. 404. A bill to amend title VII of the Civil Rights Act of 1964 and the Age Discrimination in Employment Act of 1967 to improve the effectiveness of administrative review of employment discrimination claims made by Federal employees, and for other purposes; to the Committee on Governmental Affairs.

FEDERAL EMPLOYEE FAIRNESS ACT OF 1993

Mr. GLENN. Mr. President, today, I am introducing legislation which is designed to drastically overhaul the Equal Employment Opportunities complaint system. If ever a system cries out for change, the present EEO system does.

Joining me in this effort are Senators STEVENS, MIKULSKI, SIMON, DECONCINI, WOFFORD, AKAKA, FEINGOLD, CONRAD, MCCAIN, MOSELEY-BRAUN, LIEBERMAN, and LEVIN. I ask unanimous consent that they be listed as cosponsors of the bill.

Although the Federal Government has made progress in the area of equal employment opportunity, more should be done and it is important that the Federal Government should take the lead in shattering the glass ceiling.

Providing for equality of opportunity simply makes good business sense. When we restrict opportunity, either in government or industry, we hurt ourselves and diminish our economic potential.

At our Governmental Affairs Committee hearing on the glass ceiling in the Federal agencies, witnesses testified that the EEO complaint process itself is a barrier to the advancement of women and minorities. The EEO complaint process is designed to ferret out illegal barriers to employment and promotion. Therefore, if the complaint process is flawed, the barriers can become permanent roadblocks to career advancement.

As chairman of the Governmental Affairs Committee, I ordered the first Governmentwide study of why women and minorities in the Federal workforce can't seem to rise above the so-called glass ceiling that keeps them out of top Government jobs.

During the last session of Congress the committee held hearings on the EEO complaint system. We heard compelling testimony from several witnesses who shared their first-hand accounts of the flaws in the EEO system.

The committee heard from Donald Rochon, a former FBI agent, who gave an eloquent account of the 4½ years he spent trying to get the system to respond to his request for relief from the racist situation confronting him in the FBI. To say the system failed him would be a gross understatement. In fact, the person charged with deciding his fate was also named in his complaint. So, he was in effect required to ask for relief from the very people who were implicated in the complaint. The FBI in investigating itself, held itself blameless. That is the outcome of most of the cases not only in the FBI, but in many other Federal agencies.

Virginia Delgado testified that she ran into much the same problem. She was an EEO counselor in the Department of the Navy, and the system again failed when she tried to seek some sort of redress from the environment that she considered to be hostile and sexist. Five years after she filed the suit, the U.S. District Court agreed with her. However, in retaliation for her complaint she was fired. Her supervisor was found by a Federal district judge to have illegally created a hostile environment, but the Navy later promoted him and he became one of their top experts on sexual harassment. The level of retaliation illustrated in the case of Mrs. Delgado is an example of what Federal employees may face who file EEO complaints.

In a program aired in January of this year by CBS's "Sixty Minutes," several female agents of the Bureau of Alcohol, Tobacco and Firearms [ATF] spoke out on sexual harassment and the resulting retaliation they suffered because they filed a complaint. According to many of the employees interviewed by my staff, the retaliation was often worse than the original complaint.

Ms. Penny Patterson, an ATF inspector, who testified at the Governmental Affairs Committee's hearings in October 1991 described the same kind of "good ole boy" network that the Washington Post reporter Lynne Duke described in an article which appeared in the Washington Post on January 27, 1993.

I believe this legislation will move us toward a system that will be fair and responsive to the individual employee, instead of favoring the agency, which is now the case. Federal agencies are playing fast and loose with the rules because they make up the rules. According to one Federal enforcement

agent, "common criminals are entitled to more due process than a Federal employee who files a complaint."

Mr. President, that is a sad commentary on the present EEO system.

The Federal Employee Fairness Act will provide the statutory base for revising procedures that govern the process of EEO claims, a process which has not been revised since 1972.

First of all this legislation would take agencies out of the business of judging themselves. It would transfer the authority for determining the merits of EEO claims from the agencies against which the claims have been filed to the EEOC, an independent agency with expertise in investigating and evaluating employment discrimination claims.

Mr. President, the staff of the Governmental Affairs Committee has received many items of mail detailing case after case of agencies conducting their own investigations with predictable results 99 percent of the time; the agency finds itself not guilty.

Second, this legislation would eliminate duplication in the processing of EEO claims. The bill would eliminate the duplication that currently occurs when more than 120 different agencies each investigate claims and attempt to keep their EEO staff trained in the latest legal developments by transferring to the EEOC the authority for ensuring that claims are properly investigated and adjudicated. The agencies would still retain critical responsibilities for counseling complainants, attempting to resolve the claims and gathering relevant records. But, the bill would greatly increase the accountability for managing the processing of EEO claims by placing principal responsibility in one agency, not many agencies.

In fact in a report issued by the GAO entitled "Agencies Estimated Costs for Counseling and Processing Discrimination Complaints" we would actually save money by consolidating the complaint process in a single agency. In fact, the CBO estimates that savings could be as much as $25 million yearly, once provisions of the legislation are fully operational.

Further, Mr. President, the bill would impose strict time limitations on the complainants, on the Federal agencies against which claims have been filed and the EEOC which would adjudicate the claims.

The EEOC made a long-awaited change in its regulation when section 1613 went into effect in October 1992. Our legislation will statutorily reduce the excessive delays currently confronting the parties to Federal sector EEO claims. The average time to fully adjudicate EEO claims in the Federal sector was 338 days in fiscal year 1990 rather than the recommended 180 days, the most recent year for which figures are available. Some agencies process the claims much more slowly, such as the Department of Justice which averaged 841 days, over 2 years and the Department of State which averaged 1,134 days.

Under existing law, the complainant must file his or her EEO claim within 30 days. Often, this stringent time limit does not allow the Federal employee to determine if a claim should be filed. The Federal Employee Fairness Act would extend the time within which EEO claims can be filed from 30 days, at present, to 180 days which is currently available in the private sector, affording Federal employees time to think before they act.

The bill would provide Federal employees who eventually prevail in the system with interest on their awards of back pay to compensate for delay, just as employees in the private sector have recovered for years.

Another feature of the bill is that it ensures that hearings will be based on a complete and fair record. The bill would provide the parties with the right to conduct limited discovery of each other's position and authorize the administrative judges to ensure that the record is complete. Hearings would be based largely on a record compiled by the parties, with assistance from the judges where a party needs assistance and not, as is the current practice, on a record largely prepared from investigations that the agencies conduct of themselves.

The legislation further provides these same procedural improvements to victims of age discrimination. The bill would amend the Age Discrimination in Employment Act to adopt the same procedural improvements that would be made to title VII. In addition, the bill would allow employees to file within the same 2-year period that is available to employees in the private sector. And finally, it simplifies and streamlines the processing of mixed cases where civil service and employment discrimination claims are mixed together, rather than the current system that requires separate consideration.

Mr. President, the U.S. Comptroller General, Charles Bowsher, testified before the Governmental Affairs Committee on January 8, 1993, concerning the GAO transition series and critical issues facing the Federal Government. He told us that investment in human resources for Government operations is one of those critical issues. And GAO found that "the President and the Congress need to emphasize to agency heads that they must have programs in place and hold their senior managers accountable for achieving a representative work force, particularly at higher grade levels."

According to census figures and the Department of Labor's Workforce 2000 report, our Federal work force will be different in 7 years. It will be more diverse; it will contain more women; it will contain more minorities; and it will require more technological expertise. We must ensure that the work force is well-trained and efficient. And we must ensure that Federal employees are secure in the knowledge that they will be treated fairly in the workplace, and that talent and performance will be rewarded.

Mr. President, the Federal Employee Fairness Act will help to remove the obstacles now experienced in the current EEO complaint process and restore employee confidence in the system.

That is the very least we must do.

I ask unanimous consent that a copy of the legislation and the Washington Post article of Lynn Duke be printed in the RECORD immediately after my remarks.

Additionally, I ask unanimous consent that the statement of Senator BARBARA MIKULSKI of Maryland be printed in the RECORD immediately following these remarks.

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

S. 404

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Employee Fairness Act of 1993".

SEC. 2. AMENDMENTS RELATING TO ADMINISTRATIVE DETERMINATION OF FEDERAL EMPLOYEE DISCRIMINATION CLAIMS.

(a) DEFINITIONS.—Section 701 of the Civil Rights Act of 1964 (42 U.S.C. 2000e) is amended—

(1) in paragraph (f) by striking "The term" and inserting "Except when it appears as part of the term 'Federal employee', the term"; and

(2) by adding at the end the following:

"(o) The term 'Commission' means the Equal Employment Opportunity Commission.

"(p) The term 'entity of the Federal Government' means an entity to which section 717(a) applies, except that such term does not include the Library of Congress.

"(q) The term 'Federal employee' means an individual employed by, or who applies for employment with, an entity of the Federal Government.

"(r) The term 'Federal employment' means employment by an entity of the Federal Government.

"(s) The terms 'government', 'government agency', and 'political subdivision' do not include an entity of the Federal Government.".

(b) EEOC DETERMINATION OF FEDERAL EMPLOYMENT DISCRIMINATION CLAIMS.—Section 717 of the Civil Rights Act of 1964 (42 U.S.C. 2000e–16) is amended—

(1) in subsection (b)—

(A) in the second sentence, by redesignating paragraphs (1) through (3) as subparagraphs (A) through (C), respectively;

(B) in the fourth sentence, by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(C) by designating the first through fifth sentences as paragraphs (1), (2), (4), (5), and (6), respectively, and indenting accordingly;

(D) in paragraph (2) (as designated by subparagraph (C) of this paragraph)—

(i) in subparagraph (B) (as redesignated by subparagraph (A) of this paragraph) by striking "and" at the end;

(ii) in subparagraph (C) (as redesignated by subparagraph (A) of this paragraph) by striking the period and inserting "; and"; and

(iii) by adding after subparagraph (C) the following:

"(D) require each entity of the Federal Government—

"(i)(I) to make counseling available to a Federal employee who chooses to notify such entity that the employee believes such entity has discriminated against the employee in violation of subsection (a), for the purpose of trying to resolve the matters with respect to which such discrimination is alleged;

"(II) to assist such employee in identifying the respondent required by subsection (c)(1) to be named in a complaint alleging such violation;

"(III) to inform such employee individually of the procedures and deadlines that apply under this section to a claim alleging such discrimination; and

"(IV) to make such counseling available throughout the administrative process;

"(ii) to establish a voluntary alternative dispute resolution process, as described in subsection (e)(1), to resolve complaints;

"(iii) not to discourage Federal employees from filing complaints on any matter relating to discrimination in violation of this section; and

"(iv) not to require Federal employees to participate in such counseling or dispute resolution process."; and

(E) by inserting after paragraph (2) (as designated by subparagraph (C) of this paragraph) the following:

"(3) The decision of a Federal employee to forgo such counseling or dispute resolution process shall not affect the rights of such employee under this title.";

(2) by striking subsection (c);

(3) in subsection (d)—

(A) by striking "(k)" and inserting "(j)";

(B) by striking "brought hereunder" and inserting "commenced under this section"; and

(C) by striking ", and the same" and all that follows and inserting a period and the following: "The head of the department, agency, or other entity of the Federal Government in which discrimination in violation of subsection (a) is alleged to have occurred shall be the defendant in a civil action alleging such violation. In any action or proceeding under this section, the court, in the discretion of the court, may allow the prevailing party (other than an entity of the Federal Government) a reasonable attorney's fee (including expert fees and other litigation expenses), costs, and the same interest to compensate for delay in payment as a court has authority to award under section 706(k).";

(4) by redesignating subsections (d) and (e) as subsections (m) and (n), respectively;

(5) by inserting after subsection (b) the following:

"(c)(1)(A) Except as provided in subparagraph (B), a complaint filed by or on behalf of a Federal employee or a class of Federal employees and alleging a claim of discrimination arising under subsection (a) or paragraph (4) shall—

"(i) name as the respondent the head of the department, agency, or other entity of the Federal Government in which such discrimination is alleged to have occurred (referred to in this section as the 'respondent'); and

"(ii) be filed with the respondent, or with the Commission, not later than 180 days after the alleged discrimination occurs.

"(B) A complaint described in subparagraph (A) shall be considered to be filed in compliance with subparagraph (A), if not later than 180 days after the alleged discrimination occurs, the complaint is filed—

"(i) with such department, agency, or entity; or

"(ii) if the complaint does not arise out of a dispute with an agency within the intelligence community, as defined by Executive order, with any other entity of the Federal Government, regardless of the respondent named.

"(2) If the complaint is filed with an entity of the Federal Government other than the department, agency, or entity in which such discrimination is alleged to have occurred—

"(A) the entity (other than the Commission) with whom the complaint is filed shall transmit the complaint to the Commission, not later than 15 days after receiving the complaint; and

"(B) the Commission shall transmit a copy of the complaint, not later than 10 days after receiving the complaint, to the respondent.

"(3)(A) Not later than 3 days after the respondent receives the complaint from a source other than the Commission, the respondent shall notify the Commission that the respondent has received the complaint and shall inform the Commission of the identity of the Federal employee aggrieved by the discrimination alleged in the complaint.

"(B) Not later than 10 days after the respondent or the Merit Systems Protection Board receives the complaint from a source other than the Commission, the respondent or the Board shall transmit to the Commission a copy of the complaint.

"(4)(A) No person shall, by reason of the fact that a Federal employee or an authorized representative of Federal employees has filed, instituted, or caused to be filed or instituted any proceeding under this section, or has testified or is about to testify in any proceeding resulting from the administration or enforcement of this section—

"(i) discharge the employee or representative;

"(ii) discriminate against the employee or representative in administering a performance-rating plan under chapter 43 of title 5, United States Code;

"(iii) in any other way discriminate against the employee or representative; or

"(iv) cause another person to take an action described in clause (i), (ii), or (iii).

"(B) Any Federal employee or representative of Federal employees who believes that the employee or representative has been discharged or otherwise discriminated against by any person in violation of subparagraph (A), may file a complaint in accordance with paragraph (1).

"(d)(1) Throughout the period beginning on the date the respondent receives the complaint and ending on the latest date by which all administrative and judicial proceedings available under this section have been concluded with respect to such claim, the respondent shall collect and preserve documents and information (including the complaint) that are relevant to such claim, including not less than the documents and information that comply with rules issued by the Commission.

"(2) If the complaint alleges that a person has—

"(A) participated in the discrimination that is the basis for the complaint; or

"(B) at the time of the discrimination—

"(i) was a supervisor of the Federal employee subject to the discrimination;

"(ii) was aware of the discrimination; and

"(iii) failed to make reasonable efforts to curtail or mitigate the discrimination,

the respondent shall ensure that the person shall not be designated to carry out the requirements of paragraph (1), or to conduct any investigation related to the complaint.

"(e)(1)(A) The respondent shall make reasonable efforts to conciliate each claim alleged in the complaint through alternative dispute resolution procedures during—

"(i) the 30-day period; or

"(ii) with the written consent of the aggrieved Federal employee, the 60-day period, beginning on the date the respondent receives the complaint.

"(B) Alternative dispute resolution under this paragraph may include a conciliator described in subparagraph (C), the respondent, and the aggrieved Federal employee in a process involving meetings with the parties separately or jointly for the purposes of resolving the dispute between the parties.

"(C) A conciliator shall be appointed by the Commission to consider each complaint filed under this section. The Commission shall appoint a conciliator after considering any candidate who is recommended to the Director by the Federal Mediation and Conciliation Service, the Administrative Conference of the United States, or organizations composed primarily of individuals experienced in adjudicating or arbitrating personnel matters.

"(2) Before the expiration of the applicable period specified in paragraph (1)(A) and with respect to such claim, the respondent shall—

"(A) enter into a settlement agreement with such Federal employee; or

"(B) give formal written notice to such Federal employee that such Federal employee may, before the expiration of the 90-day period beginning on the date such Federal employee receives such notice, either—

"(i) file with the Commission—

"(I) a written request for a determination of such claim under subsection (f) by an administrative judge of the Commission;

"(II) if such claim alleges an action appealable to the Merit System Protection Board, a written request electing that a determination of such claim be made under the procedures specified in either subparagraph (A) or (B) of section 7702(a)(2) of title 5, United States Code; or

"(III) if such claim alleges a grievance that is subject to section 7121 of title 5, United States Code but not appealable to the Merit Systems Protection Board, a written request to raise such claim under the administrative and judicial procedures provided in such section 7121; or

"(ii) commence a civil action in an appropriate district court of the United States for de novo review of such claim.

"(3) Such Federal employee may file a written request described in paragraph (2)(B)(i), or commence a civil action described in paragraph (2)(B)(ii), at any time—

"(A) after the expiration of the applicable period specified in paragraph (1)(A); and

"(B) before the expiration of the 90-day period specified in paragraph (2).

"(f)(1)(A) If such Federal employee files a written request under subsection (e)(2)(B)(i)(I) and in accordance with subsection (e)(3) with the Commission for a determination under this subsection of the claim described in subsection (a), the Commission shall transmit a copy of such request to the respondent and shall appoint an administrative judge of the Commission to determine such claim.

"(B) If such Federal employee files a written request under subclause (II) or (III) of

subsection (e)(2)(B)(i) and in accordance with section (e)(3), the Commission shall transmit, not later than 10 days after receipt of such request, the request to the appropriate agency for determination.

"(2) Immediately after receiving a copy of a request under subsection (e)(2)(B)(i), the respondent shall transmit a copy of all documents and information collected by the respondent under subsection (d) with respect to such claim—

"(A) to the Commission if such request is for a determination under this subsection; or

"(B) to the Merit Systems Protection Board if such request is for a determination under the procedures specified in section 7702(a)(2)(A) of title 5, United States Code.

"(3)(A)(i) If the administrative judge determines there are reasonable grounds to believe that to carry out the purposes of this section it is necessary to stay a personnel action by the respondent against the aggrieved Federal employee, the administrative judge may request any member of the Commission to issue a stay against such personnel action for 15 calendar days.

"(ii) A stay requested under clause (i) shall take effect on the earlier of—

"(I) the order of such member; and

"(II) the fourth calendar day (excluding Saturday, Sunday, and any legal public holiday) following the date on which such stay is requested.

"(B) The administrative judge may request any member of the Commission to extend, for a period not to exceed 30 calendar days, a stay issued under subparagraph (A).

"(C) The administrative judge may request the Commission to extend such stay for any period the Commission considers to be appropriate beyond the period in effect under subparagraph (A) or (B).

"(D) Members of the Commission shall have authority to issue and extend a stay for the periods referred to in subparagraphs (A) and (B), respectively. The Commission shall have authority to extend a stay in accordance with subparagraph (C) for any period.

"(E) The respondent shall comply with a stay in effect under this paragraph.

"(4)(A) The administrative judge shall determine whether the documents and information received under paragraph (2) comply with subsection (d) and are complete and accurate.

"(B) If the administrative judge finds that the respondent has failed to produce the documents and information necessary to comply with such subsection, the administrative judge shall, in the absence of good cause shown by the respondent, impose any of the sanctions specified in paragraph (6)(C) and shall require the respondent—

"(i) to obtain any additional documents and information necessary to comply with such subsection; and

"(ii) to correct any inaccuracy in the documents and information so received.

"(5)(A) After examining the documents and information received under paragraph (4), the administrative judge shall issue an order dismissing—

"(i) any frivolous claim alleged in the complaint; and

"(ii) the complaint if it fails to state a nonfrivolous claim for which relief may be granted under this section.

"(B)(i) If a claim or the complaint is dismissed under subparagraph (A), the administrative judge shall give formal written notice to the aggrieved Federal employee that such Federal employee may, before the expiration of the 90-day period beginning on the date such Federal employee receives such notice—

"(I) file with the Commission a written request for review of such order; or

"(II) commence a civil action in an appropriate district court of the United States for de novo review of such claim or such complaint.

"(ii) Such Federal employee may commence such civil action in the 90-day period specified in clause (i).

"(6)(A)(i) If the complaint is not dismissed under paragraph (5)(A), the administrative judge shall make a determination, after an opportunity for a hearing, on the merits of each claim that is not dismissed under such paragraph. The administrative judge shall make a determination on the merits of any other nonfrivolous claim under this section, and on any action such Federal employee may appeal to the Merit Systems Protection Board, reasonably expected to arise from the facts on which the complaint is based.

"(ii) In making the determination required by clause (i), the administrative judge shall—

"(I) decide whether the aggrieved Federal employee was the subject of unlawful intentional discrimination in a department, agency, or other entity of the Federal Government under this title, section 102 of the Americans with Disabilities Act of 1990, section 501 of the Rehabilitation Act of 1973, section 4 of the Age Discrimination in Employment Act of 1967, or the Equal Pay Act of 1963;

"(II) if the employee was the subject of such discrimination, contemporaneously identify the person who engaged in such discrimination; and

"(III) notify the person identified in subclause (II) of the complaint and the allegations raised in the complaint.

"(iii) As soon as practicable, the administrative judge shall—

"(I) determine whether the administrative proceeding with respect to such claim may be maintained as a class proceeding; and

"(II) if the administrative proceeding may be so maintained, describe persons whom the administrative judge finds to be members of such class.

"(B) With respect to such claim, a party may conduct discovery by such means as may be available in a civil action to the extent determined to be appropriate by the administrative judge.

"(C) If the aggrieved Federal employee or the respondent fails without good cause to respond fully and in a timely fashion to a request made or approved by the administrative judge for information or the attendance of a witness, and if such information or such witness is solely in the control of the party who fails to respond, the administrative judge may, in appropriate circumstances—

"(i) draw an adverse inference that the requested information, or the testimony of the requested witness, would have reflected unfavorably on the party who fails to respond;

"(ii) consider the matters to which such information or such testimony pertains to be established in favor of the opposing party;

"(iii) exclude other evidence offered by the party who fails to respond;

"(iv) grant full or partial relief to the aggrieved Federal employee; or

"(v) take such other action as the administrative judge considers to be appropriate.

"(D) In a hearing on a claim, the administrative judge shall—

"(i) limit attendance to persons who have a direct connection with such claim;

"(ii) bring out pertinent facts and relevant employment practices and policies, but—

"(I) exclude irrelevant or unduly repetitious information; and

"(II) not apply the Federal Rules of Evidence strictly;

"(iii) permit all parties to examine and cross-examine witnesses;

"(iv) require that testimony be given under oath or affirmation; and

"(v) permit the person notified in subparagraph (A)(ii)(III) to appear at the hearing—

"(I) in person; or

"(II) by or with counsel or another duly qualified representative.

"(E) At the request of any party or the administrative judge, a transcript of all or part of such hearing shall be provided in a timely manner and simultaneously to the parties and the Commission. The respondent shall bear the cost of providing such transcript.

"(F) The administrative judge shall have authority—

"(i) to administer oaths and affirmation;

"(ii) to regulate the course of hearings;

"(iii) to rule on offers of proof and receive evidence;

"(iv) to issue subpoenas to compel—

"(I) the production of documents or information by the entity of the Federal Government in which discrimination is alleged to have occurred; and

"(II) the attendance of witnesses who are Federal officers or employees of such entity;

"(v) to request the Commission to issue subpoenas to compel the production of documents or information by any other entity of the Federal Government and the attendance of other witnesses, except that any witness who is not an officer or employee of an entity of the Federal Government—

"(I) may be compelled only to attend any place—

"(aa) less than 100 miles from the place where such witness resides, is employed, transacts business in person, or is served; or

"(bb) at such other convenient place as is fixed by the administrative judge; and

"(II) shall be paid fees and allowances, by the party that requests the subpoena, to the same extent that fees and allowances are paid to witnesses under chapter 119 of title 28, United States Code;

"(vi) to exclude witnesses whose testimony would be unduly repetitious;

"(vii) to exclude any person from a hearing for contumacious conduct, or for misbehavior, that obstructs such hearing; and

"(viii) to grant any and all relief of a kind described in subsections (g) and (k) of section 706.

"(G) The administrative judge and Commission shall have authority to award a reasonable attorney's fee (including expert fees and other litigation expenses), costs, and the same interest to compensate for delay in payment as a court has authority to award under section 706(k).

"(H) The Commission shall have authority to issue subpoenas described in subparagraph (F)(v).

"(I) In the case of contumacy or failure to obey a subpoena issued under subparagraph (F), the United States district court for the judicial district in which the person to whom the subpoena is addressed resides or is served may issue an order requiring such person to appear at any designated place to testify or to produce documentary or other evidence.

"(7)(A)(i) The administrative judge shall issue a written order making the determination required by paragraph (6)(A), and granting or denying relief.

"(ii) The order shall not be reviewable by the respondent, and the respondent shall have no authority to modify or vacate the order.

"(iii) Except as provided in clause (iv) or subparagraph (B), the administrative judge shall issue the order not later than—

"(I) 210 days after the complaint containing such claim is filed on behalf of a Federal employee; or

"(II) 270 days after the complaint containing such claim is filed on behalf of a class of Federal employees.

"(iv) The time periods described in clause (i) shall not begin running until 30 days after the administrative judge is assigned to the case if the administrative judge certifies, in writing, that such 30-day period is needed to secure additional documents or information from the respondent to have a complete administrative record.

"(B) The administrative judge shall issue such order not later than 30 days after the applicable period specified in subparagraph (A) if the administrative judge certifies in writing, before the expiration of such applicable period—

"(i) that such 30-day period is necessary to make such determination; and

"(ii) the particular and unusual circumstances that prevent the administrative judge from complying with the applicable period specified in subparagraph (A).

"(C) The administrative judge may apply to the Commission to extend any period applicable under subparagraph (A) or (B) if manifest injustice would occur in the absence of such an extension.

"(D) If the aggrieved Federal employee shows that such extension would prejudice a claim of, or otherwise harm, such Federal employee, the Commission—

"(i) may not grant such extension; or

"(ii) shall terminate such extension.

"(E) In addition to findings of fact and conclusions of law, including findings and conclusions pertaining specifically to the decision and identification described in paragraph (6)(A)(ii), such order shall include formal written notice to each party that before the expiration of the 90-day period beginning on the date such party receives such order—

"(i) the aggrieved Federal employee may commence a civil action in an appropriate district court of the United States for de novo review of a claim with respect to which such order is issued; and

"(ii) unless a civil action is commenced in such 90-day period under clause (i) with respect to such claim, any party may file with the Commission a written request for review of the determination made, and relief granted or denied, in such order with respect to such claim.

"(F) Such Federal employee may commence such civil action at any time—

"(i) after the expiration of the applicable period specified in subparagraph (A) or (B); and

"(ii) before the expiration of the 90-day period beginning on the date such Federal employee receives an order described in subparagraph (A).

"(G) The determination made, and relief granted, in such order with respect to a particular claim shall be enforceable immediately, if such order applies to more than one claim and if such employee does not—

"(i) commence a civil action in accordance with subparagraph (E)(i) with respect to the claim; or

"(ii) request review in accordance with subparagraph (E)(ii) with respect to the claim.

"(g)(1) If a party timely files a written request in accordance with subsection (f)(5)(B)(i) or (f)(7)(E)(ii) with the Commission for review of the determination made, and relief granted or denied, with respect to a claim in such order, then the Commission shall immediately transmit a copy of such request to the other parties involved and to the administrative judge who issued such order.

"(2) Not later than 7 days after receiving a copy of such request, the administrative judge shall transmit to the Commission the record of the proceeding on which such order is based, including all documents and information collected by the respondent under subsection (d).

"(3)(A) After allowing the parties to file briefs with respect to such determination, the Commission shall issue an order applicable with respect to such claim affirming, reversing, or modifying the applicable provisions of the order of the administrative judge not later than—

"(i) 150 days after receiving such request; or

"(ii) 30 days after such 150-day period if the Commission certifies in writing, before the expiration of such 150-day period—

"(I) that such 30-day period is necessary to review such claim; and

"(II) the particular and unusual circumstances that prevent the Commission from complying with clause (i).

"(B) The Commission shall affirm the determination made, and relief granted or denied, by the administrative judge with respect to such claim if such determination and such relief are supported by substantial evidence in the record taken as a whole. The findings of fact of the administrative judge shall be conclusive unless the Commission determines that they are clearly erroneous.

"(C) In addition to findings of fact and conclusions of law, including findings and conclusions pertaining specifically to the decision and identification described in subsection (f)(6)(A)(ii), the Commission shall include in the order of the Commission formal written notice to the aggrieved Federal employee that, before the expiration of the 90-day period beginning on the date such Federal employee receives such order, such Federal employee may commence a civil action in an appropriate district court of the United States for de novo review of a claim with respect to which such order is issued.

"(D) Such Federal employee may commence such civil action at any time—

"(i) after the expiration of the applicable period specified in subparagraph (A); and

"(ii) before the expiration of the 90-day period specified in subparagraph (C).

"(h)(1) In addition to the periods authorized by subsections (f)(7)(F) and (g)(3)(D), an aggrieved Federal employee may commence a civil action in an appropriate district court of the United States for de novo review of a claim—

"(A) during the period beginning 300 days after the Federal employee timely requests an administrative determination under subsection (f) with respect to such claim and ending on the date the administrative judge issues an order under such subsection with respect to such claim; and

"(B) during the period beginning 180 days after such Federal employee timely requests review under subsection (g) of such determination with respect to such claim and ending on the date the Commission issues an order under such subsection with respect to such claim.

"(2) Whenever a civil action is commenced timely and otherwise in accordance with this section to determine the merits of a claim arising under this section, the jurisdiction of the administrative judge or the Commission (as the case may be) to determine the merits of such claim shall terminate.

"(i) A Federal employee who prevails on a claim arising under this section, or the Commission, may bring a civil action in an appropriate district court of the United States to enforce—

"(1) the provisions of a settlement agreement applicable to such claim;

"(2) the provisions of an order issued by an administrative judge under subsection (f)(7)(A) applicable to such claim if—

"(A) a request is not timely filed of such claim under subsection (g)(1) for review of such claim by the Commission; and

"(B) a civil action is not timely commenced under subsection (f)(7)(F) for de novo review of such claim; or

"(3) the provisions of an order issued by the Commission under subsection (g)(3)(A) applicable to such claim if a civil action is not commenced timely under subsection (g)(3)(D) for de novo review of such claim.

"(j) Any amount awarded under this section (including fees, costs, and interest awarded under subsection (f)(6)(G)), or under title 28, United States Code, with respect to a violation of subsection (a), shall be paid by the entity of the Federal Government that violated such subsection from any funds made available to such entity by appropriation or otherwise.

"(k)(1) An entity of the Federal Government against which a claim of discrimination or retaliation is alleged under this section shall grant the aggrieved Federal employee a reasonable amount of official time, in accordance with regulations issued by the Commission, to prepare an administrative complaint based on such allegation and to participate in administrative proceedings relating to such claim.

"(2) An entity of the Federal Government against which a claim of discrimination is alleged in a complaint filed in a civil action under this section shall grant the aggrieved Federal employee paid leave for time reasonably expended to prepare for, and participate in, such civil action. Such leave shall be granted in accordance with regulations issued by the Commission, except that such leave shall include reasonable time for—

"(A) attendance at depositions;

"(B) meetings with counsel;

"(C) other ordinary and legitimate undertakings in such civil action, that require the presence of such Federal employee; and

"(D) attendance at such civil action.

"(3) If the administrative judge or the Commission (as the case may be), makes or affirms a determination of intentional unlawful discrimination as described in subsection (f)(6)(A), the administrative judge or Commission, respectively, shall, not later than 30 days after issuing the order described in subsection (f)(7) or (g)(3), as appropriate, submit to the Special Counsel the order and a copy of the record compiled at any hearing on which the order is based.

"(4)(A) On receipt of the submission described in paragraph (3), the Special Counsel shall conduct an investigation in accordance with section 1214 of title 5, United States Code, and may initiate disciplinary proceedings against any person identified in a determination described in subsection (f)(6)(A)(ii)(II), if the Special Counsel finds that the requirements of section 1215 of title 5, United States Code, have been satisfied.

"(B) The Special Counsel shall conduct such proceedings in accordance with such section, and shall accord to the person described in subparagraph (A) the rights available to the person under such section, including applicable due process rights.

"(C) The Special Counsel shall impose appropriate sanctions on such person.

"(l) This section, as in effect immediately before the effective date of the Federal Em-

ployee Fairness Act of 1993, shall apply with respect to employment in the Library of Congress."; and

(6) by adding at the end the following new subsections:

"(o)(1) Each respondent that is the subject of a complaint that has not been resolved under this section, or that has been resolved under this section within the most recent calendar year, shall prepare a report. The report shall contain information regarding the complaint, including the resolution of the complaint if applicable, and the measures taken by the respondent to lower the average number of days necessary to resolve such complaints.

"(2) Not later than October 1 of each year, the respondent shall submit to the Commission the report described in paragraph (1).

"(3) Not later than December 1 of each year, the Commission shall submit to the appropriate committees of the House of Representatives and of the Senate a report summarizing the information contained in the reports submitted in accordance with paragraph (2).

"(p)(1) The Commission, in consultation with the Director of Central Intelligence, the Secretary of Defense, and the Director of the Information Security Oversight Office of the General Services Administration, shall promulgate regulations to ensure the protection of classified information and national security information in administrative proceedings under this section. Such regulations shall provide, among other things, that complaints under this section that bear upon classified information shall be handled only by such administrative judges, Commission personnel, and conciliators as have been granted appropriate security clearances.

"(2) For the purposes of paragraph (1), the term 'classified information' has the meaning given the term in section 606(1) of the National Security Act of 1947 (50 U.S.C. 426(1)).".

SEC. 3. AMENDMENTS TO THE AGE DISCRIMINATION IN EMPLOYMENT ACT.

(a) ENFORCEMENT BY EEOC.—Section 15 of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 633a) is amended—

(1) by striking subsections (c) and (d); and

(2) by inserting after subsection (b) the following:

"(c)(1) Any individual aggrieved by a violation of subsection (a) may file a complaint with the Equal Employment Opportunity Commission in accordance with subsections (c) through (m), and subsections (o) and (p), of section 717 of the Civil Rights Act of 1964.

"(2) Except as provided in subsection (d) and paragraph (3), such subsections of section 717 shall apply to a violation alleged in a complaint filed under paragraph (1) in the same manner as such section applies to a claim arising under section 717 of such Act.

"(3) The Equal Employment Opportunity Commission, and the administrative judges of the Commission, shall have authority to award such legal or equitable relief as will effectuate the purposes of this Act to an individual described in paragraph (1) with respect to a complaint filed under this subsection.

"(d)(1) If an individual aggrieved by a violation of this section does not file a complaint under subsection (c)(1), such individual may commence a civil action in an appropriate district court of the United States for de novo review of such violation—

"(A) not less than 30 days after filing with the Equal Employment Opportunity Commission a notice of intent to commence such action; and

"(B) not more than 2 years after the alleged violation of this section occurs.

"(2) On receiving such notice, the Equal Employment Opportunity Commission shall—

"(A) promptly notify all persons named in such notice as prospective defendants in such action; and

"(B) take any appropriate action to ensure the elimination of any unlawful practice.

"(3) Except as provided in paragraph (4), section 717(m) of the Civil Rights Act of 1964 (as redesignated by section 2 of the Federal Employee Fairness Act of 1993) shall apply to civil actions commenced under this subsection in the same manner as such section applies to civil actions commenced under section 717 of the Civil Rights Act of 1964.

"(4) The court described in paragraph (1) shall have authority to award such legal or equitable relief as will effectuate the purposes of this Act to an individual described in paragraph (1) in an action commenced under this subsection.".

(b) OPPORTUNITY TO COMMENCE CIVIL ACTION.—If a complaint filed under section 15 of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 633a) with the Equal Employment Opportunity Commission is pending in the period beginning on the date of the enactment of this Act and ending on December 31, 1993, the individual who filed such complaint may commence a civil action under such section not later than June 30, 1994.

SEC. 4. AMENDMENTS TO TITLE 5, UNITED STATES CODE.

(a) GRIEVANCE PROCEDURES.—Section 7121 of title 5, United States Code, is amended—

(1) in subsection (a)(1) by inserting "administrative" after "exclusive"; and

(2) in subsection (d)—

(A) by inserting "(1)" after "(d)";

(B) in the first and second sentences by striking "An" and inserting "Except as provided in paragraph (2), an"; and

(C) in the last sentence by striking "Selection" and all that follows through "any other" and inserting the following:

"(3) An employee may commence, not later than 120 days after a final decision, a civil action in an appropriate district court of the United States for de novo review of a"; and

(D) by inserting after the second sentence the following:

"(2) Matters covered under section 7702 of this title, or under a law administered by the Equal Employment Opportunity Commission, may be raised under the negotiated grievance procedure in accordance with this section only if an employee elects under subclause (II) or (III) of section 717(e)(2)(B)(i) of the Civil Rights Act of 1964 to proceed under this section.".

(b) ACTIONS INVOLVING DISCRIMINATION.—Section 7702 of title 5, United States Code, is amended to read as follows:

"§ 7702. Actions involving discrimination

"(a)(1) Notwithstanding any other provision of law, in the case of any employee or applicant for employment who—

"(A) is affected by an action which the employee or applicant may appeal to the Merit System Protection Board; and

"(B) alleges that a basis for the action was discrimination prohibited by—

"(i) section 717 of the Civil Rights Act of 1964 (42 U.S.C. 2000e–16);

"(ii) section 6(d) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(d));

"(iii) section 501 of the Rehabilitation Act of 1973 (29 U.S.C. 791);

"(iv) sections 12 and 15 of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 631 and 633a); or

"(v) any rule, regulation, or policy directive prescribed under any provision of law described in clauses (i) through (iv) of this subparagraph,

the employee or applicant may raise the action as provided in paragraph (2).

"(2) For purposes of paragraph (1), the employee shall raise the action by filing a complaint with the Equal Employment Opportunity Commission in accordance with section 717 of the Civil Rights Act of 1964 and shall make a request under section 717(e)(2)(B)(i) selecting the procedures specified in one of the following subparagraphs:

"(A) The administrative and judicial procedures provided under sections 7701 and 7703.

"(B) The administrative and judicial procedures provided under section 7121.

"(C) The administrative and judicial procedures provided under section 717 of the Civil Rights Act of 1964.

"(3) The agency (including the Board and the Equal Employment Opportunity Commission) that carries out such procedures shall apply the substantive law that is applied by the agency that administers the particular law referred to in subsection (a)(1) that prohibits the conduct alleged to be the basis of the action referred to in subsection (a)(1)(A).

"(b)(1) Except as provided in paragraph (2), the employee shall have 90 days in which to raise the action under the procedures specified in subparagraph (A) or (B) of subsection (a)(2), if—

"(A) an employee elects the procedures specified in subsection (a)(2)(C); and

"(B) the Equal Employment Opportunity Commission dismisses under section 717(f)(5)(A) of the Civil Rights Act of 1964 a claim that is based on the action raised by the employee.

"(2) No allegation of a kind described in subsection (a)(1)(B) may be raised under this subsection.

"(c) If at any time after the 120th day following an election made under section 717(e)(2)(B)(i) of the Civil Rights Act of 1964 to raise an action under the procedures specified in subsection (a)(2)(A) of this section there is no judicially reviewable action, an employee shall be entitled to file, not later than 240 days after making such election, a civil action in an appropriate district court of the United States for de novo review of the action raised under subsection (a).

"(d) Nothing in this section shall be construed to affect the right to trial de novo under any provision of law described in subsection (a)(1) after a judicially reviewable action.".

SEC. 5. ISSUANCE OF PROCEDURAL GUIDELINES AND NOTICE RULES.

Not later than 1 year after the date of the enactment of this Act, the Equal Employment Opportunity Commission shall issue—

(1) rules to assist entities of the Federal Government in complying with section 717(d) of the Civil Rights Act of 1964, as added by section 2 of this Act, and

(2) rules establishing—

(A) a uniform written official notice to be used to comply with section 717 of such Act, as added by section 2 of this Act; and

(B) requirements applicable to collecting and preserving documents and information under section 717(d), as added by section 2 of this Act.

SEC. 6. TECHNICAL AMENDMENTS.

(a) CIVIL RIGHTS ACT OF 1964.—Subsections (b) and (c) of section 717 of the Civil Rights Act of 1964 (42 U.S.C. 2000e–16 (b) and (c)) are amended by striking "Civil Service Commis-

sion" each place it appears and inserting "Commission".

(b) CIVIL RIGHTS ACT OF 1991.—The second sentence of section 307(h) of the Civil Rights Act of 1991 (2 U.S.C. 1207(h)) is amended by striking "section 15(c)" and all that follows and inserting "section 15(d)(4) of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 633a(d)(4)).".

SEC. 7. EFFECTIVE DATE; APPLICATION OF AMENDMENTS.

(a) EFFECTIVE DATE.—Except as provided in subsection (b), this Act and the amendments made by this Act shall take effect on January 1, 1994.

(b) APPLICATION OF AMENDMENTS.—The amendments made by this Act (other than sections 3 and 4) shall apply only with respect to complaints filed under section 717 of the Civil Rights Act of 1964 (42 U.S.C. 2000e–16) on or after the effective date of this Act.

[From the Washington Post, Jan. 27, 1993]

ATF FACES BIAS, HARASSMENT CHARGES: WOMEN, MINORITIES CONFRONT TREASURY AGENCY'S WHITE, MALE TRADITIONS

(By Lynne Duke)

In the Oklahoma City office of the federal Bureau of Alcohol, Tobacco and Firearms two years ago, white colleagues of black special-agent-in-training Constance Barron routinely used the word "nigger" in her presence, agency documents show. A white agent once called her a "black bitch." And on an office wall where Barron worked, a card read, "State of Oklahoma Nigger Hunting License."

In Chicago last fall, after she said she had endured for two years a higher ranking male agent's habit of pawing her, forcibly kissing her and propositioning her for sex, rookie ATF agent Sandra Hernandez told supervisors she was so stressed out she had become anorexic.

And in Atlanta last year, veteran black agent Larry D. Stewart said he applied for promotion 11 times only to see the jobs go to white agents. When he filed an equal opportunity complaint over the matter, Stewart said, he was investigated by ATF's internal affairs office and warned by a white supervisor to "stop trying to be Martin Luther King."

Harassment and discrimination charges such as these frequently can be suppressed within the culture of conformity and silence that exists in the nation's elite law enforcement agencies.

This month, however, several blacks and women went public with complaints about ATF, saying they have no faith in the agency's commitment to equal opportunity or its ability to ferret out internal law-breakers.

The charges, detailed in court papers and internal agency documents, mirror the problems experienced by women and minorities in several other agencies, such as the FBI and Drug Enforcement Administration, both of which have been successfully sued in recent years because of systemic discrimination against black and Latino agents. Yesterday, the FBI agreed to allow a federal judge to supervise its employment practices for five years as part of a settlement in a class action complaint brought by more than 300 black agents.

The clashes within federal law enforcement agencies, say lawyers who have handled such cases, suggest a turbulent transition from the exclusionary and white male-dominated ranks' of the past to the new realities of racial and gender inclusion.

Faced with allegations that top ATF management has turned a blind eye to sexual harassment and race discrimination, ATF Director Stephen E. Higgins earlier this month appointed an outside task force to study the agency's equal opportunity policies. ATF, an agency of the Treasury Department, collects federal excise taxes on alcohol, tobacco and firearms and enforces federal laws on firearms explosives and arson.

Higgins also has asked the Treasury Department's inspector general to investigate the cases of Hernandez and two other women whose claims of sexual harassment were aired on the CBS News program "60 Minutes." After an internal investigation verified Hernandez's claim, ATF recommended the firing of a male agent whom Hernandez accused as her harasser, an official said.

As the agency grappled with the sexual harassment charges, new life was breathed into a three-year-old federal class action complaint against the agency on behalf of 180 black agents. When the complaint originally was filed in federal court here three years ago, two agents were named as complainants. Now, there are 15. Atlanta agent Stewart leads the list in the expanded complaint filed on Jan. 15.

Stewart and the other agents claim that ATF places blacks on career tracks from which high profile assignments and career development often are out of reach. They also allege that blacks too often are denied promotions, and that agents who complain through the agency's internal equal opportunity process are targeted for retaliation.

Stewart, 38, an agent since 1978 and a supervisor in the Atlanta division, accused senior ATF officials of practicing "management by fear."

"The minute you file a complaint, you retroactively become incompetent," said Stewart. He claims that the agency launched an internal affairs investigation against him after the class action lawsuit was filed. The agency briefly suspended and reprimanded him for attending evening law classes without first seeking permission, according to court records.

Higgins, the ATF director, said in an interview earlier this month that to his knowledge no black agents have been targeted for retaliation. He also said that he tried to improve the agency's assignment and promotion process for black agents after a 1984 meeting in which the agents expressed their concerns. Rather than settle the dispute internally, Higgins said, the agents chose to go to court.

"I don't think there's so many of them [complaints] that you can say it's institutionalized," he said, adding, "I'm worried about all these cases. I worry about even one of them."

One case that indeed seemed to worry the agency was Barron's. The agency, without admitting any violation of civil rights laws, quietly settled her internal equal opportunity case in late 1991. The agency paid her attorney's fees, purged from her record two job performance evaluations that Barron said were unduly harsh as retaliation for her complaints; transferred her to the Dallas office; provided sensitivity training for all its Oklahoma City employees; issued a memo from Higgins reiterating the agency's anti-discrimination policy; and ensured that Barron "will not be subjected to racial/sexual harassment in the future."

Barron, 27, said her feelings toward the agency changed dramatically "the first time I heard 'nigger.' I kept thinking, 'This is a federal agency. We're supposed to be upholding the law.' To me, they were breaking the law."

The resident agent in charge of Barron's office at the time of the incidents was to be transferred as discipline, but is fighting in court to remain in Oklahoma City.

The ATF has about 22 districts. About 11 percent are women, 10 percent are black and 7 percent are Latino. Among supervisory agents, women, blacks and Latinos each account for about 5 percent.

Complaints of harassment or discrimination are handled internally through an informal process in which they either are resolved or made formal through a written complaint. There have been seven formal sexual harrassment complaints since 1987, according to agency figures.

Formal racial or national origin discrimination complaints have increased from six filed in 1988 to 28 filed last year, with a total of 74 in that five-year period, agency statistics show.

If those who file complaints are not satisfied with the results of internal review, they may appeal to the Equal Employment Opportunity Commission. EEOC officials said it is impossible to determine the number of appeals received from the ATF because such cases are mixed in with those of other Treasury agencies.

Higgins explained that the agency is evolving. Until the early 1970s, he said, "You did have basically a 'good-old-boy' network in federal law enforcement." He said there are people in the agency who "weren't used to working with anybody who wasn't a mirror image of themselves."

But, he said, "all of our managers are trying to, and I would say we are, doing a good job of trying to develop a more diverse work force and to make such that the people who work here feel it's an environment where they can do the best work they can."

Higgins, who acknowledged that "maybe I am a little too detached," as critics have claimed, said he has elevated the agency's top equal opportunity official, Marjorie Kornegay, so that she will report directly to him.

Higgins said it is true that some agents may indeed have been passed over for promotions. But it happens to agents of all kinds, he said. "That's not a black thing."

Fiscal 1992 statistics on promotions to the first level of supervisory agent show that 19 black male agents submitted a total of 84 applications that resulted in seven promotions—or one promotion for every 12 applications. In that same period; 217 white male agents submitted a total of 469 applications that resulted in 108 promotions—or one promotion for every four applications.

Black agents also have complained that they are disproportionately represented among the agents hired as "Schedule A" employees—those taken on to fill a special agency need, but who are exempted from civil service protections against undue discipline or firing. Higgins said that Schedule A allows the agency to bring in more blacks than might otherwise get in through the normal civil service testing route.

In many instances, the agency uses Schedule A for black hires because it needs black agents to do undercover work in cases in which a white agent "would not be credible," said Higgins. Special Agent Mark Jones, a black agent named in the suit, said, "They claim that only African Americans can buy from African Americans, and that's not true."

According to Jack Killorin, an ATF spokesman, 54 percent of the agency's 100 Schedule A agents are black, and 55 percent are women.

"What we're asking for is not to have black agents treated better than white agents," said David J. Shaffer, the attorney representing the black agents. "We're asking that everybody be treated fairly."

"It's a system that does not prevent racism * * * and there's no attempt by management and no policy from management to stop it," Shaffer said.

The ATF is not the only federal law enforcement agency hit with allegations of widespread harassment and discrimination in recent years.

In November, 19 black agents of the Immigration and Naturalization Service filed a discrimination complaint alleging they were denied promotions and given less important assignments than whites.

In addition to the complaint of black agents, a judge ruled in 1988 that the FBI had discriminated against 310 Latino agents. Just last month, the Drug Enforcement Administration reached final settlement in a 1985 suit by 300 Latino agents.

For Stewart of the ATF, the case in which he is involved has become a matter of honor. He said the agency has tried to tell him in innumerable ways that his behavior, his advocacy, even his education—a PhD in management—are inappropriate.

Stewart also claims the agency slighted him by not recognizing his role in the arrest and 1991 conviction of Walter Leroy Moody, who killed a Savannah, Ga., city councilman and a federal judge in Alabama with pipe and letter bombs. Stewart, an arson and explosives expert, supervised one of the lead ATF groups investigating the case.

Tom Stokes, special agent in charge of the Atlanta office, said he recommended several agents below Stewart for ATF monetary awards. Stokes himself received an award from headquarters. But Stokes said he recommended no supervisory agents for awards. Stewart feels he was wronged.

"ATF decided that my role was so minimal that I did not deserve any recognition," he said wryly.

"I refuse to allow this agency to put me down and tell me it's all been for nothing," he said. "It's gonna take a federal judge to tell me that what I have done is wrong."

Ms. MIKULSKI. Mr. President, I rise again this year with my colleague, Senator GLENN, to reintroduce this very important piece of legislation, the Federal Employee Fairness Act of 1993. I believe that this year we'll get it done. On the issue of sexual harassment, Senator GLENN has shown that he certainly has the right stuff to deal with this most pressing issue. I only wish we could have passed this bill last year. But my colleague, Senator GLENN and I are back again this year to make sure that we improve the procedure for handling sexual harassment complaints filed by federal employees.

Last October marked the first anniversary of the Clarence Thomas-Anita Hill hearings. Those hearings have left an indelible mark on the psyche of the American people.

Mr. President, as we enter into this debate once again, I must say that I do not like the term "sexual harassment" because I do not believe that it gives the full impact of what it means to a person who must endure this type of abuse. Sexual harassment is really a form of sexual humiliation. It is a form of degradation. For those people who endure this type of abuse, this legislation is crucial.

Mr. President, during the Clarence Thomas Hearings, we heard a lot of talk across this United States of America on the issue of sexual humiliation. Now it is time to take that talk and put it into action. Time has passed and the American people certainly have not forgotten. It is critical that we correct the complaint system at the EEOC and that we do it now. There is a revolt going on within the United States of America on the issue of sexual harassment. Americans want their complaints to be treated seriously and in a timely way.

If you talk to the victims of sexual harassment the way I have, they will often tell you they were victimized by both the actual event in which they were abused * * * and then subsequently abused by the very system that they turned to for help.

This bill is an important step in the right direction. It will give agency heads the right to impose sanctions against persons who have engaged in sexual harassment, whether they be managers, supervisors, or coworkers.

This bill will address systematic problems and problems within the EEOC complaint system itself. And it will establish timetables for agencies to respond to complaints. No longer will the harasser be able to put it under the rug or hope the complainant will go away.

This legislation eliminates the risk faced by the complainant—it's risky because very often when you follow up on a complaint you stay in the same situation with the same boss whom you are accusing. It is like being locked in a back alley with someone who is about to mug you and being told to wait until your trial comes up.

We cannot tolerate this.

This bill will allow employees more time to file their complaints. When you are a victim of sexual battery, you need time to deal with your own feelings and to gather the courage to undergo the ordeal of filing the complaint itself. but there is another very important feature about this bill—it saves money.

When these changes are fully implemented and the department is up and running, the Federal Government will save up to $25 million a year. That's fantastic because we know we cannot afford to waste time and waste money.

Mr. President, the United States of America went through a very important lesson on sexual harassment in the last year and a half. If we do not pass this legislation, the Senate will once again flunk the course. Victims who have the courage to stand up and say, "No, this is not right," should not be treated as if they themselves were villains.

Mr. President, during the Thomas-Hill hearings, my phones were flooded by phone calls from women who suffered similar experiences, and underwent great trauma. The problem of sexual harassment was presented then with no solution.

This bill will not solve the problem of sexual harassment itself, but it sure will help the victims of sexual harassment by making the administrative process much more fair.

Mr. President, if I can help it, with this legislation, I will see that the process is changed so that people feel that the system works for them and not against them.

Anything we can do to change the law, to empower the injured person, to give them an opportunity to present their complaint, and to make sure they are not treated as the victim.

I feel very strongly about this, and I want to conclude by saying that we have an opportunity to send a message to victims everywhere and to those who work in Federal service that on the issue of sexual harassment, the United States of America wants to ensure that the silence on sexual harassment is broken and that this legislation will provide them with a fair and equitable process that begins to correct the wrongs of the very system itself.

By Mr. LIEBERMAN (for himself and Mr. LAUTENBERG):

S. 405. A bill to create an environmental innovation research program, and for other purposes; to the Committee on Environment and Public Works.

ENVIRONMENTAL INNOVATION RESEARCH ACT OF 1993

• Mr. LIEBERMAN. Mr. President, today I am introducing the Environmental Innovation Research Act of 1993. The bill seeks to harness environmental research, development and cleanup efforts in Federal agencies to assist environmental technology development and product creation. Senator MIKULSKI has been one of the leaders in the area of environmental technology and I appreciate the advice and cooperation that Senator MIKULSKI and her staff have extended to me and my staff in the preparation of this legislation and I look forward to continuing to work with her on this issue. I also have drawn from the work of the World Resources Institute in its report, "Backs to the Future: U.S. Government Policy Toward Environmentally Critical Technology" and I commend WRI's excellent work.

Mr. President, the new administration is committed to making the United States a leader not only in environmental protection, but also in the development and commercialization of clean technologies. Both President Clinton, and our former colleague, Vice President GORE, strongly believe that there is no conflict between strong environmental protection and economic competitiveness and that, indeed, developing clean technologies will play

an important part in ensuring that we are economically competitive. This legislation should take us a long way toward meeting these goals of the new administration.

The program established by this legislation is specifically modeled on the highly successful Small Business Innovation and Research [SBIR] program which focuses on moving new general technologies into commercial development and production. This legislation applies the SBIR set-aside concept to the field of innovative environmental technology.

My legislation requires each Federal agency with a budget for research and development and/or environmental cleanup in excess of $50 million to expend no less than 1.25 percent of those funds on a program related to critical environmental technology. The term "critical environmental technology" is defined broadly to include innovations that can be used to reduce risks to human health, welfare, or the environment.

The legislation establishes a new office within the Environmental Protection Agency [EPA] to coordinate the activities of the environmental research programs established by Federal agencies. This new office will carry out EPA's environmental research program; monitor other Federal agency programs; provide technical assistance to private business concerns; and help ensure the availability of an initial market for the technology, among other responsibilities. The Director of this Office, working with a task force comprised of members of industry and Federal agencies, shall compile a list of critical environmental technologies and cooperate on program implementation.

Mr. President, the Earth Summit in Rio last summer made clear that if American industries are to compete in the global economy, they must integrate the goals of environmental protection and economic growth. The last administration's short-sighted policies took us back 20 years to an artificial conflict between environmental protection and economic growth. As one computer industry executive explained to me, in his highly competitive industry, production of waste and pollutant byproducts is actually a cost, a sign of production inefficiency. If America is going to succeed in international competition, it is going to have to accelerate its productivity rate, and environmentally sound production is crucial to that process. A recent study by the nonprofit group INFORM of pollution prevention activities at 27 companies found that average product yield per pollution prevention activity at those companies increased by 7 percent. This translates into greater international competitiveness.

The fact is that we cannot have a healthy economy without a healthy environment. Most businesses are beginning to believe that. They also know that the market for environmentally sensitive products is expanding at the speed of sound.

The Organization for Economic Cooperation and Development has reported that environmental goods and services is now a $200 billion industry that will experience a 5½-percent growth on an annual basis.

The Congressional Office of Technology Assessment estimates that global environmental goods and services will grow to a $300 billion industry by the year 2000.

A recent study conducted for EPA estimates that if the Clean Air Act of 1990 is fully implemented, revenues in the air pollution control industry will increase by $4 to $6 billion annually. Cumulatively, that will represent a $50 to $70 billion increase in revenues by the year 2000. EPA officials estimate that tens of thousands of jobs will be created by the year 2000. These positions include construction workers, engineers, and manufacturing jobs.

The development of clean technologies can also save businesses money by reducing costs associated with waste treatment and disposal, chemical accidents, and other potential long-term liabilities. Polaroid Corp., for example, streamlined production of its photographic chemical plants, cutting waste generation by 31 percent and disposal costs by $250,000 per year. Among Polaroid's initiatives was the first high-quality diagnostic medical imaging system to use a dry developing process and new dyes which use 30 percent less solvents per unit of production. These new processes do good two ways at once: they are good for the environment, and they help make American industry more competitive.

While other nations, notably Japan and Germany, have fostered the development of new environmental technologies through active involvement with all stages of research, development, and commercialization, the United States does not have a coherent national policy to encourage the development of environmental technology.

The absence of such a policy threatens to leave America behind in the emerging worldwide industry. According to Harvard Business School Professor Michael Porter, almost 70 percent of the air pollution control technology sold in the United States is now foreign-made. Some of this technology, including some now imported from Japan, was invented in the United States. But lack of an early domestic market led some patent holders to sell their patents abroad. We cannot let environmental technology go the way of the VCR.

I have seen directly what the lack of U.S. Government commitment to clean environmental technologies can mean. Connecticut is home to two of the Nation's fuel cell manufacturers. Fuel cells are essentially large-scale batteries that use a range of fuels, hydrocarbon fuel, without combustion, to produce electricity. They are superlative energy producers, reaching efficiencies of over 80 percent if heat is recovered, compared to about 30 percent for traditional power plants. They are virtually pollution-free and because of their great efficiency, emit far less carbon dioxide per unit of energy produced than traditional power-generating devices.

OTA, the National Critical Technologies Panel and World Resources issued a recent report, "Backs to the Future: U.S. Government Policy Toward Environmentally Critical Technology," which lists fuel cells as one of the critical environmental technologies. But fuel cell manufacturers in this country are struggling because they lack the Federal support that prudent energy and economic policy would dictate. Fuel cells are on the brink of commercialization, but our Government is not acting to foster that commercialization here in cooperation with the private sector. Even as they struggle in this country, however, fuel cells and other alternative energy industries are forming the basis of an aggressive energy and economic policy in Japan—including support of the commercialization process. That should come as no surprise to us, but it should serve as a warning.

Mr. President, this legislation seeks to address some of the obstacles faced by private business concerns seeking to develop and commercialize critical environmental technologies. I have noted that this bill is modeled after provisions in the Small Business Innovation Research Act. That program, which is funded by a required set-aside for research and development money at Federal agencies, is designed to promote technological innovation and the ability of small businesses to transform research and development results into new products.

The three-phase structure for environmental innovation programs in this legislation is based on the phases set forth in SBIR. The first phase is designed to determine the scientific and technical merit and feasibility of a proposed idea. The second phase is designed to further develop the idea. The third phase includes not only Federal but private sector funds, and is designed to promote the commercial application of this research.

According to a March 1992 General Accounting Office report, the SBIR program is successful even though many projects have not yet had sufficient time to achieve their full commercial potential. The GAO study concluded that 27 percent of the SBIR projects reach commercialization within 6 years. As of July 1991, the program

had generated approximately $1.1 billion in sales and additional funding for technical development—two key indicators of the program's commercial success, with an additional $3 billion expected by the end of 1993. The majority of this activity occurred in the private sector.

Mr. President, I look forward to working with the new administration and Senator MIKULSKI to make certain that the United States is a key player in the environmental technologies of the next decade and century. The Federal Government needs to be a partner with the private sector in stimulating research and development of these new technologies and products. Given the enormous size of the Government's own cleanup requirements, the Government itself will be a primary beneficiary. A recent EPA report examining innovative cleanup technologies states, "A primary reason for developing new technologies is to provide more cost-effective alternatives to existing technologies." EPA's analysis of cleanups at eight hazardous waste sites which used innovative technologies identified an overall cost savings of over $160 million or an average cost reduction of about 66 percent because an innovative technology was chosen over a conventional method. The magnitude of cleanup at Department of Energy and Department of Defense sites is enormously complex. An extensive study by the Congressional Office of Technology Assessment concluded that it may be impossible with current technology to remove contaminants from certain groundwater plumes and deeply buried soil. New technologies are needed to address these serious contamination problems in a more timely and cost-effective manner, with the potential for enormous savings to the Government.

Mr. President, this is not old-fashioned industrial policy. It is not centralized government planning; it is not command and control from Washington; and, finally, it is not a bailout for failing industries. It is government working as a catalyst with the private sector, to make sure that the strong new environmentally clean technologies of tomorrow are being created right here in America today, with American workers reaping what we have sown.

I ask unanimous consent that the full text of this legislation be included in the RECORD.

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

S. 405

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 "Environmental Innovation Research Act of 1993".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the creation of an environmentally sound economy is among the urgent public policy challenges of the United States, on both a domestic and international level;

(2) rather than constraining technology and technological progress, the resolution of environmental problems presents new strategic business opportunities;

(3) new critical environmental technology offers both effective solutions to environmental problems and a viable long-term basis for continued economic growth and competitiveness;

(4) while substantial relevant basic environmental research and development is being conducted in research institutes, universities, and industries, more work is needed to commercialize advances in basic research and explicit support for research is needed; and

(5) to better compete in the world economy, environmental issues must become a more explicit focus within Federal agencies that conduct programs related to environmental cleanup and the development or application of technologies, and more environmental applications of technologies must be encouraged through Federal funding.

(b) PURPOSES.—The purposes of this Act are to—

(1) establish an environmental innovation research program;

(2) stimulate the development of critical environmental technology;

(3) emphasize the goal of the program of increasing private sector commercialization of technology developed through Federal research and development;

(4) increase the role of businesses engaging in environmental innovation research in the establishment of Federal research and development priorities; and

(5) establish the United States as the lead producer and exporter of innovative environmental technology.

SEC. 3. DEFINITIONS.

As used in this Act:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) COVERED FEDERAL AGENCY.—The term "covered Federal agency" means a Federal agency, with respect to which, for a fiscal year, an amount greater than $50,000,000 is made available for environmental research and development or environmental cleanup or for both.

(3) CRITICAL ENVIRONMENTAL TECHNOLOGY.—The term "critical environmental technology" means a significant technological innovation that—

(A) can be used to reduce risks to human health, welfare, or the environment;

(B) enables a wide range of related technical and economic advances; and

(C)(i) confers societal benefits in addition to private returns;

(ii) either—

(I) confers an economic advantage on United States industries developing or using the technology; or

(II) has the potential of becoming a dominant technology with respect to the future application of the technology; and

(iii) as appropriate, is generically applicable at the precompetitive stage.

(4) DIRECTOR.—The term "Director" means the Director of the Office for the Development of Critical Environmental Technology established under section 4.

(5) ENVIRONMENTAL INNOVATION RESEARCH.—The term "environmental innovation research" means research related to the development, application, or commercialization of critical environmental technology.

(6) FUNDING AGREEMENT.—The term "funding agreement" means a contract, cooperative agreement, grant agreement, patent agreement, royalty agreement, license agreement, equity agreement, or other appropriate legal agreement between the head of a covered Federal agency and a private business concern to provide funding and support to carry out environmental innovation research.

(7) OFFICE.—The term "Office" means the Office for the Development of Critical Environmental Technology established by section 4.

(8) TASK FORCE.—The term "Task Force" means the Critical Environmental Technology Task Force established under section 7.

SEC. 4. ESTABLISHMENT OF OFFICE.

(a) IN GENERAL.—There is established within the Environmental Protection Agency an Office for the Development of Critical Environmental Technology. The Office shall be headed by a Director, who shall be appointed by the Administrator.

(b) CRITICAL ENVIRONMENTAL TECHNOLOGY RESEARCH PROGRAM.—The Administrator, acting through the Director, shall carry out a critical environmental technology research program. In carrying out the program, the Administrator, acting through the Director, shall—

(1) coordinate communication between the heads of covered Federal agencies and private industry regarding the development of critical environmental technology;

(2) conduct an environmental innovation research program pursuant to section 5;

(3) provide information, in cooperation with the head of each other covered Federal agency, to private business concerns that carry out environmental innovation research projects under section 5 regarding contracts with Federal agencies for research and development concerning critical environmental technology;

(4) provide technical assistance to private business concerns, including information concerning the research and development of critical environmental technology under other federally-sponsored research programs;

(5) to the extent allowable by law, in cooperation with the head of any other Federal agency that the Administrator determines to be appropriate, ensure the availability of an initial market for the critical environmental technology;

(6) develop and maintain a clearinghouse to provide information to private business concerns that develop or apply critical environmental technology;

(7) coordinate the activities of, and independently survey and monitor the operation of, environmental innovation research programs established by covered Federal agencies pursuant to section 5(b); and

(8) conduct sufficient outreach activities to ensure that, to the extent that funds are available, private business concerns qualified to carry out an environmental innovation research project have an opportunity to participate in the program established under this subsection.

SEC. 5. ENVIRONMENTAL INNOVATION TECHNOLOGY RESEARCH PROJECTS.

(a) CRITICAL ENVIRONMENTAL TECHNOLOGY RESEARCH PROGRAM OF THE ENVIRONMENTAL PROTECTION AGENCY.—As part of the critical environmental technology program referred to in section 4(b), the Administrator, acting through the Director, shall conduct an environmental innovation research program pursuant to subsection (b). The Administrator, acting through the Director and in coopera-

tion with the heads of covered Federal agencies, shall ensure the effective coordination of the activities of environmental innovation research programs conducted by the heads of covered Federal agencies under subsection (b) with the environmental innovation research program conducted by the Administrator, acting through the Director, under this subsection.

(b) ENVIRONMENTAL INNOVATION RESEARCH PROGRAMS OF COVERED FEDERAL AGENCIES.—

(1) IN GENERAL.—In addition to the establishment of an environmental innovation research program by the Administrator under subsection (a), the head of each covered Federal agency shall establish an environmental innovation research program for the development and commercialization of critical environmental technology to—

(A) further the progress of cleanup and pollution prevention activities of the agency; and

(B) avoid future pollution and cleanup problems.

(2) FUNDING.—The head of each covered Federal agency shall—

(A) on an annual basis, set aside not less than 1.25 percent of the sum of—

(i) funds appropriated to the agency for environmental research and development (if any); and

(ii) funds appropriated to the agency for environmental cleanup (if any),

to fund an environmental innovation research program that meets the requirements of this Act; and

(B) on an ongoing basis, consult with the Task Force concerning the expenditure of the funds set aside pursuant to subparagraph (A).

Nothing in this Act shall limit the amount of funds a covered Federal agency may spend on the development and commercialization of critical environmental technology, or any other environmental technology activity.

(3) DUTIES OF HEADS OF COVERED FEDERAL AGENCIES.—

(A) IN GENERAL.—In carrying out an environmental innovation research program established under this subsection, the head of each covered Federal agency shall, in accordance with the requirements of this subsection—

(i) determine categories of projects to be included in the environmental innovation research program;

(ii) issue environmental innovation research solicitations;

(iii) receive and evaluate proposals resulting from environmental innovation research proposals;

(iv) select awardees for the environmental innovation research funding agreements of the covered Federal agency;

(v) administer the environmental innovation research funding agreements of the covered agency (or delegate the administration to another agency); and

(vi) make payments to recipients of environmental innovation research funding agreements on the basis of progress toward or completion of the funding agreement requirements.

(B) COOPERATIVE AGREEMENTS WITH OTHER FEDERAL AGENCIES.—The head of each covered Federal agency may enter into a cooperative agreement with the head of another Federal agency for the provision of technical assistance and other appropriate assistance to the business concern conducting an approved project.

(4) PHASES OF ENVIRONMENTAL INNOVATION RESEARCH PROGRAM.—

(A) IN GENERAL.—The head of each covered agency shall carry out an environmental innovation research program consisting of the following three phases:

(i) A first phase (with respect to which the head of the covered Federal agency may enter into funding agreements with private business concerns, each of which shall be in an amount not to exceed $100,000) for determining, to the extent practicable, the scientific and technical merit and feasibility of ideas submitted pursuant to environmental innovation research program solicitations that appear to have commercial potential.

(ii) A second phase (with respect to which the head of the covered Federal agency may enter into funding agreements with private business concerns, each of which shall be in an amount not to exceed $750,000) to further develop proposals that meet particular program needs, and with respect to which awards shall be made on the basis of the scientific and technical merit and feasibility of each proposal, as determined by the first phase (as described in clause (i)). The head of the covered Federal agency shall take into consideration, along with other attributes of each proposal, the commercial potential of each proposal, as evidenced by—

(I) the record of the private business concern of successfully commercializing environmental innovation research or other research;

(II) the existence of funding commitments from private sector or nonenvironmental innovation research funding sources to fund the second phase;

(III) the existence of follow-on commitments for the third phase carried out under clause (iii) for research conducted pursuant to this clause; and

(IV) the presence of other indicators of the commercial potential of the proposal.

(iii) If appropriate, a third phase, with respect to which the head of the covered Federal agency may provide assistance or enter into funding agreements with private business concerns—

(I) that—

(aa) have performed commercial applications research funded under an environmental innovative research program or research and development program; and

(bb) are partially funded by non-Federal sources of capital;

(II) for products or services intended for use by the Federal Government, by federally-funded follow-on research and development that is not funded under an environmental innovation research program under this Act; or

(III) for which awards from Federal sources other than funding for environmental innovation research under this Act are used for the continuation of research or research and development that has been competitively selected using peer review or scientific review criteria.

(B) OTHER ASSISTANCE.—With respect to the assistance provided pursuant to subparagraph (A)(iii), the covered Federal agency may, in addition to providing other assistance, assist the private business concern in pursuing funding or procurement from other Federal research and development or cleanup programs.

SEC. 6. ANNOTATED LIST OF CRITICAL ENVIRONMENTAL TECHNOLOGIES.

The Director, in consultation with the members of the Task Force established under section 7, shall compile an annotated list of critical environmental technologies and provide for the periodic updating of the list. The annotations to the list shall include, with respect to each listed technology—

(1) a statement by the Director and each member of the Task Force who represents the interests of a Federal agency concerning the listed technology that would be useful to the Federal agency that the member represents for carrying out environmental cleanup or research and development programs of the agency; and

(2) descriptions from appropriate representatives of private business concerns concerning existing research activities related to the listed technology, and other research that could be conducted to develop the technology for both domestic and international markets.

SEC. 7. CRITICAL ENVIRONMENTAL TECHNOLOGY TASK FORCE.

(a) IN GENERAL.—The Administrator shall establish a task force to be known as the "Critical Environmental Technology Task Force". The Task Force shall consist of the following members to be appointed by the Administrator:

(1) The Deputy Assistant Secretary of Defense for Environment, and an Assistant Secretary responsible for environmental quality, science, or technology research and development (as determined by the Secretary of Defense) from each of the following departments:

(A) The Department of the Army.

(B) The Department of the Navy.

(C) The Department of the Air Force.

(2) The Assistant Secretary for Conservation and Renewable Energy of the Department of Energy, or the designee of the Assistant Secretary.

(3) The Director of the National Institute of Standards and Technology, or the designee of the Director.

(4) The Administrator, or the designee of the Administrator.

(5) The Director.

(6) Five individuals representing private industry, appointed by the Administrator—

(A) at least one member shall be a representative of a leading consortium of an advanced manufacturing and technology firm.

(B) at least one member shall be a representative of small business concerns.

(7) The head of each environmental innovation research program carried out by a covered Federal agency who is not among those individuals described in paragraphs (1) through (6).

(b) CHAIRPERSON.—The Director shall serve as the chairperson of the Task Force.

(c) ACTIVITIES.—The Task Force shall—

(1) assist the Director in ensuring the effective implementation of the proposed environmental innovation research of covered Federal agencies;

(2) oversee the coordination and development of the collection and distribution of critical environmental technology and data associated with the technology;

(3) review research proposals submitted to the Administrator and the heads of covered Federal agencies for environmental innovation research projects;

(4) on the basis of the reviews referred to in paragraph (3), make recommendations to the Administrator and the Director and the head of each covered Federal agency regarding the merits of the distribution of funds under proposed funding agreements to fund proposed projects under the programs established under this Act;

(5) ensure complementary research efforts and avoid duplicative research efforts under this Act; and

(6) promote the effective dissemination of research information and results among Federal agencies and the private sector, as appropriate.

SEC. 8. REPORTS TO THE DIRECTOR.

(a) IN GENERAL.—On an annual basis, the head of each covered Federal agency shall submit to the Director a report that includes:

(1) A listing of funding agreements under the environmental innovation technology program of the agency that provide for funding in an amount greater than or equal to $10,000.

(2) The aggregate amount of assistance under the funding agreements described in paragraph (1).

(3) A comparison of the number of funding agreements and aggregate amount of funding under agreements described in paragraph (1) made with private business concerns that are environmental technology concerns (as defined by the Administrator) with the number of funding agreements and aggregate amount of funding agreements made with other private business concerns.

(4) The percentage of successful commercialization efforts in critical environmental technology resulting from the environmental innovation technology program.

(b) COORDINATION OF REPORTS.—In the reports required under section 10, the Director shall include a summary of results delineated in the reports submitted under subsection (a).

SEC. 9. GUIDELINES AND REGULATIONS.

The Administrator shall, not later than 120 days after the date of enactment of this Act, promulgate guidelines for environmental innovation research programs conducted by the Administrator and other covered Federal agencies under this Act. The head of each covered Federal agency shall, on the basis of the guidelines, promulgate such regulations as are necessary to ensure that the environmental innovation research program of the covered agency meets the requirements of the guidelines. The guidelines promulgated by the Administrator under this section shall provide for—

(1) simplified, standardized, and timely solicitations of project proposals;

(2) a simplified, standardized funding process that provides for—

(A) the timely receipt and review of proposals;

(B) at a minimum, outside peer review for project proposals under the phase described in section 5(b)(4)(A)(ii), in any case in which the review is appropriate;

(C) the protection of proprietary information provided in project proposals;

(D) the selection of environmental innovation research projects;

(E) the retention of rights by the private business concern in data generated in the performance of a contract by the private business concern under the environmental innovation research project;

(F) to the extent allowable by law, the transfer of title to property provided by a Federal agency to the private business concern conducting a environmental innovation research project, if the transfer would be more cost effective than recovery of the property by the Federal agency;

(G) cost sharing; and

(H) cost principles and payment schedules;

(3) exemptions from the requirements of paragraph (2) in any case where national security or intelligence functions would be jeopardized; and

(4) minimizing the regulatory burden of each private business concern that participates in an environmental innovation research project in order to improve the cost-effectiveness of the critical environmental technology research and development conducted under the program.

SEC. 10. MONITORING AND REPORT.

To the extent allowable by law, the Administrator shall—

(1) independently survey and monitor all phases of the implementation and operation of the environmental innovation research program of each covered agency (including compliance with requirements relating to the expenditures of funds); and

(2) not less frequently than annually, and at such other times as the Administrator, in consultation with the Director, considers to be appropriate, submit a report to the Committee on Environment and Public Works of the Senate and the Committee on Science, Space, and Technology of the House of Representatives that includes—

(A) information concerning—

(i) each phase of the implementation and operation of the environmental innovation technology research programs administered by the Administrator and the heads of covered Federal agencies under this Act; and

(ii) other related activities of the Administrator; and

(B) such recommendations for program improvements as the Administrator, in consultation with the Director, considers to be appropriate.

SEC. 11. REPORT BY THE COMPTROLLER GENERAL.

The Comptroller General of the United States shall, not later than 5 years after the date of enactment of this Act, transmit a report concerning the implementation of the programs established under this Act, including a description of the research conducted under the programs, to the Committee on Environment and Public Works of the Senate and the Committee on Science, Space, and Technology of the House of Representatives.

SEC. 12. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this Act.●

By Mr. WOFFORD:

S. 406. A bill to amend the Harmonized Tariff Schedule of the United States to correct the rate of duty on certain mixtures of caseinate; to the Committee on Finance.

HARMONIZED TARIFF AMENDMENT ACT OF 1993

● Mr. WOFFORD. Mr. President, I rise today to introduce legislation to restore the duty rate on Tru-Pro 224 of 0.2 cents per pound, which was in the Tariff Schedules of the United States [TSUS]—the old tariff schedule—retroactive to January 1, 1989, when the Harmonized Tariff Schedule [HTS]—the new tariff schedule—came into force.

For 4 years, from 1985 to 1988, all imports of Tru-Pro 224 were consistently and properly classified by the U.S. Customs Service as a mixture in chief value of casein under item 493.17 of the TSUS. When the United States began planning to replace the TSUS with HTS, it was internationally agreed that an article that was classified under a given provision of the TSUS would be classified under the equivalent provision of the HTS. This was designed to assure, in particular, that the rate applicable to the product would not change. In the case of Tru-Pro 224, the equivalent provision was HTS subheading 3501.90.50, which covers casein derivative, at a rate of .44 cents per kilogram.

In spite of the international agreement, Customs reclassified Tru-Pro 224 under HTS subheading 1901.90.40, which covers various food preparations with dairy ingredients, at a rate of 16 percent. That translates into a duty of about 14 cents per pound, since the dutiable value of Tru-Pro 224 is today about 88.5 cents per pound. In other words, the 16-percent rate is about 70 times the 0.2 cents per pound rate.

The attached letter, dated June 28, 1990, to the Australian Government from the United States Trade Representative acknowledges the obligation of the United States Government to seek congressional approval of the restoration of the TSUS rate of 0.2 cents per pound.

Mr. President, I believe it is clear that the United States is obligated to restore the 0.2 cents per pound rate for Tru-Pro 224. It is equally clear that the restoration should be retroactive to January 1, 1989, when the HTS came into force. The application of the 16-percent rate has been unjustified since that date.

Mr. President, I ask unanimous consent that the letter be printed in the CONGRESSIONAL RECORD.

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

THE U.S. TRADE REPRESENTATIVE,
EXECUTIVE OFFICE OF THE PRESIDENT,
Washington, DC, June 28, 1990.

Hon. NEAL BLEWETT,
Minister for Trade Negotiations,
Parliament House, Canberra

DEAR DR. BLEWETT: I have the honor to refer to the discussions which have taken place between officials of our two countries to resolve certain concerns Australia has with the introduction of the Harmonized Tariff Schedule of the United States (HTSUS). Pursuant to those discussions, this letter sets forth the understandings of our two governments of certain actions the United States will take with respect to its schedule, and of Australia's undertaking that it will lift its reservation on the United States GATT schedule XX as converted to the Harmonized System.

Australia's reservations concern three products:

a. Mixtures of non-fat dry milk and anhydrous butterfat containing over 5.5 percent but not over 45 percent by weight of butterfat, which prior to January 1, 1989 were classified to TSUS item 182.92 but which are not classified to HTSUS subheading 1901.90.30;

b. Dried mixtures containing less than 31 percent by weight of butterfat and consisting of not less than 17.5 percent by weight each of sodium caseinate, butterfat, whey solids containing over 5.5 percent by weight of butterfat, and dried whole milk, but not containing dried milk, dried whey, or dried buttermilk any of which contains 5.5 percent or less by weight of butterfat. Prior to January 1, 1989 these mixtures were classified to TSUS item 493.17 but are not classified to HTSUS subheading 1901.90.40;

c. Woven tapestry and woven upholstery fabrics of wool valued over $2 per pound, which prior to January 1, 1989 were classified to TSUS item 357.15 but which are now clas-

sified to HTSUS subheadings, 5112.20.00 or 5112.30.00.

Under the Tariff Schedules of the United States (TSUS), the products described in paragraph (a) above, imported from Australia, were subject to a section 22 quota of 1,016,046 kilograms and a tariff rate of 16 percent ad valorem. Under the Harmonized Tariff Schedule of the United States (HTSUS) these products have been classified as articles of milk or cream, subject to a section 22 quota of 2,721 kilograms and a tariff rate of 17.5 percent ad valorem.

Under the TSUS, the products described in paragraph (b) above, imported from Australia, were free of any quota and subject to a tariff rate of 0.44 cents per kilogram. Under the HTSUS these products have been classified as edible preparations containing over 5.5 percent butterfat, subject to a section 22 quota of 1,016,046 kilograms and a tariff rate of 16 percent ad valorem.

Under the TSUS, the products described in paragraph (c) above, imported from Australia, were subject to a tariff rate of 7 percent ad valorem. Under the HTSUS these products have been classified as woven fabrics of combed wool containing less than 85 percent by weight of wool mixed mainly or solely with man-made filaments or man-made staple fibers, subject to a tariff rate of 48.5 cents per kilogram plus 38 percent ad valorem.

Section 1211 (c) of the Omnibus Trade and Competitiveness Act of 1988 provides authority to modify the coverage of the section 22 quotas to restore the previous treatment in effect under the TSUS. This authority expires on June 30, 1990.

There is no executive authority to reduce tariffs on these products by more than certain specified proportions and amounts. Any tariff reductions greater than those specified proportions and amounts would require approval by the Congress of the United States.

It is understood that the Government of the United States will use the section 1211 (c) authority to restore the pre-existing treatment with regard to quotas for products described in (a) and (b) above and will not oppose legislation to restore the preexisting duty treatment of products described in (a), (b) and (c) above. Further, the Executive Branch of the U.S. Government will enter into an agreement, in the context of the Uruguay Round of multilateral trade negotiations, to restore tariff rates on products described in (a) and (b) to the levels applying immediately prior to 1 January 1989, and thereafter will seek Congressional approval of such restoration.

In these circumstances, Australia will not take any retaliatory measures, request any compensation, or take any measures in pursuit of any right it might have under Article XXVIII of the GATT, including recourse to Article XXIII, with respect to the products described in (a) or (b), on the understanding that action will be taken by the United States to restore pre-existing tariff and quota treatment to products described in (a) and (b) above by the time the United States formally notifies the GATT of its acceptance of the agreements associated with the Uruguay Round of multilateral trade negotiations. However, Australia will retain its GATT rights in relation to these products until such restoration has occurred.

It is further understood that:

A. Australia will immediately withdraw its reservation on the United States GATT Schedule XX as converted to the Harmonized System in all respects except with regard to products (a) and (b) above and initially negotiated rights not fully shown in the Schedule,

B. Australia will notify the GATT to that effect,

C. Australia will lift its reservation with respect to each of the products (a) and (b) above when the respective duty rates and the quota treatment on each is restored to the level applicable under the TSUS, and once all agreed initially negotiated rights accorded to Australia are shown in the United States GATT Schedule XX as converted to the Harmonized System, and

D. The United States will immediately withdraw its reservation on Australia's GATT Schedule I as converted to the Harmonized System.

I have the honor to propose that, if the foregoing is acceptable to the Government of Australia, this letter and your confirmatory reply constitute the understandings of our two governments as of the date of your reply.

Sincerely,

CARLA A. HILLS.•

By Mr. BINGAMAN (for himself and Mr. COCHRAN):

S. 407. A bill to create a National Commission on School Finance To Meet the National Education Goals; to the Committee on Governmental Affairs.

EDUCATION LEGISLATION

• Mr. BINGAMAN. Mr. President, today I rise to introduce the National Commission on School Finance Act which will evaluate the current school finance structure in the context of the current emphasis on high standards, school reform and, in particular, achieving the national education goals.

School districts across the United States already strapped for resources are now faced with the new challenge of the national education goals. The current system for financing the primary and secondary education system, which is the principal responsibility of the States, is heavily decentralized with variations from school to school, district to district, and State to State.

While individual States have been grappling with school finance disparities among their localities, there are important differences in the States' ability and willingness to devote resources to education among the States. With more than 15,000 school districts in the United States that vary widely in nature, authority, and responsibilities, it is a daunting task for a district looking for a model for reform of finance policies to meet the National Education Goals.

The national education goals represent the emergence of a Federal role in the American educational system. Traditionally, local education agencies have had the major responsibility in the kindergarten through 12th grade system, but burgeoning enrollment along with changing demographics have pushed the system to the brink.

While enrollment has increased, funding has stagnated, and in some cases has been reduced. School finance remains a prominent issue. While the Federal share of education finance for kindergarten through 12th grade is only approximately 6 to 7 percent, some States utilize up to half, or more, of their budgets on education.

As this Congress moves to adopt the national education goals there must be an examination of education finance policies and procedures. The promise of national goals by the year 2000 is hollow if we do not realistically address the need to finance the programs to accomplish the goals. Many local school districts, barely able to provide basic school supplies, may not be able to afford the new resources or educational technology necessary to meet the national goals.

This bill would create a National Commission on School Finance to meet the national education goals to study ways in which current finance methods can be improved, or if the situation warrants, replaced by alternate finance methods. School finance policies must be efficient in increasingly tight economic times. It has been 20 years since the last comprehensive and objective study of school finance policies and practices was completed. Current education finance trends and policies must be re-examined with a national scope.

Issues such as finance policy inequity, the impact of Federal education assistance programs, and the cost-effectiveness of specific educational resources must be addressed.

The inequity of finance policies is a contentious issue more and more often settled in the already over-burdened court system. Recently, States such as Texas, Kentucky, and New Jersey have been ordered by the judiciary to alter their school finance formulas. A national analysis of these court cases, and the implications of their rulings, would be highly useful to State and national policymakers.

The cost-effectiveness of educational resources and methods and their relationships to costs and outcomes are poorly understood. Efficiency in addressing major educational concerns will be a key to allowing the American educational system to compete on a global scale, as increasingly it must. The bottom line is that we need to know what works and what does not, especially for those students who are in disadvantaged school districts, where every dollar is at a premium.

The Commission is vital to understanding the effectiveness of our primary and secondary education systems compared to our trading partners, and competitors, such as Japan and the European Community. This bill would require the commission to study the expenditure levels and intergovernmental financial responsibilities of other industrialized nations. As adults, today's primary and secondary students in New Mexico will not only be competing for jobs against students in Texas and Rhode Island, but also against students in Berlin and Osaka.

A national challenge requires a national response. The National Commission on School Finance to meet the national education goals will allow those who are attempting to meet the challenges of the national education goals to draw upon the resources of the Federal Government. Finally, the commission will issue a report recommending, the appropriate role of the Federal Government in supporting school and State finance reform.

Mr. President, I ask unanimous consent that the full text of this bill be printed in the RECORD.

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

S. 407

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 "National Commission on School Finance To Meet the National Education Goals Act".

SEC. 2. FINDINGS.

The Congress finds—

(1) State governments have for a long time played the principal role in financing America's education system and historically such role has involved heavy reliance upon locally administered property taxes in conjunction with State prescribed per pupil spending minima, while the Federal Government has been a junior partner in such role, contributing approximately 7 or 8 percent of the amount spent on kindergarten through twelfth grade schooling;

(2) the State and local role described in paragraph (1) has traditionally been decentralized;

(3) the rapid evolution of an unusually competitive international economy is altering national education needs and the new strategic resource for nations has become the trained intellect of its citizens;

(4) the United States is attempting to respond to the challenge described in paragraph (3) by debating and implementing education reform alternatives and setting national education goals;

(5) education reforms may have little chance of sustained success and universal achievement of the national education goals may be jeopardized when such reforms are part of a disparate means by which our Nation finances its schools;

(6) the means by which United States schools are financed result in—

(A) spending inequality from school-to-school, district-to-district and State-to-State;

(B) neglected effectiveness such as finance systems paying little heed to outcomes, accountability, or performance, and seldom is an education attainment target posed regarding desired outcomes or performance incentives;

(C) organizational rigidity in which school finance systems are rooted in operational units such as small rural schools, as exemplified by school districts having consolidated in mammoth agencies with cumbersome bureaucratic structures sometimes distant geographically and organizationally from the schools such districts purport to direct; and

(D) confusion caused by school finance system accretion and as a consequence intolerable complexity;

(7) the entire context in which United States education now operates has been altered in the last 2 decades and expectations for education are higher, and on crucial dimensions, the capacity of schools to respond is lower; and

(8) in the absence of alternative school finance mechanisms with adequate and adequately structured resources, the hope of national education goals, national assessments, and a host of other reform alternatives are in jeopardy of foundering on good intentions and rhetoric.

SEC. 3. COMMISSION ESTABLISHED.

(a) ESTABLISHMENT OF THE COMMISSION.—There is established as an independent agency in the executive branch a commission to be known as the National Commission on School Finance To Meet the National Education Goals (hereafter in this Act referred to as the "Commission").

(b) MEMBERSHIP.—

(1) COMPOSITION.—The Commission shall be composed of 12 members, of which—

(A) 2 shall be appointed by the President;

(B) 2 shall be appointed by the Speaker of the House of Representatives;

(C) 3 shall be appointed by the Minority Leader of the House of Representatives;

(D) 2 shall be appointed by the Majority Leader of the Senate; and

(E) 3 shall be appointed by the Minority Leader of the Senate.

(2) SPECIAL RULE.—The membership of the Commission shall provide the Commission with expertise and experience in the provision and financing of elementary and secondary education, including expertise in elementary and secondary school administration, teaching, State legislation, education economics research, and development of standards and assessments.

SEC. 4. DUTIES OF THE COMMISSION.

(a) STUDY.—The Commission shall study what has been learned from the research on innovations in practice that will help further understanding of what will be necessary and what the cost implications are for achieving the national education goals and shall investigate the extent to which—

(1) Federal laws demonstrate a consistent and coherent Federal policy regarding educational access and equity with respect to resources;

(2) Federal education laws and regulations promote the stated Federal education policy;

(3) there are alternatives to current school finance mechanisms; and

(4) schools and States have the capacity to respond financially to the reform demands implied in the national education goals and the consequent objectives.

(b) SPECIFIC REQUIREMENTS.—In carrying out its responsibilities under this section, the Commission shall synthesize and evaluate existing information in the following areas:

(1) FISCAL CAPACITY.—The fiscal capacity of States and local educational agencies to provide access to high quality education to all students, including synthesizing and evaluating information regarding—

(A) the costs of different ways of providing educational services and the factors that impact student achievement;

(B) the impact of socioeconomic status and student-to-teacher ratios, and the effect of such status and ratios on student achievement;

(C) all revenue expended in the United States on elementary and secondary education, including revenue from Federal, State, local and private sources;

(D) international comparisons of expenditure levels, and intergovernmental financial responsibilities, for public elementary and secondary education;

(E) population sparsity and density factors with respect to educational needs and costs;

(F) revenue available to all local educational agencies in the United States with respect to property taxes, sales taxes, personal income taxes and lotteries;

(G) differences in the costs of providing elementary and secondary education by State, and by local educational agencies within States;

(H) the capacity of State school finance systems to provide the resources necessary to achieve the national education goals; and

(I) the role of educational technologies in improving cost-effectiveness, program quality and equity.

(2) FISCAL EFFORT.—The fiscal effort State and local educational agencies make to provide access to high quality education to all students, including synthesizing and evaluating information regarding—

(A) the variables associated with the willingness of communities to tax themselves to raise education revenues;

(B) different teaching compensation policies; and

(C) school districts with much higher than average per pupil expenditures and school districts with much lower than average per pupil expenditures both before and after the implementation of equalization measures.

(3) POLICY.—The impact of Federal, State, and local programs and policies on equalizing access to educational opportunity, including synthesizing and evaluating information regarding—

(A) the relationship between the amount of—

(i) Federal education assistance; and

(ii) tax expenditures for equalization of school finance;

(B) the costs of Federal or State laws that are not fully funded by the level of government that established such laws;

(C) the effect of financial incentives on school performance;

(D) the consistency and coherency among—

(i) Federal, State, and local educational equity policies; and

(ii) Federal, State, and local laws, regulations and resources; and

(E) the effect of Federal education assistance programs and Federal, State, or local tax expenditures on equalization of school finance resources.

(4) SCHOOL FINANCE LEGISLATION.—The trends in State school finance legislation and judicial actions.

(c) REPORTS AND RECOMMENDATIONS.—The Commission shall prepare and submit to the Congress an interim report within 12 months of the date of enactment of this Act and a final report within 18 months of such date. Such reports shall—

(1) summarize the appropriate findings of the Commission;

(2) provide to the Congress a comprehensive analysis of the extent to which a consensus exists regarding the appropriate roles of Federal, State and local government in supporting school and State finance reform;

(3) provide an analysis of the resources that will be needed at the school, district and State level to achieve the national education goals; and

(4) provide an analysis of the capacity of State school finance systems to provide the resources necessary to meet the national education goals.

SEC. 5. ADMINISTRATION OF THE COMMISSION.

(a) RATE OF PAY.—Members of the Commission who are not full-time officers or employees of the United States and who are not Members of Congress may, while serving on

business of the Commission, be compensated at a rate not to exceed the rate specified at the time of such service for level IV of the Executive Schedule as authorized by section 5315 of title 5, United States Code, for each day, or any part of a day, they are engaged in actual performance of Commission duties, including travel time; and while so serving away from their homes or regular places of business, all members of the Commission may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in government service employed intermittently.

(b) TEMPORARY EXEMPTION.—Subject to such rules as may be adopted by the Commission, the Chairperson, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, shall have the power to—

(1) appoint a Director or Executive Director who shall be paid at a rate not to exceed the rate of basic pay payable for level IV of the Executive Schedule; and

(2) appoint and fix the compensation of such other personnel as the Chairperson considers necessary at a rate not to exceed the rate of basic pay payable for level IV of the Executive Schedule.

(c) AUTHORITY TO CONTRACT.—Subject to the Federal Property and Administrative Services Act of 1949, the Commission is authorized to enter into contracts or interagency agreements with Federal and State agencies, private firms, institutions, and individuals for the conduct of activities necessary to the discharge of its duties and responsibilities.

(d) SOURCE OF ADMINISTRATIVE SUPPORT.—Financial and administrative support services (including those related to budget and accounting, financial reporting, payroll, and personnel) shall be provided to the Commission by the General Services Administration (or other appropriate organization) for which payment shall be made in advance or by reimbursement from funds of the Commission, in such amounts as may be agreed by the Chairperson of the Commission and the Administrator of General Services.

(e) AUTHORITY TO HIRE EXPERTS AND CONSULTANTS.—The Commission is authorized to procure temporary and intermittent services of experts and consultants as are necessary to the extent authorized by section 3109 of title 5, United States Code, but at rates not to exceed the rate specified at the time of such service for level IV of the Executive Schedule. Experts and consultants may be employed without compensation if they agree to do so in advance.

(f) AUTHORITY FOR DETAIL OF EMPLOYEES.—Upon request of the Commission, the head of any Federal department or agency is authorized to detail on a reimbursable basis, any of the personnel of such department or agency to the Commission to assist the Commission in carrying out its duties under this section.

SEC. 6. TERMINATION.

The Commission shall terminate 3 years after the first meeting of its members.

SEC. 7. DEFINITIONS.

For the purpose of this Act—

(1) the term "elementary school" has the same meaning given to such term by section 1471(8) of the Elementary and Secondary Education Act of 1965;

(2) the term "local educational agency" has the same meaning given to such term by section 1471(12) of the Elementary and Secondary Education Act of 1965;

(3) the term "national education goals" means the national education goals established pursuant to the education summit held in Charlottesville, Virginia in 1989;

(4) the term "secondary school" has the same meaning given to such term by section 1471(21) of the Elementary and Secondary Education Act of 1965; and

(5) the term "State" has the same meaning given to such term by section 1471(22) of the Elementary and Secondary Education Act of 1965.

SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $5,000,000 for each of the fiscal years 1993, 1994, and 1995 to carry out this Act.

By Mr. CHAFEE:

S. 408. A bill to promote small business lending to small business concerns in States in which there is a declining number of federally insured financial institutions; to the Committee on Small Business.

SMALL BUSINESS LENDING AND CREDIT AVAILABILITY ACT

• Mr. CHAFEE. Mr. President, I am introducing legislation today to increase lending to small businesses. My bill, the Small Business Lending and Credit Availability Act, would modify section 7 of the Small Business Act—the loan guarantee program—making it easier for banks to lend to creditworthy small businesses.

Now, Mr. President, while our economy is overshadowed by a daunting Federal deficit and a host of other woes, why is it important to tinker with a relatively innocuous Small Business Administration program?

Small business has been, and continues to be, the backbone of the Nation's economy. These entrepreneurial businessowners lead the way in developing new technologies, improving productivity, and, most important, creating jobs. In Rhode Island, there are nearly 25,000 small businesses, employing more than 300,000 workers. Perhaps more meaningful, 90 percent of the new jobs in our Nation will be created by small businesses. Small businesses are important because they create the jobs that drive our economy.

In the past 2 years, however, small businesses have been hit hard by the recession. Small business incorporations declined by more than 5 percent nationwide, while business failures increased nearly 50 percent according to the latest SBA data. In 1991 there were 344 small business bankruptcies in Rhode Island—a whopping 215 percent increase from 1990. Figures are not yet complete for 1992, but estimates suggest that another 300 Rhode Island small businesses filed for bankruptcy in 1992.

Although evidence is largely anecdotal, there seems to be a consensus that a severe credit crunch is hampering the attempts of creditworthy small business customers to borrow from banks and other lenders. A December 1992 study commissioned by the National Federation of Independent Businesses [NFIB] entitled "The Small Business Credit Crunch" reveals that businesses with 40 or fewer employees have encountered considerable problems obtaining credit. The study also said that "New England was the most troublesome region for small business borrowing" between 1990 and 1992. Recent Federal Reserve studies confirm these findings.

But studies, reports, and newspaper articles only tell part of the story. I have recently hosted four public hearings throughout my State to learn more about our economic troubles. Nearly every small business owner told me that credit was all but impossible to come by. Let me share a few examples with you:

Pam Crandall is the president of Ashway Line and Twine, a family-owned business in southern Rhode Island. Her company has been producing strings used in sports racquets and surgical materials for a century and a half. Her business is profitable. It has a fine reputation, and 30 percent of its business is exports. Still, Pam Crandall tells me that even her business has trouble finding credit in today's restrictive lending environment.

An entrepreneur in Newport, RI, Pamela Kelley, operates Rue de France, a successful mail-order company that sells French lace and other decorating products. Rue de France is a small business; it employs several dozen workers during peak periods of the year. Her business has been profitable. But despite her success, banks in Rhode Island have refused her requests to borrow additional funding to expand her business—and create new jobs in the process.

John Maguire runs American Shipyard in Newport, RI. His company started with 6 workers and now employs over 150. He, too, tells me that he cannot secure credit in Rhode Island.

I could go on and on with tales of woe from small business owners in Rhode Island. But, there is a constant theme to their stories—the credit crunch is denying small businesses the capital they need to invest, to grow, and to create new jobs. These same problems are occurring throughout the country—in Massachusetts, Connecticut, New York, New Hampshire, and in California.

It is not likely that the credit crunch will end soon. The Federal Deposit Insurance Corporation Improvement Act has now been implemented, so many lenders are focusing more on raising capital then on lending. Provisions in the new law are forcing banks to be even more cautious about new lending. Many lenders will simply not be able to meet the higher capital requirements called for in the new law and will be forced to close. In fact, the FDIC expects to shut down more than 120 banks

this year; and the Office of Thrift Supervision plans to close another 80 thrifts in 1993.

Already Rhode Island has seen two financial institution closings since late last year. In December, the State's fifth largest bank, Eastland Savings with $550 million in assets, was seized by the FDIC. Just 2 weeks ago, the State's fourth largest financial institution, Old Stone Bank with $1.9 billion in assets, was closed. It is now being operated by the Resolution Trust Corporation [RTC].

These closings were a jolt to Rhode Island's 1.1. million citizens. Rhode Islanders are still coming to grips with the January 1991 collapse of the Rhode Island Share and Deposit Indemnity Corporation [RISDIC] that forced the closing of 45 privately insured credit unions. The RISDIC debacle plunged the State into its worst financial crisis since the Great Depression.

The Eastland and Old Stone failures sent new worries throughout our State. Eastland and Old Stone had branch networks throughout the State—from Woonsocket to Newport to Providence. Eastland has been doing business in Rhode Island for 150 years; Old Stone first opened its doors back in 1819. These two banks were more than just financial institutions—they were Rhode Island institutions. Many in our State have been left to wonder, if these two large banks could fail, what bank is next?

The closing of banks, thrifts, credit unions, and other lenders has a devastating impact on business. Individuals who operate companies, especially small businesses, have fewer places to seek credit. There are fewer institutions available to make loans to small businesses for expansion or upkeep. When banks are not lending money to small businesses, those small businesses are not hiring new employees. As a result, job creation stagnates.

How do we begin to address these problems?

We can start by enacting the Small Business Lending and Credit Availability Act, which I am introducing today. This bill will help increase lending to small businesses located in States where there have been increasing numbers of financial institution failures. In Rhode Island, for example, this bill would help offset the credit void that was created by the recent collapses of Eastland Bank and Old Stone.

Let me briefly describe the bill:

Section 7 of the SBA Act, the loan guarantee program, would be expanded in States where at least one large financial institution—assets above $100 million—has failed in the past year, or where at least two institutions with combined assets exceeding $150 million have collapsed.

States meeting these qualifications would be eligible for the following expanded section 7a loan guarantees:

Those 7a loans below $200,000 would be guaranteed at 95 percent, a change from the current law that guarantees loans below $155,000 at 90 percent.

Those 7a loans between $200,000 and $500,000 would be guaranteed at 90 percent, a change from current law that guarantees loans above $155,000 at between 70 and 85 percent.

A waiver of the two-point guarantee fee would be granted for the first 2 years of this program, and a one-point guarantee fee would be included in the final 3 years.

Any reasonable doubts concerning loans under this section will be resolved in favor of the applicant. This language is similar to current law providing leniency to other special groups.

Provisions established under this act shall terminate 5 years after enactment.

From my discussions with small business operators in Rhode Island, I am convinced that a key to ending the credit crunch is a plan that includes a major contribution from the Small Business Administration. My plan would involve the SBA to help create new liquidity for banks to lend to small businesses.

The SBA has been doing herculean work in the past few years as the majority of the Nation's lending community has been in retrenchment. It launched the New England Lending and Recovery program last year to spur lending to small businesses in our recession-ravaged region. This year, demand on the popular and successful section 7a loan guarantee program—the heart of SBA lending to small businesses—is far outpacing supply. It seems certain that absent a supplemental appropriation, the program's $3.2 billion fiscal year 1993 appropriation will not meet the growing 7a loan guarantee demand.

SBA activity in Rhode Island mirrors the increase in demand nationwide:

In 1991, SBA guaranteed 45 loans totaling $9 million;

In 1992, SBA guaranteed 136 loans totaling $32.7 million; and

In 1993, SBA expects to guarantee more than 200 loans totaling $60 million.

The SBA has the resources, the contacts with local lenders, and the stature in the small business community to spearhead this effort. When I joined the Senate Committee on Small Business in January, I did so because I was confident that small business is the engine that will lead both Rhode Island and the Nation into recovery.

In conclusion, Mr. President, the biggest problem besetting small businesses today is the lack of available credit. I believe that the SBA, local banks, and other lenders should be in the business of investing in people and communities, and that Federal policies should promote the flow of capital to small business community.

I hope this legislation will help ease the credit crunch and increase lending to the small businesses, that will then use that capital to create jobs and get our economy moving again. I urge my colleagues to take a good look at this legislation, and I welcome their cosponsorship.•

By Mr. GLENN (for himself and Mr. HATCH):

S. 409. A bill to extend the terms of various patents, and for other purposes; to the Committee on Finance.

EXTENSION OF OLESTRA PATENTS

• Mr. GLENN. Mr. President, I rise to introduce a bill to extend certain patents, including a limited extension for three key patents on olestra, a zero calorie fat replacement made by Procter & Gamble; the patent for the insignia of the United Daughters of the Confederacy; and the patent terms of the badges of the American Legion, the American Legion Women's Auxiliary and the Sons of the American Legion.

This bill is really unfinished business from the 102d Congress. The provisions of this bill were included in H.R. 5475, which were passed by the House by an overwhelming margin on August 4, 1992, and the provisions related to olestra were included in S. 1506, which was passed by the Senate on October 8, 1992, by voice vote.

Procter & Gamble invented olestra in the 1960's, and began working with the FDA in 1971. More than two decades later, olestra has still not been approved. P&G has already invested $200 million in olestra, and would need to invest many more millions to construct manufacturing facilities to produce this substance.

The problem arises because American patents by law are for 17 years. Regulatory reviews by FDA to ensure safety of new food additives by necessity are open ended. Olestra is unique, virtually unprecedented as a new food type because of its likely impact on the American diet, and because it is a nonabsorbable. noncaloric fat replacement. While most food additives constitute, at most, a fraction of 1 percent of the human diet, olestra could eventually replace as much as 10 percent or more of the human diet. Accordingly, the FDA has approached this unprecedented food additive with appropriate prudence, and P&G has been required to invent new protocols to test olestra's safety for human consumption, because olestra did not fit the existing regulatory mold.

The primary olestra patent expired in 1988 and the other three—which are the subject of this legislation—will expire in late 1993—about the same time that FDA at the earliest could approve the use of olestra. Should this occur, Procter & Gamble, the innovator, will lose all proprietary rights to its invention. For the record, the terms of patent numbers 4,005,196, re. 33,885 (origi-

nal patent No. 4,034,083) and re. 33,996 (original patent No. 4,005,195) and any reissues are extended. Additionally, Procter & Gamble has agreed to undertake postmarket studies to provide data regarding the influence of olestra-containing products upon the overall dietary intake of fats, which will be submitted to the FDA for review.

Federal policies should encourage innovation in American industry. The manufacturer who merely waits for the patent of an innovator to expire should not be rewarded. Our patent system is designed to facilitate innovations such as olestra. At the same time, our regulatory system is intended to ensure safety prior to market. In most instances these two functions work in harmony and serve the public well. In rare instances, however, the length of the review process can consume much, or all, of the 17 years of exclusivity granted an inventor under patent law. Congress in these extraordinary instances has extended patents to maintain balance. Olestra is one of these extraordinary cases.

The provisions of this amendment were not only approved by bipartisan majorities of both Houses during the 102d Congress, but also subject to rigorous scrutiny. The process began with hearings in the relevant subcommittees of the Judiciary Committees of both Houses late in 1991. When the hearings suggested that the requests for patent extensions involved factually complicated issues, the respective chairmen of those subcommittees, our colleague Senator DECONCINI of Arizona and Representative HUGHES of New Jersey, requested that the General Accounting Office study the merits of these cases. The GAO found that P&G had been consistently diligent in testing olestra. Later, bipartisan majorities in the relevant subcommittees, both the House and Senate Judiciary Committees, and finally in the House of Representatives and the Senate—felt that fairness warranted a limited extension.

I believe that we must make a commitment to the future by investing in research and development. In this case, the necessity of the regulatory review process have virtually denied any patent protection. Without an extension, I believe that investment in research and development will be discouraged.

I appreciate the support of the Senator from Utah, Senator HATCH, who joins me as a sponsor of this legislation.

I ask my colleagues to join me, in support of this bill.•

By Mr. DASCHLE (for himself, Mr. INOUYE, Mr. MCCAIN, Mr. COCHRAN, Mr. SIMON, and Mr. DECONCINI):

S. 410. A bill to establish within the Bureau of Indian Affairs a program to improve the management of rangeland's and farmlands and the production of agricultural resources on Indian lands, and for other purposes; to the Select Committee on Indian Affairs.

INDIAN AGRICULTURAL RESOURCES MANAGEMENT ACT

Mr. DASCHLE. Mr. President, today I am pleased to introduce the Indian Agricultural Resources Management Act of 1993. I am introducing this bill on behalf of Senators INOUYE, MCCAIN, COCHRAN, SIMON, DECONCINI, and myself.

The purpose of this legislation is not to establish new program responsibilities in agriculture for the Secretary of the Interior. It is to streamline and make more efficient the administration of the programs the Secretary now administers, and to empower Indian tribes to assume a greater role in the management of these programs.

This legislation provides for the establishment of a viable system for the management or administration of Indian-owned lands and enhances the capability of Indian ranchers and farmers to produce crops and products from such lands. It provides greater authority to the Indian tribes in the management and regulation of Indian agricultural lands and enhances the educational opportunities for Indian students in the management of Indian natural resources.

While this bill's focus is on the Department of Interior and the Bureau of Indian Affairs, it follows on the heels of legislative progress with FmHA and the U.S. Department of Agriculture.

Throughout the early 1980's, the Select Committee on Indian Affairs was constantly approached by Indian farmers and ranchers urging some form of intervention to save the Indian agricultural economy. The select committee working with the Intertribal Agriculture Council and the Agriculture Committee did indeed have some successes and was able to make some USDA programs more accessible to individual Indian farmers, as well as the tribes.

With the entire agricultural economy in crisis, it was not possible in Congress to single out the Indian sector for special treatment. The breakthrough finally came in 1987, when Congress enacted the Farm Credit Act Amendments of 1987. There were a number of Indian provisions in this act, but the most important in terms of gaining visibility for Indian concerns were the amendments dealing with the handling of Indian trust lands foreclosed upon by FmHA. After a difficult fight on the Senate floor and a battle in conference, Congress enacted amendments to this act that required the Secretary of Agriculture to turn over to the Interior Department lands that were held in trust at the time of their foreclosure if the original Indian owner was not able to buy or lease the lands back.

One of the most important results from this legislative effort was the realization that there were unique and difficult problems for Indians within reservations, or utilizing Indian trust or restricted lands, that did not fit within all of the general legislation and programs of the Department of Agriculture. It was clear that review and modernization of the agriculture and natural resources programs administered by the Department of the Interior through the Bureau of Indian Affairs was required.

Mr. President, I ask unanimous consent that this bill be printed in full at the conclusion of these remarks.

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

S. 410

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 "Indian Agricultural Resources Management Act of 1993".

(b) TABLE OF CONTENTS.—

TITLE I—GENERAL PROVISIONS

Sec. 101. Findings.
Sec. 102. Purposes.
Sec. 103. Definitions.

TITLE II—RANGELAND AND FARMLAND ENHANCEMENT

Sec. 201. Management of Indian rangelands and farmlands.
Sec. 202. Indian participation in land management activities.
Sec. 203. Comparative analysis of Indian rangeland and farmland management programs.
Sec. 204. Leasing of Indian rangelands and farmlands.

TITLE III—EDUCATION IN AGRICULTURE AND NATURAL RESOURCE MANAGEMENT

Sec. 301. Establishment of Indian and Alaska Native agriculture and natural resources management education assistance program.
Sec. 302. Postgraduation recruitment, education and training programs.
Sec. 303. Cooperative agreement between the Department of the Interior and Indian tribes.
Sec. 304. Obligated service; breach of contract.

TITLE IV—AUTHORIZATION OF APPROPRIATIONS

Sec. 401. Authorizations.

TITLE V—MISCELLANEOUS

Sec. 501. Regulations.
Sec. 502. Severability.
Sec. 503. Trust responsibility.
Sec. 504. Miscellaneous.

TITLE I—GENERAL PROVISIONS

SEC. 101. FINDINGS.

(a) FINDINGS.—The Congress finds and declares that—

(1) Indian rangelands and farmlands are renewable and manageable natural resources that are among the most valuable Indian assets and are vital to the economic and social welfare of individual Indians and Indian tribes.

(2) Increased development and intensive management of Indian rangelands and farmlands will produce increased economic re-

turns, enhance Indian self-determination, promote employment opportunities, and improve the social and economic well-being of Indian and surrounding communities.

(3) The United States has a trust responsibility to protect, conserve and enhance Indian rangelands and farmlands consistent with its fiduciary obligation and its unique relationship with Indian tribes and extends to all Federal agencies.

(4) Existing Federal laws do not sufficiently assure the adequate and necessary trust management of Indian rangelands and farmlands.

(5) The Federal investment in, and the management of Indian rangelands and farmlands is significantly below the level of investment in, and management of, rangelands and farmlands under the administration of the Bureau of Lands Management, Bureau of Reclamation, the National Forest Service, and private landowners.

(6) The beneficial use of Indian rangelands and farmlands by Indians is in serious decline throughout Indian country.

(7) Despite the Federal policy of Indian self-determination, Federal laws and policies have limited the authority and ability of tribal governments and Indian communities to develop land-based programs on the basis of local priorities.

SEC. 102. PURPOSES.

The purposes of this Act are to:

(1) Promote and increase and enable the opportunities for Indian use of their own resources so as to use Indian natural and human resources to achieve tribal goals, to decrease idle or underutilized land, reverse the damaging long-term losses in productivity and land values, and increase local employment opportunities, community income, and social stability.

(2) Safeguard the investments made in Indian rangelands and farmlands and agricultural enterprises and provide adequate, stable, and secure authority for the protection, conservation, utilization, and enhancement of Indian rangeland and farmland resources.

(3) Support and improve tribal self-determination by authorizing and facilitating the active tribal participation in the management decisionmaking processes on the allocation and use of local natural resources.

(4) Improve Indian access to Federal agriculture, rural development and related programs which are available to the American society at large through the various departments of the Federal Government.

(5) Provide for the development and management of Indian rangelands and farmlands at a level at least commensurate with the level of development and management afforded to federally owned or controlled lands.

(6) Meet the trust responsibility of the United States and promote self-determination of Indian tribes by managing Indian rangelands and farmlands and related renewable resources in a manner consistent with identified tribal goals and priorities, and nationally adopted multiple use and sustained yield principles.

(7) Increase the educational and training opportunities available to Indian people and communities in the practical, technical and professional aspects of agriculture, natural resources, and land management to improve local expertise and technical abilities and create a cadre of professional Indian agriculture resource managers who can provide leadership to the tribal, Federal and private sectors on Indian land and resource management issues.

SEC. 103. DEFINITIONS.

For the purposes of this Act:

(1) The term "agricultural land" means Indian land, excluding Indian forest land, that is used for the production of agricultural products, and lands occupied by industries that support the agricultural community, regardless of whether a formal inspection and land classification has been taken.

(2) The term "agricultural resource" means—

(A) all the primary means of production, including the land, soil, water, air, plant communities, watersheds, climate, human resources, natural physical attributes and man-made developments which together comprise the agricultural community; and

(B) all the benefits derived from agricultural land and enterprises, including cultivated and gathered food products, fibers, horticultural products, dyes, cultural or religious condiments, medicines, water, cultivated fisheries, wildlife, recreation, aesthetic and other traditional values of agriculture and rangelands.

(3) The term "agricultural product" means—

(A) crops grown under cultivated conditions whether used for personal consumption, subsistence, or sold for commercial benefit;

(B) domestic livestock including cattle, sheep, goats, horses, buffalo, swine, Alaska reindeer, fowl, cultivated fish, or other animals specifically raised and utilized for food, fiber, or as a beast of burden;

(C) forage, hay, fodder, feed grains, crop residues and other items grown or harvested for the feeding and care of livestock, sold for commercial profit, or used for other purposes;

(D) naturally occurring noncultivated plants and animals gathered for commercial sale, personal use, cultural or religious activities or for other purposes such as use in teas, medicines, as herbs or spices, for decoration, or for traditional purposes; and

(E) other marketable or traditionally used materials authorized for removal from agricultural lands.

(4) The term "land management activity" means all activities, accomplished in support of the management of Indian agricultural land, including but not limited to—

(A) preparation of inventories and management plans;

(B) agricultural land and infrastructure development, and the application of accepted soil or range management techniques to improve or restore the productive capacity of the land;

(C) protection against agricultural pests, including development, implementation, and evaluation of integrated pest management programs to control noxious weeds, undesirable vegetation, vertebrate or invertebrate agricultural pests;

(D) administration and supervision of agricultural leasing and permitting activities, including determination of proper land use and proper stocking rates of livestock, appraisal, advertisement, negotiation, contract preparation, collecting, recording, and distributing lease rental receipts;

(E) technical assistance to individuals and tribes engaged in agricultural production or agribusiness; and

(F) educational assistance in agriculture, natural resources, land management and related fields of study including direct assistance to community, tribal and land grant colleges in developing and implementing curriculum for vocational, technical and professional course work.

(5) The term "farmland" means Indian land, excluding Indian forest land, that is used for production of food, feed, fiber, forage and oil seed crops, or other agricultural products, and may be either dryland or irrigated.

(6) The term "rangeland" means Indian land, excluding Indian forest land, on which the native vegetation is predominantly grasses, grass-like plants, forbs or shrubs suitable for grazing or browsing use, and includes lands revegetated naturally or artificially to provide a forage cover that is managed like native vegetation. Rangelands include natural grasslands, savannahs, shrublands, most deserts, tundra, alpine communities, coastal marshes and wet meadows.

(7) The term "forest land" means Indian forest land as defined in section 304(3) of Public Law 101-630.

(8) The term "Indian" means a Native American or Alaska Native who is a member of an Indian tribe, as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(9) The term "Indian tribe" means any Indian tribe, band, nation, rancheria, pueblo, or other organized dependent Indian group or community, including any Alaska Native village or regional or village corporation as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(10) The term "Indian land" means land that is—

(A) held in trust by the United States for an Indian or Indian tribe;

(B) owned by an Indian or Indian tribe and is subject to restrictions against alienation; or

(C) dependent Indian communities.

(11) The term "landowner" means the Indian or Indian tribe that—

(A) owns such land, or

(B) is the beneficiary of the trust under which such land is held by the United States.

(12) The term "Secretary" means the Secretary of the Interior, except where otherwise specifically designated.

(13) The term "Indian enterprise" means an enterprise—

(A) which—

(i) is engaged in construction (within the meaning of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.)), and is entirely owned by Indians, or Indian tribes, that receive 100 percent of the profits of the enterprise; and

(ii) is engaged in any business other than construction and at least 51 percent of the enterprise is owned by Indians, or Indian tribes, that receive not less than 51 percent of the profits of the enterprise; or

(B) which—

(i) is entirely owned by an Indian tribe; or

(ii) has an Indian owner who—

(I) acts as the chief executive officer of the enterprise; and

(II) has the experience and training to manage, and does in fact manage, day-to-day activities of the enterprise.

TITLE II—RANGELAND AND FARMLAND ENHANCEMENT

SEC. 201. MANAGEMENT OF INDIAN RANGELANDS AND FARMLANDS.

(a) MANAGEMENT ACTIVITIES.—Pursuant to existing law,

the Secretary shall manage Indian rangelands and farmlands, either directly or through cooperative agreements, self-determination contracts, compacts and grants under the Indian Self-Determination and Education Assistance Act (Act of January 4,

1975; Public Law 93-638; 88 Stat. 2204; 25 U.S.C. 450b), or such other legal mechanisms as are appropriate.

(b) MANAGEMENT OBJECTIVES.—Indian rangeland and farmland management activities shall be designed to achieve the following objectives—

(1) to protect, conserve, utilize, and enhance rangelands and farmlands in a perpetually productive state through the application of sound agronomic and economic principles to the planning, development, inventorying, classification, and management of agricultural resources;

(2) to increase production and expand the diversity and availability of agricultural products for subsistence, income, and employment of Indians and Alaska Natives, through the development of agricultural resources;

(3) to manage agricultural resources to protect and enhance other values such as wildlife, fisheries, cultural resources, recreation, and regulate water runoff and minimize soil erosion;

(4) to enable farmers and ranchers to maximize the potential benefits available to them through their land by providing technical assistance, training and education in conservation practices, management and economics of agribusiness, sources and use of credit, marketing of agricultural products, and other applicable subject areas;

(5) to develop Indian rangelands and farmlands and associated value-added industries of Indians and Indian tribes to promote self-sustaining communities, and so that Indians may receive from their trust lands not only lease value, but also the benefit of the labor and profit that such land is capable of producing; and

(6) to assist trust and restricted landowners in leasing their farmland and rangeland for a reasonable annual return, consistent with prudent management and conservation practices, and community goals as expressed in the tribal management plans and appropriate tribal ordinances.

(c) MANAGEMENT PLANS.—To achieve the objectives set forth in subsections (a) and (b), the Secretary, with full and active consultation with, and policy direction from, the tribe or tribes to be served and consistent with his trust responsibility, shall immediately embark on a reservation-by-reservation agricultural land resource management planning program encompassing or reflecting the following:

(1) A closed-term three-year effort conducted at the local tribe and agency level working through the governments of the tribes and in public meetings to determine and document the specific agriculture and land resource goals and desires of the local tribe and community.

(2) The defined goals as the basis in creating a ten-year agriculture program and land management plans to attain the goals defined for community lands and reservations by using public meetings, existing surveys, reports, local knowledge of the land and resources available from Federal agencies, tribal community colleges, and land grant institutions.

(3) A mechanism for assuring that the result of this three-year program will be specific, documented agriculture and land management programs, created and approved by the effected tribe or tribes, which address specific community concerns for land use and development. The individual reservation or tribal agricultural management planning documents will provide the direction to the Bureau of Indian Affairs and the tribes in the management and administration of the Indian owned agricultural trust resources. These program documents will also provide the basis for the application of Indian self-determination contracting of Agriculture and Natural Resource Programs under the Indian Self-Determination and Education Assistance Act.

(4) The contract and grant provisions of the Indian Self-Determination and Education Assistance Act shall be applicable to the development of these management plans.

SEC. 202. INDIAN PARTICIPATION IN LAND MANAGEMENT ACTIVITIES.

(a) TRIBAL RECOGNITION.—The Secretary shall recognize tribal governments as the governmental entities with the authority to enact and enforce, for lands under their jurisdiction, land use planning, zoning, and other land use ordinances and shall conduct all land management activities in accordance with tribal goals and objectives as set forth in the land management plans and tribal laws and ordinances.

(b) TRIBAL LAWS.—Unless otherwise prohibited by Federal law, the Secretary shall comply with tribal laws pertaining to Indian agricultural lands, including zoning and land use laws, and laws regulating the environment or historic or cultural preservation, and shall cooperate with the enforcement of such laws on Indian agricultural lands. Such cooperation shall include—

(1) assistance in the enforcement of such laws;

(2) provision of notice of such laws to persons or entities undertaking activities on Indian agricultural lands; and

(3) upon request of an Indian tribe, an appearance in tribal forums.

(c) WAIVER OF REGULATIONS.—In any case in which a regulation or administrative policy of the Department of the Interior conflicts with or impedes—

(1) meeting the objectives of the management plan provided for in section 201; or

(2) conflicts with a tribal law,

the Secretary shall waive the application of such regulation or administrative policy unless such waiver would constitute a violation of a Federal statute or judicial decision, or would conflict with his general trust responsibility under Federal law.

(d) This section does not constitute a waiver of the sovereign immunity of the United States. Moreover, this section does not authorize tribal courts to review actions of the Secretary.

SEC. 203. COMPARATIVE ANALYSIS OF INDIAN RANGELAND AND FARMLAND MANAGEMENT PROGRAMS.

(a) COMPARATIVE ANALYSIS.—Within 90 days after the date of enactment of this Act, the Secretary shall assemble a Task Force consisting of appropriate officials of Indian tribal governments, the Bureau of Indian Affairs, the Bureau of Land Management, the United States Park Service, the Inter-Tribal Agriculture Council, the Southwest Inter-Tribal Agriculture Council, and such other nongovernmental persons or entities as the Secretary may deem appropriate to develop a comparative analysis of Federal investment and management efforts for Indian agricultural trust lands as compared to federally owned lands managed by other Federal agencies or instrumentalities. The Secretary shall request the Secretary of Agriculture to make available on a nonreimbursable basis appropriate personnel from the Department of Agriculture to assist in the development of such analysis.

(b) PURPOSES.—The purposes of the comparative analysis and the Survey Instrument shall be—

(1) to establish a comprehensive assessment of the needs for management improvement, funding, and development needs for each reservation with Indian rangeland and farmland;

(2) to establish a comparison of management and funding provided to comparable lands owned or managed by the Federal Government through Federal agencies other than the Bureau of Indian Affairs;

(3) to identify and to recommend mitigation measures for any obstacles to Indian access to Federal or private programs relating to agriculture or related rural development programs available to the American public at large; and

(4) to provide guidance in the development of the management plans required under the provisions of section 201 of this Act.

(c) IMPLEMENTATION.—Within six months from the date of enactment of this Act, the Secretary shall provide the Committee on Interior and Insular Affairs of the House of Representatives and the Select Committee on Indian Affairs of the Senate with a status report on the development of the comparative analysis required by this section, and shall file a final report with the Congress not more than nine months from the date of enactment of this Act.

SEC. 204. LEASING OF INDIAN RANGELANDS AND FARMLANDS.

(a) AUTHORITY OF THE SECRETARY.—The Secretary—

(1) is authorized to approve any agricultural lease or permit with a tenure up to ten years, or a tenure longer than ten years but not to exceed 25 years unless authorized by other Federal law, when, in the opinion of the Secretary, such lease or permit requires substantial investment in development of the lands and/or crops by the lessee and such longer tenure is determined by the Secretary to be in the best interest of the landowners;

(2) is authorized to lease or permit agricultural lands at rates less than the Federal appraisal when such action would be in the best interest of the landowner, and in such instances, when such land has been satisfactorily advertised for lease, the highest responsible bid shall be accepted; and

(3) is authorized to waive or modify the requirement that a lessee post a surety or performance bond on agricultural leases and permits issued by the Secretary.

(b) AUTHORITY OF THE TRIBE.—When authorized by an appropriate tribal resolution establishing a general policy for leasing of Indian agricultural lands, the Secretary—

(1) shall provide a preference to Indian operators in the issuance and renewal of agriculture leases and permits, so long as the lessor receives fair market value for his property;

(2) shall waive or modify the requirement that a lessee post a surety or performance bond on agricultural leases and permits issued by the Secretary, provided that nothing in this paragraph shall be construed to restrict the discretion currently vested in the Secretary to waive or modify the bond requirements in the absence of a tribal resolution to the contrary; and

(3) when such tribal resolution sets forth a tribal definition of what constitutes "highly fractionated undivided heirship lands" and adopts an alternative plan for providing notice to owners, the Secretary is authorized to waive or modify the general notice provisions and negotiate and lease or permit such highly fractionated undivided interest heirship lands in order to prevent waste, reduce idle land acreage and ensure income.

(c) RIGHTS OF INDIVIDUAL LAND OWNERS.—(1) Nothing in this section shall be construed

as limiting or altering the authority or right of an individual allotee in the use of his or her own land or to enter into an agricultural lease of the surface interest of his or her allotment under any other provision of law.

(2) The owners of a majority interest in any trust or restricted land (meaning an interest greater than 50 percent of the legal or beneficial title) are authorized to enter into an agricultural lease of the surface interest of a trust or restricted allotment, and such lease shall be binding upon the owners of the minority interests in such land, provided that the terms of the lease provide such minority interests with not less than fair market value for such land.

(3) The provisions of subsection (b) shall not be applicable to any parcel of trust or restricted land if the owners of 50 percent of the legal or beneficial interest in such land file with the Secretary a written objection to the application of all or any part of such tribal rules to the leasing of such parcel of land.

TITLE III—EDUCATION IN AGRICULTURE AND NATURAL RESOURCE MANAGEMENT

SEC. 301. ESTABLISHMENT OF INDIAN AND ALASKA NATIVE AGRICULTURE AND NATURAL RESOURCES MANAGEMENT EDUCATION ASSISTANCE PROGRAM.

(a) NATURAL RESOURCES INTERN PROGRAM.—(1) Notwithstanding the provisions of title 5 of the United States Code governing appointments in the competitive service, the Secretary shall establish and maintain in the Bureau of Indian Affairs or other appropriate office or bureau within the Department of the Interior at least 20 natural resources intern positions in addition to the forestry intern positions authorized in section 314(a) of Public Law 101-630 for Indian and Alaska Native students enrolled in an agriculture or natural resources study program.

(2) For purposes of this subsection, the term—

(A) "natural resources intern" means an Indian or Alaska Native who—

(i) is attending an approved postsecondary school in a full-time agriculture or natural resource related field; and

(ii) is appointed to one of the natural resources intern positions established under paragraph (1);

(B) "natural resources intern program" means positions established pursuant to paragraph (1) for natural resources interns; and

(C) "agriculture or natural resources study program" includes, but is not limited to, agricultural engineering, agricultural economics, animal husbandry, animal science, biological sciences, fishery management, geographic information systems, horticulture, range management, soil science, veterinary science, and wildlife biology.

(3) The Secretary shall pay, by reimbursement or otherwise, all costs for tuition, books, fees and living expenses incurred by a natural resources intern while attending an approved postsecondary or graduate school in a full-time natural resources study program.

(4) A natural resources intern shall be required to enter into an obligated service agreement to serve as an employee in a professional natural resources position with the Department of the Interior or other Federal agency, an Indian tribe, or a tribal natural resource related enterprise for one year for each year of education for which the Secretary pays the intern's educational costs under paragraph (3) of this subsection.

(5) A natural resources intern shall be required to report for service with the Bureau of Indian Affairs or other bureau or agency sponsoring his internship, or to a designated work site, during any break in attendance at school of more than three weeks duration. Time spent in such service shall be counted toward satisfaction of the intern's obligated service agreement under paragraph (4).

(b) COOPERATIVE EDUCATION PROGRAM.—(1) The Secretary shall maintain, through the Bureau of Indian Affairs, a cooperative education program for the purpose, among other things, of recruiting Indian and Alaska Native students who are enrolled in secondary schools, tribally controlled community colleges, and other postsecondary or graduate schools, for employment in professional natural resource related positions with the Bureau of Indian Affairs or other Federal agency providing Indian natural resource related services, Indian tribal governments, or tribal natural resource related enterprises.

(2) The cooperative educational program under paragraph (1) shall be modeled after, and shall have essentially the same features as, the program in effect on the date of enactment of this Act pursuant to chapter 308 of the Federal Personnel Manual of the Office of Personnel Management.

(3) The cooperative educational program shall include, among others, the following:

(A) The Secretary shall continue the established specific programs in agriculture and natural resources education at Southwestern Indian Polytechnic Institute (SIPI) and at Haskell Indian Junior College.

(B) The Secretary shall work with tribally controlled community colleges to develop and maintain specific programs in agriculture and natural resources education, including the provision of direct technical assistance to establish such programs.

(C) Working through tribally controlled community colleges and in cooperation with land grant institutions, the Secretary shall implement an informational and educational program to provide practical training and assistance in creating or maintaining a successful agricultural enterprise, assessing sources of commercial credit, developing markets and other subjects of interest to the rural community.

(D) Working through tribally controlled community colleges and in cooperation with land grant institutions, the Secretary shall implement research activities to improve the basis for determining appropriate management measures to apply to Indian resource management.

(4) Under the cooperative agreement program under paragraph (1), the Secretary shall pay all costs for tuition, books, and fees of an Indian or Alaska Native student who—

(A) is enrolled in a course of study at an education institution with which the Secretary has entered into a cooperative agreement; and

(B) is interested in a career with the Bureau of Indian Affairs, an Indian tribe or a tribal enterprise in the management of Indian rangelands, farmlands, or other natural resource assets.

(5) Financial need shall not be a requirement to receive assistance under the cooperative agreement program that is to be maintained under this subsection.

(6) A recipient of assistance under the cooperative education program under this subsection shall be required to enter into an obligated service agreement with the Secretary to serve as a professional in a natural resource related activity with the Bureau of Indian Affairs, or other Federal agency providing natural resource related services to Indians or Indian tribes, an Indian tribe, or a tribal natural resource related enterprise, for one year for each year for which the Secretary pays the recipients educational costs pursuant to paragraph (3).

(c) SCHOLARSHIP PROGRAM.—(1) The Secretary is authorized to grant scholarships to Indians and Alaska Natives enrolled in accredited natural resource related programs for postsecondary and graduate programs of study as full-time students.

(2) A recipient of a scholarship under paragraph (1) shall be required to enter into an obligated service agreement with the Secretary in which the recipient agrees to accept employment for one year for each year the recipient received a scholarship, following completion of the recipient's course of study, with—

(A) the Bureau of Indian Affairs or other agency of the Federal Government providing natural resource related services to Indians or Indian tribes;

(B) a natural resource program conducted under a contract, grant, or cooperative agreement entered into under the Indian Self-Determination and Education Assistance Act;

(C) an Indian enterprise engaged in a natural resource related business; or

(D) an Indian tribe's natural resource related program.

(3) The Secretary shall not deny scholarship assistance under this subsection solely on the basis of an applicant's scholastic achievement if the applicant has been admitted to and remains in good standing in an accredited postsecondary or graduate institution.

(d) EDUCATIONAL OUTREACH.—The Secretary shall conduct, through the Bureau of Indian Affairs, and in consultation with other appropriate local, State and Federal agencies, and in consultation and coordination with Indian tribes, a natural resource education outreach program for Indian and Alaska Native youth to explain and stimulate interest in all aspects of management and careers in Indian natural resources.

(e) ADEQUACY OF PROGRAMS.—The Secretary shall administer the programs described in this section until a sufficient number of Indians and Alaska Natives are trained to ensure that there is an adequate number of qualified, professional Indian natural resource managers to manage the Bureau of Indian Affairs natural resource programs and programs maintained by or for Indian tribes.

SEC. 302. POSTGRADUATION RECRUITMENT, EDUCATION AND TRAINING PROGRAMS.

(a) ASSUMPTION OF LOANS.—The Secretary shall establish and maintain a program to attract Indian and Alaska Native professional natural resource technicians who are graduates of a course of postsecondary or graduate education for employment in either the Bureau of Indian Affairs natural resource programs or, subject to the approval of the tribe, in tribal natural resource programs. According to such regulations as the Secretary may prescribe, such program shall provide for the employment of Indian and Alaska Native professional natural resource technicians in exchange for the Secretary's assumption of the employee's outstanding student loans. The period of employment shall be determined by the amount of the loan that is assumed.

(b) POSTGRADUATE INTERGOVERNMENTAL INTERNSHIPS.—For the purposes of training, skill development and orientation of Indian, Alaska Native, and Federal natural resource management personnel, and the enhance-

ment of tribal and Bureau of Indian Affairs natural resource programs, the Secretary shall establish and actively conduct a program for the cooperative internship of Federal, Indian and Alaska Native natural resource personnel. Such program shall—

(1) for agencies within the Department of the Interior—

(A) provide for the internship of Bureau of Indian Affairs, Alaska Native, and Indian natural resource employees in the natural resource related programs of other agencies of the Department of the Interior; and

(B) provide for the internship of natural resource personnel from the other Department of the Interior agencies within the Bureau of Indian Affairs, and, with the consent of the tribe, within tribal natural resource programs;

(2) for agencies not within the Department of the Interior, provide, pursuant to an interagency agreement, internships within the Bureau of Indian Affairs and, with the consent of the tribe, within a tribal natural resource program of other natural resource personnel of such agencies who are above their sixth year of Federal service;

(3) provide for the continuation of salary and benefits for participating Federal employees by their originating agency;

(4) provide for salaries and benefits of participating Indian and Alaska Native natural resource employees by the host agency; and

(5) provide for a bonus pay incentive at the conclusion of the internship for any participant.

(c) CONTINUING EDUCATION AND TRAINING.—The Secretary shall maintain a program within the Trust Services Division of the Bureau of Indian Affairs for the ongoing education and training of Bureau of Indian Affairs, Alaska Native, and Indian natural resource personnel. Such program shall provide for—

(1) orientation training for Bureau of Indian Affairs natural resource personnel in tribal-Federal relations and responsibilities;

(2) continuing technical natural resource education for Bureau of Indian Affairs, Alaska Native, and Indian natural resource personnel; and

(3) development training of Indian and Alaska Native personnel in natural resource based enterprises and marketing.

SEC. 303. COOPERATIVE AGREEMENT BETWEEN THE DEPARTMENT OF THE INTERIOR AND INDIAN TRIBES.

(a) COOPERATIVE AGREEMENTS.—

(1) To facilitate the administration of the programs and activities of the Department of the Interior, the Secretary is authorized to negotiate and enter into cooperative agreements with Indian tribes to—

(A) engage in cooperative manpower and job training;

(B) develop and publish cooperative environmental education and natural resource planning materials; and

(C) perform land and facility improvements, and other activities related to land and natural resource management and development.

The Secretary may enter into such agreements when the Secretary determines the interest of Indians and Indian tribes will be benefited.

(2) In such cooperative agreements, the Secretary is authorized to advance or reimburse funds to contractors from any appropriated funds available for similar kinds of work or by furnishing or sharing materials, supplies, facilities or equipment without regard to the provisions of section 3324, title 31, United States Code, relating to the advance of public moneys.

(b) SUPERVISION.—In any agreement authorized by this section, Indian tribes and their employees may perform cooperative work under the supervision of the Department of the Interior in emergencies or otherwise as mutually agreed to, but shall not be deemed to be Federal employees other than for the purposes of section 2671 through 2680 of title 28, United States Code, and section 8101 through 8193 of title 5, United States Code.

(c) SAVINGS CLAUSE.—Nothing in this Act shall be construed to limit the authority of the Secretary to enter into cooperative agreements otherwise authorized by law.

SEC. 304. OBLIGATED SERVICE; BREACH OF CONTRACT.

(a) OBLIGATED SERVICE.—Where an individual enters into an agreement for obligated service in return for financial assistance under any provision of this title, the Secretary shall adopt such regulations as are necessary to provide for the offer of employment to the recipient of such assistance as required by such provision. Where an offer of employment is not reasonably made, the regulations shall provide that such service shall no longer be required.

(b) BREACH OF CONTRACT; REPAYMENT.—Where an individual fails to accept a reasonable offer of employment in fulfillment of such obligated service or unreasonably terminates or fails to perform the duties of such employment, the Secretary shall require a repayment of the financial assistance provided, pro rated for the amount of time of obligated service that was performed, together with interest on such amount which would be payable if at the time the amounts were paid they were loans bearing interest at the maximum legal prevailing rate, as determined by the Treasurer of the United States.

TITLE IV—AUTHORIZATION OF APPROPRIATIONS

SEC. 401. AUTHORIZATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

TITLE V—MISCELLANEOUS

SEC. 501. REGULATIONS.

Except as otherwise provided by this Act, the Secretary is directed to promulgate final regulations for the implementation of this Act within eighteen months from the date of enactment of this Act. All regulations promulgated pursuant to this Act shall be developed by the Secretary with the participation of the affected Indian tribes.

SEC. 502. SEVERABILITY.

If any provision of this Act, or the application of any provision of this Act to any person or circumstance, is held invalid, the application of such provision or circumstance and the remainder of this Act shall not be affected thereby.

SEC. 503. TRUST RESPONSIBILITY.

Nothing in this Act shall be construed to diminish or expand the trust responsibility of the United States toward Indian trust lands or natural resources, or any legal obligation or remedy resulting therefrom.

SEC. 504. MISCELLANEOUS.

(a) DISCLAIMER.—Nothing in this Act shall be construed to supersede or limit the authority of other Federal, State or local agencies otherwise authorized by law to provide services to Indian landowners.

(b) DISCLAIMER.—Nothing in this Act shall be construed as vesting the governing body of an Indian tribe with any authority which is not authorized by the constitution and bylaws or other organizational document of such tribe.

By Mr. D'AMATO:

S. 411. A bill to freeze domestic discretionary spending for fiscal years 1994 and 1995 at fiscal year 1993 levels; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one committee reports, the other committee have 30 days to report or be discharged.

DOMESTIC DISCRETIONARY SPENDING FREEZE

• Mr. D'AMATO. Mr. President, under the Clinton plan, the middle class will have to work harder for less. Last night I heard a lot about specific tax increases and very little about specific spending cuts. Bill Clinton promised the American people change. I do not believe that more taxes and more spending represents change. The people did not elect Bill Clinton to carry on the same old liberal Democratic policies.

Two days ago the press received a background document that said the deficit would be cut by 493 billion over 5 years. Today, we learned that the deficit will be reduced under this plan by only $325 billion. Apparently, in calculating the $493 billion figure, the White House neglected to take into account the $168 billion cost of its own new spending program. Whoops. The numbers are shaking already.

The American people expect more and we can deliver more. Today, I am introducing the Domestic Spending Freeze Act of 1993. This legislation freezes domestic discretionary spending for 2 years. It saves $56 billion over 5 years. We can not continue to allow tax increases to act as a substitute for spending cuts. We must show fiscal restraint and responsibility.

Last year, I introduced this legislation on April Fools' Day. I made the point that the American people were not laughing and were not fools when it comes to our deficit problems. More than ever before, the American people are paying attention. They are impressed with Clinton's presentation but they will soon find out the devil is in the details. Preliminary estimates of Clinton's plan show that he raises taxes by $360 billion over 5 years and though he makes token spending cuts, net spending actually increases an estimated $13 billion. Two words describe this plan: First, tax, and second, spend.

We can do more than just freeze Government spending to address our enlarging deficits. The President can collect the billions of dollars owed to us in unpaid taxes. In 1988, the most recent data available, foreign controlled corporations operating here in the United States were estimated to be avoiding $30 billion annually in taxes. President Clinton estimated that $45 billion could be collected over 4 years. In addition, the IRS estimates that unpaid Federal taxes and loans rose to $112 billion in 1991 with $30 billion estimated to be

collectible in 1 year. These initiatives would bring in a minimum of $113 billion in deficit reduction. We do not need to raise taxes on hard working middle-class families. The Clinton tax plan would hit exactly the people it should not hit—those who already pay their taxes. We need to get our spending house in order.

In the fall of 1990, I strongly opposed efforts by the Democrat-controlled Congress to sell one of the largest tax-increase bills in history as a deficit reduction package. This plan did not cut spending at all. In fact, it increased spending by $380 billion over 5 years and increased taxes by $158 billion over the same period. Those taxes did not go to deficit reduction. They went to increased spending. In fact, history shows that for every $1 in tax increases, Congress spends $1.59.

Last night President Clinton said, "we can do better, the government must do more." I believe the Government can do more by doing less. Government should spend less and tax less and let the private sector do more.

Mr. President, I ask my colleagues to support my proposal to securitize small business loans which will stimulate the economy and create jobs. Yesterday, I introduced S. 384, the Small Business Loan Securitization and Secondary Market Enhancement Act which now has 25 cosponsors. The best way to restore the health of the economy is to provide for a strong infusion of credit to the small businesses that are the engine of economic growth. If President Clinton wants to improve the economy, I suggest that we build a bridge that links Wall Street with Main Street. Freezing Federal spending and leveraging more private investment will begin to move our economy in the right direction.●

By Mr. EXON (for himself, Mr. KERREY, Mr. PRESSLER, Mrs. KASSEBAUM, Mr. DANFORTH, Mr. HATCH, Mr. DORGAN, Mr. BOND, Mr. PRYOR, Mr. BURNS, Mr. GORTON, Mr. LOTT, and Mr. PACKWOOD):

S. 412. A bill to amend title 49, United States Code, regarding the collection of certain payments for shipments via motor common carriers of property and nonhousehold goods freight forwarders, and for other purposes; to the Committee on Commerce, Science, and Transportation.

UNDERCHARGE EQUITY ACT

Mr. EXON. Mr. President, I rise to introduce the Undercharge Equity Act. A great deal of work and negotiations have gone into this important legislation. This very legislation unanimously passed the Senate last year.

For those who are not familiar with the current undercharge crisis, I will briefly summarize this little discussed, but very dark cloud which hangs over thousands of America's businesses.

In the heyday of the Reagan-Bush era of trucking deregulation, the Interstate Commerce Commission did a less than vigorous job enforcing the requirement that trucking companies file their tariffs.

At the same time, competition in trucking heated up. Discounts and low rates were rampant. Often new rates were not filed with the ICC.

Throughout the 1980's trucking firms both small and large went out of business. Trustees of those bankrupt firms then went searching for ways to enlarge bankrupt estates. The trustees came upon an intriguing legal theory and attempted to collect from the former customers of these bankrupt trucking firms the difference between the amount that was billed and paid and the amount of the last tariff that was on file with the ICC. These claims became known as undercharges.

It is as if you flew from Washington, DC, to Lincoln for $200 and 3 years later, after you paid your bill, you received another bill for $100 when the airline you flew went bankrupt.

In 1990, in a somewhat surprising decision, known as the Maislin case, the U.S. Supreme Court ruled that the trustees could seek such reimbursement. The Court, however, sent a very clear message to the Congress to legislatively address the equities of this situation.

Soon after the Supreme Court case, the Surface Transportation Subcommittee which I chair held hearings and, not long after, I proposed legislation to virtually wipe out all undercharge claims. That legislation was stopped in the closing days of the 101st Congress.

In the last Congress I again introduced legislation in the subcommittee and with my colleagues on the Commerce Committee attempted to find an equitable solution to this problem. After extensive discussions with all interested parties, the Senate Commerce Committee approved the Undercharge Equity Act which, rather than dismiss all claims, sought to craft an equitable settlement.

Simply put, the legislation offered shippers two choices to settle undercharge claims. They can take their case to the Interstate Commerce Commission for a determination of rate reasonableness or they can elect to utilize an expedited settlement procedure based on a percentage proscribed in the bill.

Following the committee action, I conducted another extended negotiation with Senators who were concerned about the potential creditors in undercharge cases. As a result of these discussions, a consensus bill was crafted and unanimously passed by the U.S. Senate.

Unfortunately, the House of Representatives did not take up this consensus legislation and adjourned without acting on much needed undercharge legislation.

The legislation I introduce today is identical to the bill which unanimously passed the Senate last year. This legislation should be familiar to the Senate and should be noncontroversial.

Under the consensus settlement formula, small businesses would be relieved of undercharge liability. Large truckload shippers would be given the option of settling for 10 percent of the applicable undercharge and charge less than truck load shippers would be given the option of settling for 20 percent of the applicable undercharge.

Those who choose not to settle could litigate their liabilities through a rate reasonableness determination by the Interstate Commerce Commission.

This compromise is fair and just.

The alternative to this legislation is to let the status quo stand which is untenable for all concerned. For shippers, and more importantly, the Nation's economy, a dark cloud of billions of dollars of undercharge liabilities hangs over thousands of businesses. For creditors, especially workers owed back wages and pension funds, any meaningful recovery is rapidly being eaten away by legal, accounting, auditing, lobbying, collection and even public relations expenses. The unemployed workers and their families will not likely yield any benefit if undercharge cases are not addressed by the Congress. The current situation only enriches the middlemen. Only the pockets of lawyers, accountants and lobbyists will be filled to overflowing.

The undercharge equity bill is the best hope for all involved. For shippers it offers an opportunity to put the undercharge crisis behind them and for creditors it offers a certain settlement with minimal overhead expense.

Mr. President, many former customers of these bankrupt trucking companies will themselves soon face bankruptcy. Others are ironically choosing large financially sound nonunion trucking firms to move goods in an attempt to minimize future undercharge exposure.

I encourage the 103d Congress to rally around this legislation which offers compromise, reason and good faith.

I send to the desk the bill that I have talked about. This bill is cosponsored by Mr. KERREY, Mr. PRESSLER, Mrs. KASSEBAUM, Mr. DANFORTH, Mr. HATCH, Mr. DORGAN, Mr. BOND, Mr. PRYOR, Mr. BURNS, Mr. GORTON, Mr. LOTT, and Mr. PACKWOOD.

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. 412

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 "Undercharge Equity Act of 1992".

SEC. 2. DETERMINATIONS OF REASONABLENESS OF CERTAIN RATES.

(a) IN GENERAL.—Section 10701 of title 49, United States Code, is amended by adding at the end the following new subsection:

"(f)(1) Subject to paragraph (10) of this subsection, when a claim is made by a motor carrier of property (other than a household goods carrier) or by a nonhousehold goods freight forwarder, or by a party representing such carrier or freight forwarder, regarding the collection of rates or charges in addition to the rates or charges originally billed and collected by the carrier or freight forwarder, the person against whom the claim is made may elect to satisfy such claim under paragraph (4) or (5) of this subsection, upon showing that—

"(A) such carrier or forwarder is no longer transporting property or is transporting property for the purpose of avoiding the application of this subsection; and

"(B) as to the claim at issue, (i) the person was offered a transportation rate or charge by the carrier or forwarder other than the rate or charge legally on file with the Commission for that shipment, (ii) the person tendered freight to the carrier or forwarder in reasonable reliance upon the offered transportation rate or charge, (iii) the carrier or forwarder did not properly or timely file with the Commission a tariff providing for such transportation rate or charge or failed to execute a valid contract for transportation services, (iv) such transportation rate or charge was billed and collected by the carrier or forwarder, and (v) the carrier or forwarder demands additional payment of a higher rate or charge filed in a tariff.

Satisfaction of the claim under paragraph (4) or (5) of this subsection shall be binding on the parties, and the parties shall not be subject to chapter 119 of this title.

"(2) If there is a dispute as to paragraph (1)(A) of this subsection, such dispute shall be resolved by the court in which the claim is brought. If there is a dispute as to paragraph (1)(B)(i) through (v) of this subsection, such dispute shall be resolved by the Commission. Pending the resolution of any such dispute, the person shall not have to pay any additional compensation to the carrier or forwarder.

"(3) In the event that a dispute arises as to the rate or charge that was legally applicable to the shipment, such dispute shall be resolved by the Commission within 1 year after the dispute arises.

"(4) A person from whom the additional legally applicable tariff rate or charge is sought may elect to satisfy such claim if the shipment weighed 10,000 pounds or less, by payment of 20 percent of the difference between the carrier's or forwarders legally applicable tariff rate or charge and the rate or charge originally billed and collected.

"(5) A person from whom the additional legally applicable tariff rate or charge is sought may elect to satisfy such claim if each shipment weighed more than 10,000 pounds, by payment of 10 percent of the difference between the carrier's or forwarder's legally applicable tariff rate or charge and the rate or charge originally billed and collected.

"(6) Notwithstanding paragraphs (4) and (5) of this subsection, when a claim is made by a carrier or forwarder described in paragraph (1)(A) of this subsection, or by a party representing such carrier or forwarder, regarding the collection of rates or charges in addition to the rate or charge originally billed and collected by the carrier or forwarder, and the person against whom the claim is made is a small-business concern, that person shall not be required to pay the claim and the claim shall be deemed satisfied. Satisfaction of the claim under this paragraph shall be binding on the parties, and the parties shall not be subject to chapter 119 of this title.

"(7) When a person from whom the additional legally applicable rate or charge is sought does not elect to use the provisions of paragraphs (4), (5), or (6) of this subsection, the person may pursue all rights and remedies existing under this title.

"(8)(A) When a person proceeds under paragraph (7) of this subsection to challenge the reasonableness of the legally applicable rate or charge being claimed by the carrier or forwarder in addition to the rate or charge originally billed and collected, the person shall not have to pay any additional compensation to the carrier or forwarder until the Commission has made a determination (which shall be made within 1 year after such challenge) as to the reasonableness of the challenged rate or charge as applied to the shipment of the person against whom the claim is made. Subject to subparagraph (B) of this paragraph, the Commission shall require the person to furnish a bond, issued by a surety company found acceptable by the Secretary of the Treasury, or to establish an interest bearing escrow account.

"(B) The surety bond or interest bearing escrow account required under subparagraph (A) of this paragraph shall be set or established in an amount equal to—

"(i) 20 percent of the amount claimed by the carrier or forwarder for the additional rate or charge, in the case of a shipment weighing 10,000 pounds or less; and

"(ii) 10 percent of such claimed amount, in the case of a shipment weighing more than 10,000 pounds.

"(9) Except as authorized in paragraphs (4), (5), and (6) of this subsection, nothing in this subsection shall relieve a motor common carrier or freight forwarder of the duty to file and adhere to its rates, rules, and classifications as required in sections 10761 and 10762 of this title.

"(10) If a carrier or forwarder or party representing such carrier or forwarder makes a claim for additional rates or charges as described in paragraph (1) of this subsection, the person against whom the claim is made must notify such carrier, forwarder, or party as to the person's election to proceed under paragraph (2) or (3) of this subsection. Such notification—

"(A) with respect to a claim made before the date of enactment of this subsection, shall be not later than the 30th day after such date of enactment; and

"(B) with respect to any claim not described in subparagraph (A) of this paragraph, shall be not later than the 60th day after the filing of an answer to a complaint in a civil action for the collection of such rates or charges, or not later than the 90th day after the date of enactment of this subsection, whichever is later.

"(11) In this subsection, 'small-business concern' means a person who would qualify as a small-business concern under the Small Business Act (15 U.S.C. 631 et seq.).".

SEC. 3. STATUTE OF LIMITATIONS.

(a) MOTOR CARRIER CHARGES.—Section 11706(a) of title 49, United States Code, is amended by striking the period at the end and inserting in lieu thereof the following: "; except that a common carrier providing transportation or service subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title—

"(1) must begin, within 24 months after the claim accrues, a civil action to recover charges for such transportation or service if such transportation or service is provided by the carrier on or after the date of enactment of this exception and before the date that is 1 year after such date of enactment; and

"(2) must begin such a civil action within 18 months after the claim accrues if such transportation or service is provided by the carrier on or after the date that is 1 year after such date of enactment.".

(b) MOTOR CARRIER OVERCHARGES.—Section 11706(b) of title 49, United States Code, is amended by striking the period at the end of the first sentence and inserting in lieu thereof the following: "; except that a person must begin within 24 months after the claim accrues a civil action to recover overcharges from a carrier subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title for transportation or service taking place on or after the date of enactment of this exception and before the date that is 1 year after such date of enactment, and for transportation or service taking place on or after the date that is 1 year following such date of enactment, a person must begin such a civil action within 18 months after the claim accrues.".

(c) CONFORMING AMENDMENT.—Section 11706(d) of title 49, United States Code, is amended by striking "3-year period" each place it appears and inserting in lieu thereof "limitations period".

SEC. 4. TARIFF RECONCILIATION RULES FOR MOTOR COMMON CARRIERS OF PROPERTY.

(a) IN GENERAL.—Chapter 117 of title 49, United States Code, is amended by adding at the end the following new section:

"§ 11712. Tariff reconciliation rules for motor common carriers of property

"(a) Subject to Interstate Commerce Commission review and approval, motor carriers subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title and shippers may resolve, by mutual consent, overcharge and undercharge claims resulting from billing errors or incorrect tariff provisions arising from the inadvertent failure to properly and timely file and maintain agreed upon rates, rules, or classifications in compliance with sections 10761 and 10762 of this title. Resolution of such claims among the parties shall not subject any party to the penalties of section 11901, 11902, 11903, 11904, or 11914 of this title.

"(b) Nothing in this section shall relieve the motor carrier of the duty to file and adhere to its rates, rules, and classifications as required in sections 10761 and 10762, except as provided in subsection (a) of this section.

"(c) The Commission shall, within 90 days after the date of enactment of this section, institute a proceeding to establish rules pursuant to which the tariff requirements of sections 10761 and 10762 of this title shall not apply under circumstances described in subsection (a) of this section.".

(b) CONFORMING AMENDMENT.—The analysis for chapter 117 of title 49, United States Code, is amended by adding at the end the following:

"§ 11712. Tariff reconciliation rules for motor common carriers of property.".

SEC. 5. EFFECTIVE DATE; APPLICABILITY.

(a) GENERAL RULE.—Except as provided in subsection (b), the provisions of this Act (including the amendments made by this Act)

shall take effect on the date of enactment of this Act.

(b) APPLICABILITY OF SECTION 2.—The amendments made by section 2 shall apply to any proceeding before the Interstate Commerce Commission, and to any court action, which is pending or commenced on or after the date of enactment of this Act and which pertains to a claim arising from transportation shipments tendered any time prior to the date that is 18 months after such date of enactment. Unless Congress determines a continuing need for section 2 and enacts additional legislation, section 2 shall not apply to any such proceeding which pertains to a claim arising from transportation shipments tendered on or after the date that is 18 months following such date of enactment.

(c) REPORT.—The Interstate Commerce Commission shall submit a report to Congress, within 1 year after the date of enactment of this Act, regarding whether there exists a justification for extending the applicability of section 2 beyond the limitation period specified in subsection (b).

Mr. GORTON. Mr. President, it is almost incomprehensible to me that Congress is struggling over the passage of the Negotiated Rates Equity Act which will resolve the longstanding dispute between bankrupt trucking companies and their former customers. If ever there was a need for Congress to step in and right a wrong imposed by government, this is it.

The world of trucking tariffs and the Interstate Commerce Commission is not a world most of us are familiar with. The average person does not know that a crisis that is estimated to cost $32 billion is affecting thousands of businesses across the country. The average person would not even believe that the situation could be true if it was explained to him. Let me make an analogy. Suppose a consumer goes to a car dealer, negotiates the price of his new car, purchases it, drives it for 5 years, and then receives a notice that he owes an additional $10,000 because the car dealer didn't file the right paperwork or gave him too good a deal. It's not too hard to predict that the car owner would think that this was an outrageous situation. But it is that exact situation that thousands of shippers across the United States are now facing.

For many years, discounts offered by truckers were never filed with the Interstate Commerce Commission. Now, because of a Supreme Court decision in 1990, estates of bankrupt trucking companies have been attempting to collect payments for the shipments on the grounds that the shippers were undercharged. Some of these claims have been enormous and placed shippers, who had every reason to believe that their bills had been fully paid years ago, in difficult financial situations.

Last year, the Senate unanimously passed a bill identical to that which is being introduced today. It would allow the estates of the bankrupt trucking company either to pursue an appeal through the Interstate Commerce Commission or to accept an expedited settlement process for a percentage of the alleged undercharges. Unfortunately, the measure died in the House. I urge my colleagues to make passage of this bill a top priority and right a wrong that is facing thousands of businesses today.

ADDITIONAL COSPONSORS

S. 27

At the request of Mr. SARBANES, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 27, a bill to authorize the Alpha Phi Alpha Fraternity to establish a memorial to Martin Luther King, Jr., in the District of Columbia.

S. 30

At the request of Mr. MCCAIN, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 30, a bill to amend title II of the Social Security Act to eliminate the earnings test for individuals who have attained retirement age.

S. 104

At the request of Mr. HATFIELD, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 104, a bill to establish a National Center for Sleep Disorders Research within the National Heart, Lung and Blood Institute, to coordinate sleep disorders research within the National Institutes of Health, to further facilitate the study of sleep disorders, and to establish a mechanism for education and training in sleep disorders, and for other purposes.

S. 187

At the request of Mr. BURNS, the names of the Senator from Kentucky [Mr. MCCONNELL], and the Senator from Alaska [Mr. STEVENS] were added as cosponsors of S. 187, a bill to protect individuals engaged in lawful hunt on Federal lands, to establish an administrative civil penalty for persons who intentionally obstruct, impede, or interfere with the conduct of a lawful hunt, and for other purposes.

S. 236

At the request of Mr. MCCAIN, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 236, a bill to increase Federal payments to units of general local government for entitlement lands, and for other purposes.

S. 253

At the request of Mr. CRAIG, the names of the Senator from Washington [Mr. GORTON], the Senator from North Dakota [Mr. CONRAD], the Senator from Minnesota [Mr. DURENBERGER], and the Senator from Missouri [Mr. BOND] were added as cosponsors of S. 253, a bill to authorize the garnishment of Federal employees' pay, and for other purposes.

S. 261

At the request of Mr. LAUTENBERG, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 261, a bill to protect children from exposure to environmental tobacco smoke in the provision of children's services, and for other purposes.

S. 262

At the request of Mr. LAUTENBERG, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 262, a bill to require the Administrator of the Environmental Protection Agency to promulgate guidelines for instituting a nonsmoking policy in buildings owned or leased by Federal agencies, and for other purposes.

S. 297

At the request of Mr. STEVENS, the names of the Senator from Florida [Mr. MACK], the Senator from North Dakota [Mr. DORGAN], the Senator from Hawaii [Mr. INOUYE], and the Senator from New Mexico [Mr. DOMENICI] were added as cosponsors of S. 297, a bill to authorize the Air Force Memorial Foundation to establish a memorial in the District of Columbia or its environs.

S. 366

At the request of Mr. EXON, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of S. 366, a bill to amend the Airport and Airway Safety, Capacity, Noise Improvement, and Intermodal Transportation Act of 1992 with respect to the establishment of the National Commission to Ensure a Strong Competitive Airline Industry.

S. 368

At the request of Mr. BUMPERS, the names of the Senator from Nebraska [Mr. KERREY], the Senator from Washington [Mrs. MURRAY], the Senator from Vermont [Mr. JEFFORDS], the Senator from Hawaii [Mr. INOUYE], the Senator from Nevada [Mr. REID], and the Senator from North Dakota [Mr. CONRAD] were added as cosponsors of S. 368, a bill to amend the Internal Revenue Code of 1986 to provide a capital gains tax differential for individual and corporate taxpayers who make high-risk, long-term, growth-oriented venture and seed capital investments in startup and other small enterprises.

SENATE JOINT RESOLUTION 42

At the request of Mr. BUMPERS, the names of the Senator from Minnesota [Mr. DURENBERGER] and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of Senate Joint Resolution 42, a joint resolution to designate the month of April 1993 as "Civil War History Month."

SENATE JOINT RESOLUTION 43

At the request of Mr. LIEBERMAN, the names of the Senator from New Jersey [Mr. BRADLEY], the Senator from Nevada [Mr. REID], the Senator from Arkansas [Mr. BUMPERS], the Senator from Maryland [Mr. SARBANES], the Senator from Rhode Island [Mr. CHAFEE], the Senator from South Caro-

lina [Mr. HOLLINGS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. LEVIN], the Senator from Virginia [Mr. WARNER], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Hawaii [Mr. AKAKA], the Senator from Louisiana [Mr. BREAUX], the Senator from Minnesota [Mr. WELLSTONE], the Senator from Maine [Mr. COHEN], the Senator from Arizona [Mr. MCCAIN], the Senator from Mississippi [Mr. COCHRAN], the Senator from Arizona [Mr. DECONCINI], the Senator from Ohio [Mr. GLENN], the Senator from Rhode Island [Mr. PELL], the Senator from Idaho [Mr. CRAIG], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Alaska [Mr. STEVENS], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Hawaii [Mr. INOUYE], the Senator from North Dakota [Mr. DORGAN], the Senator from Ohio [Mr. METZENBAUM], the Senator from Montana [Mr. BURNS], the Senator from Georgia [Mr. NUNN], the Senator from Michigan [Mr. RIEGLE], the Senator from South Carolina [Mr. THURMOND], the Senator from Indiana [Mr. COATS], the Senator from Florida [Mr. GRAHAM], the Senator from Missouri [Mr. BOND], the Senator from Missouri [Mr. DANFORTH], the Senator from Pennsylvania [Mr. WOFFORD], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from New Mexico [Mr. DOMENICI], the Senator from Massachusetts [Mr. KERRY], the Senator from Illinois [Ms. MOSELEY-BRAUN], the Senator from Illinois [Mr. SIMON], the Senator from Oregon [Mr. PACKWOOD], the Senator from Iowa [Mr. GRASSLEY], the Senator from Maryland [Ms. MIKULSKI], the Senator from Wisconsin [Mr. FEINGOLD], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Tennessee [Mr. SASSER], the Senator from South Dakota [Mr. PRESSLER], the Senator from North Dakota [Mr. CONRAD], the Senator from Delaware [Mr. ROTH], the Senator from California [Mrs. FEINSTEIN], the Senator from South Dakota [Mr. DASCHLE], and the Senator from Wisconsin [Mr. KOHL] were added as cosponsors of Senate Joint Resolution 43, a joint resolution designating the week beginning June 6, 1993, and June 5, 1994, as "Lyme Disease Awareness Week."

SENATE CONCURRENT RESOLUTION 9

At the request of Mr. MITCHELL, the names of the Senator from New Jersey [Mr. BRADLEY], the Senator from Maryland [Ms. MIKULSKI], the Senator from Illinois [Mr. SIMON], the Senator from Pennsylvania [Mr. WOFFORD], and the Senator from Washington [Mrs. MURRAY] were added as cosponsors of Senate Concurrent Resolution 9, a concurrent resolution urging the President to negotiate a comprehensive nuclear weapons test ban.

SENATE RESOLUTION 71—ORIGINAL RESOLUTION REPORTED AUTHORIZING BIENNIAL EXPENDITURES BY COMMITTEES OF THE SENATE

Mr. FORD, from the Committee on Rules and Administration, reported the following original resolution; which was placed on the calendar:

S. RES. 71

Resolved, That this resolution may be cited as the "Omnibus Committee Funding Resolution for 1993 and 1994".

AGGREGATE AUTHORIZATION

SEC. 2. (a) In carrying out its powers, duties, and functions under the Standing Rules of the Senate, and under the appropriate authorizing resolutions of the Senate, there is authorized for the period March 1, 1993, through September 30, 1994, in the aggregate of $55,696,935 and for the period March 1, 1994, through February 28, 1995, in the aggregate of $56,428,119, in accordance with the provisions of this resolution, for all Standing Committees of the Senate, the Special Committee on Aging, the Select Committee on Intelligence, the Select Committee on Indian Affairs, and the Joint Committee on the Operation of the Congress.

(b) Each committee referred to in subsection (a) shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1994, and February 28, 1995, respectively.

(c) Any expenses of a committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required (1) for the disbursement of salaries of employees of the committee who are paid at an annual rate, (2) for the payment of telecommunications expenses provided by the Office of the Sergeant at Arms and Doorkeeper, United States Senate, Department of Telecommunications, (3) for the payment of stationery supplies purchased through the Keeper of Stationery, United States Senate, (4) for payments to the Postmaster, United States Senate, (5) for the payment of metered charges on copying equipment provided by the Office of the Sergeant at Arms and Doorkeeper, United States Senate, or (6) for the payment of Senate Recording and Photographic Services.

(d) There are authorized such sums as may be necessary for agency contributions related to the compensation of employees of the committees from March 1, 1993, through September 30, 1994, and March 1, 1994, through February 28, 1995, to be paid from the appropriations account for "Expenses of Inquiries and Investigations" of the Senate.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

SEC. 3. (a) In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Agriculture, Nutrition, and Forestry is authorized from March 1, 1993, through February 28, 1995, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) The expenses of the committee for the period March 1, 1993, through September 30, 1994, under this section shall not exceed $1,932,632, of which amount (1) not to exceed $4,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $4,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

(c) For the period March 1, 1994, through February 28, 1995, expenses of the committee under this section shall not exceed $1,973,136, of which amount (1) not to exceed $4,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $4,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

COMMITTEE ON APPROPRIATIONS

SEC. 4. (a) In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraph 1 of rule XXVI of the Standing Rules of the Senate, the Committee on Appropriations is authorized from March 1, 1993, through February 28, 1995, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) The expenses of the committee for the period March 1, 1993, through September 30, 1994, under this section shall not exceed $4,861,162, of which amount (1) not to exceed $160,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $4,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

(c) For the period March 1, 1994, through February 28, 1995, expenses of the committee under this section shall not exceed $4,961,810, of which amount (1) not to exceed $160,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $4,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

COMMITTEE ON ARMED SERVICES

SEC. 5. (a) In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hear-

ings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Armed Services is authorized from March 1, 1993, through February 28, 1995, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) The expenses of the committee for the period March 1, 1993, through September 30, 1994, under this section shall not exceed $2,819,419, of which amount (1) not to exceed $24,300, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $5,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

(c) For the period March 1, 1994, through February 28, 1995, expenses of the committee under this section shall not exceed $2,880,344, of which amount (1) not to exceed $25,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $5,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

SEC. 6. (a) In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Banking, Housing, and Urban Affairs is authorized from March 1, 1993, through February 28, 1995, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) The expenses of the committee for the period March 1, 1993, through September 30, 1994, under this section shall not exceed $3,153,964, of which amount (1) not to exceed $1,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $1,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

(c) For the period March 1, 1994, through February 28, 1995, expenses of the committee under this section shall not exceed $3,220,767, of which amount (1) not to exceed $1,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $1,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

COMMITTEE ON THE BUDGET

SEC. 7. (a) In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraph 1 of rule XXVI of the Standing Rules of the Senate, the Committee on the Budget is authorized from March 1, 1993, through February 28, 1995, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) The expenses of the committee for the period March 1, 1993, through September 30, 1994, under this section shall not exceed $3,424,833, of which amount (1) not to exceed $20,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $2,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

(c) For the period March 1, 1994, through February 28, 1995, expenses of the committee under this section shall not exceed $3,499,838, of which amount (1) not to exceed $20,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $2,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

SEC. 8. (a) In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Commerce, Science, and Transportation is authorized from March 1, 1993, through February 28, 1995, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) The expenses of the committee for the period March 1, 1993, through September 30, 1994, under this section shall not exceed $3,809,967, of which amount (1) not to exceed $14,572, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $15,600, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

(c) For the period March 1, 1994, through February 28, 1995, expenses of the committee under this section shall not exceed $3,890,947, of which amount (1) not to exceed $14,572, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $15,600, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

COMMITTEE ON ENERGY AND NATURAL RESOURCES

SEC. 9. (a) In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Energy and Natural Resources is authorized from March 1, 1993, through February 28, 1995, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) The expenses of the committee for the period March 1, 1993, through September 30, 1994, under this section shall not exceed $2,756,636.

(c) For the period of March 1, 1994, through February 28, 1995, expenses of the committee under this section shall not exceed $2,815,535.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

SEC. 10. (a) In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Environment and Public Works is authorized from March 1, 1993, through February 28, 1995, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) The expenses of the committee for the period March 1, 1993, through September 30, 1994, under this section shall not exceed $2,687,023, of which amount (1) not to exceed $8,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $2,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

(c) For the period March 1, 1994, through February 28, 1995, expenses of the committee under this section shall not exceed $2,744,197, of which amount (1) not to exceed $8,000, be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $2,000, may be expended for the training of the profes-

sional staff of such committee (under procedures specified by section 202(j) of such Act).

COMMITTEE ON FINANCE

SEC. 11. (a) In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Finance is authorized from March 1, 1993, through February 28, 1995, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) The expenses of the committee for the period March 1, 1993, through September 30, 1994, under this section shall not exceed $3,349,255, of which amount (1) not to exceed $30,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $10,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

(c) For the period March 1, 1994, through February 28, 1995, expenses of the committee under this section shall not exceed $3,419,382, of which amount (1) not to exceed $30,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $10,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

COMMITTEE ON FOREIGN RELATIONS

SEC. 12. (a) In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Foreign Relations is authorized from March 1, 1993, through February 28, 1995, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) The expenses of the committee for the period March 1, 1993, through September 30, 1994, under this section shall not exceed $2,749,434 of which amount (1) not to exceed $45,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $1,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

(c) For the period March 1, 1994, through February 28, 1995, expenses of the committee under this section shall not exceed $2,808,864, of which amount not to exceed $45,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $1,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

COMMITTEE ON GOVERNMENTAL AFFAIRS

SEC. 13. (a) In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Governmental Affairs is authorized from March 1, 1993, through February 28, 1995, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) The expenses of the committee for the period March 1, 1993, through September 30, 1994, under this section shall not exceed $5,104,467, of which amount (1) not to exceed $548,678, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $2,470, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

(c) For the period March 1, 1994, through February 28, 1995, expenses of the committee under this section shall not exceed $5,213,729, of which amount (1) not to exceed $49,326, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $2,470, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

(d)(1) The committee, or any duly authorized subcommittee thereof, is authorized to study or investigate—

(A) the efficiency and economy of operations of all branches of the Government including the possible existence of fraud, misfeasance, malfeasance, collusion, mismanagement, incompetence, corruption, or unethical practices, waste, extravagance, conflicts of interest, and the improper expenditure of Government funds in transactions, contracts, and activities of the Government or of Government officials and employees and any and all such improper practices between Government personnel and corporations, individuals, companies, or persons affiliated therewith, doing business with the Government; and the compliance or noncompliance of such corporations, companies, or individuals or other entities with the rules, regulations, and laws governing the various governmental agencies and its relationships with the public;

(B) the extent to which criminal or other improper practices or activities are, or have been, engaged in the field of labor-management relations or in groups or organizations of employees or employers, to the detriment of interests of the public, employers, or employees, and to determine whether any changes are required in the laws of the United States in order to protect such interests against the occurrence of such practices or activities;

(C) organized criminal activities which may operate in or otherwise utilize the facilities of interstate or international commerce in furtherance of any transactions and the manner and extent to which, and the identity of the persons, firms, or corporations, or other entities by whom such utilization is being made, and further, to study and investigate the manner in which and the extent to which persons engaged in organized criminal activity have infiltrated lawful business enterprise, and to study the adequacy of Federal laws to prevent the operations of organized crime in interstate or international commerce; and to determine whether any changes are required in the laws of the United States in order to protect the public against such practices or activities;

(D) all other aspects of crime and lawlessness within the United States which have an impact upon or affect the national health, welfare, and safety; including but not limited to investment fraud schemes, commodity and security fraud, computer fraud, and the use of offshore banking and corporate facilities to carry out criminal objectives;

(E) the efficiency and economy of operations of all branches and functions of the Government with particular reference to—

(i) the effectiveness of present national security methods, staffing, and processes as tested against the requirements imposed by the rapidly mounting complexity of national security problems;

(ii) the capacity of present national security staffing, methods, and processes to make full use of the Nation's resources of knowledge and talents;

(iii) the adequacy of present intergovernmental relations between the United States and international organizations principally concerned with national security of which the United States is a member; and

(iv) legislative and other proposals to improve these methods, processes, and relationships;

(F) the efficiency, economy, and effectiveness of all agencies and departments of the Government involved in the control and management of energy shortages including, but not limited to, their performance with respect to—

(i) the collection and dissemination of accurate statistics on fuel demand and supply;

(ii) the implementation of effective energy conservation measures;

(iii) the pricing of energy in all forms;

(iv) coordination of energy programs with State and local government;

(v) control of exports of scarce fuels;

(vi) the management of tax, import, pricing, and other policies affecting energy supplies;

(vii) maintenance of the independent sector of the petroleum industry as a strong competitive force;

(viii) the allocation of fuels in short supply by public and private entities;

(ix) the management of energy supplies owned or controlled by the Government;

(x) relations with other oil producing and consuming countries;

(xi) the monitoring of compliance by governments, corporations, or individuals with the laws and regulations governing the allocation, conservation, or pricing of energy supplies; and

(xii) research into the discovery and development of alternative energy supplies; and

(G) the efficiency and economy of all branches and functions of Government with particular references to the operations and management of Federal regulatory policies and programs: *Provided*, That, in carrying out the duties herein set forth, the inquiries of this committee or any subcommittee thereof shall not be deemed limited to the records, functions, and operations of any particular branch of the Government; but may extend to the records and activities of any persons, corporation, or other entity.

(2) Nothing contained in this section shall affect or impair the exercise of any other standing committee of the Senate of any power, or the discharge by such committee of any duty, conferred or imposed upon it by the Standing Rules of the Senate or by the Legislative Reorganization Act of 1946, as amended.

(3) For the purposes of this section, the committee, or any duly authorized subcommittee thereof, or its chairman, or any other member of the committee or subcommittee designated by the chairman, from March 1, 1993, through February 28, 1995, is authorized, in its, his, or their discretion (A) to require by subpoena or otherwise the attendance of witnesses and production of correspondence, books, papers, and documents, (B) to hold hearings, (C) to sit and act at any time or place during the sessions, recess, and adjournment periods of the Senate, (D) to administer oaths, and (E) to take testimony, either orally or by sworn statement, or, in the case of staff members of the Committee and the Permanent Subcommittee on Investigations, by deposition in accordance with the Committee Rules of Procedure.

(4) All subpoenas and related legal processes of the committee and its subcommittee authorized under S. Res. 62 of the One Hundred Second Congress, second session, are authorized to continue.

COMMITTEE ON THE JUDICIARY

SEC. 14. (a) In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on the Judiciary is authorized from March 1, 1993, through February 28, 1995, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) The expenses of the committee for the period March 1, 1993, through September 30, 1994, under this section shall not exceed $4,906,405, of which amount (1) not to exceed $40,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $1,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

(c) For the period March 1, 1994, through February 28, 1995, expenses of the committee under this section shall not exceed $5,013,474, of which amount (1) not to exceed $40,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $1,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

COMMITTEE ON LABOR AND HUMAN RESOURCES

SEC. 15. (a) In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Labor and Human Resources is authorized from March 1, 1993, through February 28, 1995, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) The expenses of the committee for the period March 1, 1993, through September 30, 1994, under this section shall not exceed $5,146,224, of which amount not to exceed $30,900, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

(c) For the period March 1, 1994, through February 28, 1995, expenses of the committee under this section shall not exceed $5,257,570, of which amount not to exceed $30,900, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

COMMITTEE ON RULES AND ADMINISTRATION

SEC. 16. (a) In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Rules and Administration is authorized from March 1, 1993, through February 28, 1995, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) The expenses of the committee for the period March 1, 1993, through September 30, 1994, under this section shall not exceed $1,478,578, of which amount (1) not to exceed $4,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $3,500, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

(c) For the period March 1, 1994, through February 28, 1995, expenses of the committee under this section shall not exceed $1,511,163, of which amount (1) not to exceed $4,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $3,500, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

COMMITTEE ON SMALL BUSINESS

SEC. 17. (a) In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Small Business is authorized from March 1, 1993, through February 28, 1995, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) The expenses of the committee for the period March 1, 1993, through September 30, 1994, under this section shall not exceed $1,134,791, of which amount (1) not to exceed $10,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $2,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

(c) For the period March 1, 1994, through February 28, 1995, expenses of the committee under this section shall not exceed $1,156,079, of which amount (1) not to exceed $10,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $2,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

COMMITTEE ON VETERANS' AFFAIRS

SEC. 18. (a) In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Veterans' Affairs is authorized from March 1, 1993, through February 28, 1995, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) The expenses of the committee for the period March 1, 1993, through September 30, 1994, under this section shall not exceed $1,171,401, of which amount not to exceed $3,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202 (j) of the Legislative Reorganization Act of 1946, as amended).

(c) For the period March 1, 1994, through February 28, 1995, expenses of the committee

under this section shall not exceed $1,196,647, of which amount not to exceed $3,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202 (j) of the Legislative Reorganization Act of 1946, as amended).

SPECIAL COMMITTEE ON AGING

SEC. 19. (a) In carrying out the duties and functions imposed by section 104 of S. Res. 4, agreed to February 4, 1977 (95th Congress), and in exercising the authority conferred on it by such section, the Special Committee on Aging is authorized from March 1, 1993, through February 28, 1995, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) The expenses of the committee for the period March 1, 1993, through September 30, 1994, under this section shall not exceed $1,184,439.

(c) For the period March 1, 1994, through February 28, 1995, expenses of the committee under this section shall not exceed $1,209,141.

SELECT COMMITTEE ON INTELLIGENCE

SEC. 20. (a) In carrying out its powers, duties, and functions under S. Res. 400, agreed to May 19, 1976 (94th Congress), in accordance with its jurisdiction under section 3(a) of such resolution, including holding hearings, reporting such hearings, and making investigations as authorized by section 5 of such resolution, the Select Committee on Intelligence is authorized from March 1, 1993, through February 28, 1995, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) The expenses of the committee for the period March 1, 1993, through September 30, 1994, under this section shall not exceed $2,381,615, of which amount not to exceed $30,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

(c) For the period March 1, 1994, through February 28, 1995, expenses of the committee under this section shall not exceed $2,433,624, of which amount not to exceed $30,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SELECT COMMITTEE ON INDIAN AFFAIRS

SEC. 21. (a) In carrying out the duties and functions imposed by section 105 of S. Res. 4, agreed to February 4, 1977 (95th Congress), and in exercising the authority conferred on it by such section, the Select Committee on Indian Affairs is authorized from March 1, 1993, through February 28, 1995, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) The expenses of the committee for the period March 1, 1993, through September 30, 1994, under this section shall not exceed $1,197,940, of which amount (1) not to exceed $4,846, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $7,000 may be expended for training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

(c) For the period March 1, 1994, through February 28, 1995, expenses of the committee under this section shall not exceed $1,221,872, of which amount (1) not to exceed $4,846, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $7,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

JOINT COMMITTEE ON THE ORGANIZATION OF CONGRESS

SEC. 22. (a) In carrying out the duties and functions imposed by H. Con. Res. 192, agreed to July 30, 1992 (102d Congress), and in exercising the authority conferred on it by such resolution, the Joint Committee on the Organization of Congress is authorized from March 1, 1993, through December 31, 1993, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and, (3) with the prior consent of the Government department or agency concerned, and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable basis, the services of personnel of any such department or agency.

(b) The expenses of the Joint Committee for the period March 1, 1993, through December 31, 1993, under this section shall not exceed $446,750, of which amount not to exceed $5,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202 (j) of the Legislative Reorganization Act of 1946).

(c) As required by H. Con. Res. 192, the Joint Committee shall report its findings, together with such recommendations for legislation as it deems advisable to the Senate at the earliest practical date, but not later than December 31, 1993.

SPECIAL RESERVES

SEC. 23. (a) Of the funds authorized for the Senate committees listed in clause (2) of this subsection by Senate Resolution 62, agreed to February 28, 1991 (102d Congress), for the funding period ending on the last day of February 1993, any unexpended balance of any such committee remaining after such last day shall be transferred to a special reserve for such committee, and shall be available to each committee in an amount equal to the lesser of (1) 50 percent of any such unexpended balance of the committee, or (2) the following amounts for the following committees:

Appropriations ($0)
Armed Services ($243,032)
Banking, Housing and Urban Affairs ($19,250)
Budget ($292,179)
Commerce, Science and Transportation ($390,024)
Energy and Natural Resources ($150,000)
Environment and Public Works ($137,500)
Finance ($127,619)
Foreign Relations ($266,009)
Judiciary ($122,500)
Labor and Human Resources ($61,514)
Rules and Administration ($57,868)
Small Business ($64,272)
Veterans' Affairs ($22,000)
Aging (Special) ($70,000)
Indian Affairs (Select) ($20,008)

(b) Of the funds authorized for the Senate committees listed in clause (2) of this subsection by Senate Resolution 62, agreed to February 28, 1991, for the funding period ending on the last day of February 1993, any unexpended balance remaining after such last day shall be transferred to a special reserve for such committee, and shall be available to each of the committees in an amount equal to the lesser of (1) 100 percent of any such unexpended balance, or (2) the following amounts for the following committees:

Agriculture, Nutrition and Forestry ($190,000)
Governmental Affairs ($602,300)
Intelligence (Select) ($500,000)

(c) The reserves established in subsections (a) and (b) shall be available to each committee for the period commencing March 1, 1993, and ending with the close of September 30, 1993, for the purpose of (1) meeting any unpaid obligations incurred during the funding period ending on the last day of February 1993, and (2) meeting expenses of such committee incurred after such last day and prior to the close of September 30, 1993.

(d) Any unexpended balances remaining for Senate committees referred to in subsection (a) or (b) not allocated under subsection (a) or (b) shall be transferred to a special reserve which shall, on the basis of a special need and at the request of a Chairman and Ranking Member of any such committee, and with the approval of the Chairman and Ranking Member of the Committee on Rules and Administration, be available to any committee for the purposes provided in clauses (1) and (2) of subsection (c).

SENATE RESOLUTION 72—ORIGINAL RESOLUTION REPORTED TO AUTHORIZE THE PRINTING OF A COLLECTION OF THE RULES OF THE COMMITTEES OF THE SENATE

Mr. FORD, from the Committee on Rules and Administration, reported the following original resolution; which was considered and agreed to:

S. RES. 72

Resolved, That a collection of the rules of the committees of the Senate, together with related materials, be printed as a Senate document, and that there be printed 600 additional copies of such document for the use of the Committee on Rules and Administration.

AMENDMENTS SUBMITTED

NATIONAL INSTITUTES OF HEALTH REVITILIZATION ACT OF 1993

NICKLES (AND OTHERS) AMENDMENT NO. 39

Mr. NICKLES (for himself, Mr. DOLE, Mrs. KASSEBAUM, Mr. HELMS, Mr. SHELBY, Mr. GRAMM, Mr. LOTT, Mr. COATS, Mr. MACK, Mr. CRAIG, Mr. BOND, Mr.

COVERDELL, Mr. ROTH, Mr. MURKOWSKI, Mr. THURMOND, Mr. SMITH, Mr. SIMPSON and Mr. KEMPTHORNE) proposed an amendment to the bill (S. 1) to amend the Public Health Service Act to revise and extend the programs of the National Institutes of Health, and for other purposes, as follows:

SECTION 1. ADMISSION TO THE UNITED STATES OF ALIENS INFECTED WITH THE AIDS VIRUS.

(a) Notwithstanding any other provision of law, regulations or directives concerning the exclusion of aliens on health related grounds, infection with HIV, the human immunodeficiency virus, shall constitute a communicable disease of public health significance for purposes of section 212(a)(1)(A)(i) of the Immigration of Nationality Act (8 U.S.C. 1182(a)(1)(A)(i)).

(b) REPORT REQUIRED.—The President shall submit a report by September 1, 1993 containing—

(1) an assessment of the anticipated costs of the admission to the United States of persons with HIV to public health care programs, including such costs as will be borne by States and municipalities, and private insurers and health care providers;

(2) an estimate of the number and origins of persons infected with HIV likely to seek entry into the United States before December 31, 2003;

(3) an assessment of the effectiveness of the Immigration and Nationality Act in preventing persons entering the United States likely to become a public charge, as well as the ability to enforce this Act with regard to persons infected with potentially costly health conditions including, but not limited to HIV;

(4) The cost implications of refugees entering or likely to enter the United States, who carry the HIV virus;

(5) A comparison of the anticipated public and private health care costs associated with aliens infected with HIV with the costs attributable to the entry of aliens suffering from other health conditions;

(c) HIV TESTING.—Except as otherwise provided in subsection (d) the Attorney General, in consultation with the Secretary of HHS, shall provide for the testing of aliens for infection with HIV in accordance with the policy in effect on January 1, 1993;

(d) WAIVER AUTHORITY.—Subsection (c) may be waived by the Attorney General, in consultation with the Secretary of HHS for non-immigrants who, except for the provisions of this act, would be admissible to the United States, and who seek admission for 30 days or less for the purpose of:

(1) attending educational or medical conferences;

(2) receiving medical treatment;

(3) visiting close family members;

(4) conducting temporary business activities; or

(5) visiting for pleasure (tourism);

and in addition such non-immigrants may be admitted without questions as to whether they are carriers of the HIV virus, at the discretion of the Attorney General.

(e) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to limit the authority of the Secretary of HHS to prescribe regulations concerning communicable diseases of public health significance, other than infection with the human immunodeficiency virus in accordance with section 212(a)(1)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(1)(A)(i)).

KENNEDY (AND MITCHELL) AMENDMENT NO. 40

Mr. KENNEDY (for himself and Mr. MITCHELL) proposed an amendment to the bill S. 1, supra, as follows:

At the appropriate place in the bill, insert the following:

SEC. . STUDY OF THE COST IMPLICATIONS OF ALTERING THE PUBLIC HEALTH EXCLUSION LIST.

(a) RETENTION OF EXCLUSION.—The current list of communicable diseases of public health significance as in effect on February 17, 1993, shall remain in effect for a period of at least 90 days after the date of enactment of this Act for purposes of section 212(a)(1)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(1)(A)(i)).

(b) REPORT REQUIRED.—If the Secretary of Health and Human Services alters the list described in subsection (a) after the expiration of the 90-day period described in that subsection, then the Secretary shall submit to Congress a report containing—

(1) an assessment of—

(A) the anticipated effect of such action on costs to United States public health care programs and entities, as well as to those operated by States and municipalities; and

(B) the anticipated costs to private insurers and health care providers of such action;

(2) any findings regarding current immigration law submitted by the Attorney General under subsection (c);

(3) a comparison of the anticipated health care costs associated with immigrants infected with HIV with the costs attributable to the entry of immigrants suffering from other serious health conditions which significantly impair the individual's ability to earn a living; and

(4) an estimate of the costs associated with retention of the list described in subsection (a).

(c) STUDY AND REPORT.—(1) The Attorney General shall conduct a study of the following:

(A) The effectiveness of current provisions of the Immigration and Nationality Act in guarding against entry into the United States of persons likely to become a public charge and in deporting, during a 5-year period after such entry, those immigrants who do become public charges.

(B) The ability of the Immigration and Naturalization Service to apply and enforce such Act with regard to immigrants infected with potentially costly health conditions including, but not limited to, HIV.

(2) The Attorney General shall submit to the President, the Secretary of Health and Human Services, and the Congress a report setting forth the findings of the study conducted under paragraph (1) and including such recommendations as the Attorney General determines may be necessary for revision of current immigration law to ensure that immigrants with costly health conditions who are likely to become public charges will be excluded.

CRAIG AMENDMENT NO. 41

Mr. CRAIG proposed an amendment to the bill S. 1, supra, as follows:

At the appropriate place in title XIX, insert the following new section:

SEC. 19 . STUDY CONCERNING RADIOISOTOPES.

(a) STUDY.—The Secretary of Health and Human Services in collaboration with the Secretary of Energy, shall, subject to the availability of funds, conduct a study concerning the use and availability of radioisotopes in the United States for medical (both diagnostic and therapeutic) uses in relationship to other uses.

(b) SUBJECT OF STUDY.—In carrying out the study under subsection (a), the Secretary shall—

(A) analyze the domestic isotope availability and production in the United States as it relates to medical (both diagnostic and therapeutic) needs.

(B) make recommendations concerning—

(i) isotope availability and production that meet domestic demand; and

(ii) the need for additional production capacity.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives, a report concerning the results of the study conducted under this section together with the recommendations developed in such study.

ROTH (AND COCHRAN) AMENDMENT NO. 42

Mr. ROTH (for himself and Mr. COCHRAN) proposed an amendment to the bill S. 1, supra, as follows:

At the appropriate place in title XIX, insert the following new section:

SEC. 19 . MEDICAL TECHNOLOGIES PRODUCTIVITY STUDY.

(a) FINDINGS.—Congress finds that—

(1)(A) the Congressional Budget Office, the General Accounting Office, and the Office of Technology Assessment have cited health care technology as a primary source of medical inflation; and

(B) data from the Office of Technology Assessment suggest that no more than one quarter of the 12 to 13 percent annual increase in health care expenditures, or an estimated 3 percent increase in such expenditures, is attributable to health care technology;

(2)(A) the 3 percent increase represents the maximum increase in such expenditures, because the Office of Technology Assessment arrives at the estimate by exclusion; and

(B) the increase attributable to health care technology may nevertheless amount to a direct increase of as much as $27,000,000,000 in health care costs in 1993 and an even greater indirect increase in such health care costs;

(3) one reason for the high increase in health care costs attributable to health care technology is that few incentives exist in the national research institutes of the National Institutes of Health to encourage the development of technology that improves the productivity of health care delivery; and

(4) since the National Institutes of Health is a major engine determining the direction of medical technology as well as basic biomedical research, it is appropriate, in the process of directing the medical research and development resources of the National Institutes of Health, to provide incentives that encourage the development of technology to improve the productivity of health care delivery.

(b) STUDY.—The Secretary of Health and Human Services shall conduct a study concerning—

(1) methods by which to encourage the development of medical technologies that improve the productivity, and thereby reduce the cost, of health care delivery through changes in the scientific peer review process; and

(2) methods by which to reduce the costs of the production of new medical technologies and increase the availability of such technologies through changes in the scientific peer review process.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives, a report concerning the study conducted under subsection (b). Such report shall contain the findings of the Secretary with respect to the study and the recommendations of the Secretary for the implementation of measures to encourage enhanced productivity of medical technologies and increase the availability of such technologies through changes in the scientific peer review process. Such report shall also contain the steps that the Secretary proposes to implement the recommendations.

HATFIELD (AND OTHERS) AMENDMENT NO. 43

Mr. HATFIELD (for himself, Mr. PACKWOOD, and Mr. MCCAIN) proposed an amendment to the bill S. 1, supra; as follows:

At the appropriate place in title XX, insert the following new section:

SEC. . SENSE OF THE CONGRESS REGARDING ACTION ON A REQUEST FOR CERTAIN WAIVERS UNDER THE MEDICAID PROGRAM.

It is the sense of the Congress that—

(1) the Secretary of Health and Human Services should be commended for her commitment to either approve or deny the application for waivers to conduct a demonstration project under section 1115(a) of the Social Security Act submitted by the Oregon Department of Human Services on November 13, 1992, (hereafter referred to in this section as the "application") by March 19, 1993, and

(2) because the application for waivers has been pending for one and a half years and the Oregon State legislature faces a biennium budget currently under consideration, a decision must be reached by March 19, 1993, in order for the legislature to appropriate the funds necessary to implement the Oregon plan.

HATFIELD AMENDMENT NO. 44

Mr. HATFIELD proposed an amendment to the bill S. 1, supra, as follows:

On page 85, after line 22, in Section 503, insert before the end quotation marks the following:

"(f)(1) The Director of the Center, in cooperation with the Centers for Disease Control, is authorized to coordinate activities with the Department of Transportation, the Department of Defense, the Department of Education, the Department of Labor, and the Department of Commerce to collect data, conduct studies, and disseminate public information concerning the impact of sleep disorders and sleep deprivation."

JEFFORDS AMENDMENT NO. 45

Mr. DURENBERGER (for Mr. JEFFORDS) proposed an amendment to the bill S. 1, supra, as follows:

At the appropriate place in title XIX, insert the following new section:

SEC. 19 . SENTINEL DISEASE CONCEPT STUDY.

(a) IN GENERAL.—The Director of the National Institutes of Health, in cooperation with the Agency for Toxic Substances and Disease Registry and the Centers for Disease Control and Prevention, may design and implement a pilot sentinel disease surveillance and follow-up system.

(b) PURPOSE.—The purpose of the study conducted under subsection (a) shall be to determine the applicability of and the difficulties associated with the implementation of the sentinel disease concept for identifying the relationship between the occupation of household members and the incidence of subsequent conditions or diseases in other members of the household.

(c) REPORT.—Not later than 4 years after the date of enactment of this Act, the Director of the National Institutes of Health shall prepare and submit to the appropriate committees of Congress, a report concerning the results of the study conducted under subsection (a).

JEFFORDS (AND OTHERS) AMENDMENT NO. 46

Mr. DURENBERGER (for Mr. JEFFORDS, for himself, Mr. COHEN, and Mr. DURENBERGER) proposed an amendment to the bill S. 1, supra, as follows:

At the end of title XX of the Committee amendment, add the following:

SEC. . AUTHORIZATION OF APPROPRIATIONS.

Section 2602 of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621) is amended—

(1) in the first sentence of subsection (b), by striking "1993 and 1994" and inserting "1993, 1994, and 1995"; and

(2) in subsection (d), by striking "in each of the fiscal years 1993 and 1994" and inserting "for each of the fiscal years 1993, 1994, and 1995".

GORTON AMENDMENT NO. 47

Mr. DURENBERGER (for Mr. GORTON) proposed an amendment to the bill S. 1, supra, as follows:

On page 199, after line 18, add the following new section:

SEC. 1910. CONGRESSIONAL APPROPRIATION OF FEDERALLY SUPPORTED DISEASE RESEARCH.

(a) FINDINGS.—Congress finds that—

(1) it is in the public interest to support necessary and valuable biomedical research on diseases and conditions that harm or kill individuals and that threaten public health;

(2) it is in the public interest to allocate scarce Federal taxpayer money for research that is based on scientific merit and cost-effectiveness; and

(3) it is in the public interest for Members of Congress to have a criteria or methodologies to inform and assist them in the decision making process when allocating Federal taxpayer money for specific biomedical research.

(b) STUDY.—

(1) CONTRACT.—The Secretary of Health and Human Services shall, subject to the availability of appropriations and subject to paragraph (2), enter into a contract with a public or nonprofit private entity to develop criteria or methodologies which Members of Congress may use to assist and inform them during consideration of allocations for biomedical research.

(2) INSTITUTE OF MEDICINE.—The Secretary of Health and Human Services shall request the Institute of Medicine of the National Academy of Sciences to enter into the contract under paragraph (1) to conduct the study described in such paragraph. If such Institute declines to conduct the study, the Secretary shall carry out paragraph (1) through another public or nonprofit private entity.

(3) ITEMS.—Items that may be considered in the development of the criteria of methodologies may include, but are not limited to, the following—

(A) the populations affected by, or potentially affected by diseases and conditions that are targets for research;

(B) the incidence and prevalence rates of disease and conditions;

(C) mortality rates of the diseases and conditions;

(D) rates of morbidity, impairment disability, and health status and functional outcomes of the diseases and conditions;

(E) the economic burden of the diseases and conditions including past and projected expenditures on diagnosis and treatment;

(F) other economic and social burdens; and

(G) potential for medical research on specific diseases to assist basic research efforts.

(c) SUBMISSION TO CONGRESS.—Not later than 1 year after the date on which the contract under subsection (b)(1) is signed, the Institutes of Medicine of the National Academy of Sciences shall prepare and submit to the Secretary of Health and Human Services, and the appropriate committees of Congress, a report that includes the recommendations developed under subsection (b). Not later than 90 days after the receipt of such report, the Secretary of Health and Human Services shall submit comments on the recommendations to the appropriate committees of Congress.

(d) COSTS.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for fiscal years 1994 and 1995.

HELMS AMENDMENT NO. 48

Mr. HELMS proposed an amendment to the bill S. 1, supra, as follows:

Strike all beginning on page 7, line 25, through the last period on page 13, line 10.

KENNEDY, KASSEBAUM, HATCH AMENDMENT NO. 49

Mr. KENNEDY (for himself, Mrs. KASSEBAUM, and Mr. HATCH) proposed an amendment to the bill S. 1, supra, as follows:

At the appropriate place in title XX, insert the following new section:

SEC. 20___. VACCINE INJURY COMPENSATION PROGRAM.

Section 2111(a) of the Public Health Service Act (42 U.S.C. 300aa-11(a)) is amended by adding at the end thereof the following new paragraph:

"(10) The Clerk of the United States Claims Court is authorized to continue to receive, and forward, petitions for compensation for a vaccine-related injury or death associated with the administration of a vaccine on or after October 1, 1992.".

NOTICES OF HEARINGS

SMALL BUSINESS COMMITTEE

Mr. BUMPERS. Mr. President, I would like to announce that the Small Business Committee will hold a full committee oversight hearing on the Small Business Administration's Microloan Demonstration Program.

The hearing will take place on Thursday, February 25, 1993, at 10 a.m. in room 428A of the Russell Senate Office Building. For further information, please call Patricia Forbes, counsel to the Small Business Committee at 224-5175.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON RULES AND ADMINISTRATION

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Thursday, February 18, 1993, at 9:30 a.m., to hold a markup. The committee will consider the following: an original resolution authorizing expenditures by committees of the Senate for 1993 and 1994; an original bill to establish national voter registration procedures for Federal elections, and for other purposes; and an original resolution authorizing the printing of a collection of the rules of the committees of the Senate.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be authorized to meet on Thursday, February 18, at 9:30 a.m. for a hearing on the legislation, S. 171, the 1993 Environmental Protection Agency legislation.

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

SUBCOMMITTEE ON EUROPEAN AFFAIRS

Mr. DASCHLE. Mr. President, I ask unanimous consent that the subcommittee on European Affairs of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, February 18, at 10:30 a.m. to hold a hearing on American policy on Bosnia.

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

SUBCOMMITTEE ON EUROPEAN AFFAIRS

Mr. DASCHLE. Mr. President, I ask unanimous consent that the subcommittee on European Affairs of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, February 18, at 2 p.m. to hold a hearing on American policy on Bosnia.

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

COMMITTEE ON FINANCE

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate Thursday, February 18, 1993, at 2 p.m. to conduct a hearing on the extension of unemployment compensation benefits.

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

ADDITIONAL STATEMENTS

THE 80TH BIRTHDAY OF MEL ALLEN

• Mr. LIEBERMAN. Mr. President, I rise today to offer a tribute on the occasion of the 80th birthday anniversary of a member of the Baseball Hall of Fame. This gentleman made his way to Cooperstown not with his bat or his glove or his throwing arm, but with one of the finest voices ever to call a major league game. I am of course talking about a resident of Greenwich, CT—the legendary Mel Allen.

As a youngster growing up in New Haven in the 1940's and 1950's, I was, and still am, an avid fan of the New York Yankees. Listening to the flawless delivery of Mel Allen, the "voice of the Yankees," made those games come alive for me. His delivery of the athletic exploits of players like DiMaggio, Mantle, Berra, Ford, Rizzuto, Howard, Maris and others too numerous to mention made the games as much fun as being there in person.

A native of Birmingham, AL, Mel Allen went to the University of Alabama at the age of 15, where he earned a bachelor's degree as well as a law degree. By 1936, at the age of 23, Allen was in New York where he won a CBS Radio audition to announce baseball games. By 1940, Allen was the lead announcer for the Yankees—a position he held until the end of the 1964 season.

Known for his trademark call "how about that," Allen became the only sportscaster to announce baseball games in seven decades. Among the numerous awards and honors received by Allen are induction into the Baseball Hall of Fame and the Halls of Fame of the National Sportswriters and Broadcasters Association and the American Sportscasters Association.

All the people of his home State of Connecticut join together with all the baseball fans of our country, and that accounts for nearly everybody, in wishing Mel Allen a happy, happy birthday, and many thanks for all fun and excitement he provided over the years.•

RULES OF THE SPECIAL COMMITTEE ON AGING

• Mr. PRYOR. Mr. President, I ask unanimous consent that the rules of the Special Committee on Aging, as approved by the Members of that panel on January 28, 1993, be printed in the CONGRESSIONAL RECORD.

The rules of the Special Committee on Aging follow:

RULES OF THE U.S. SENATE SPECIAL COMMITTEE ON AGING

I. CONVENING OF MEETING AND HEARINGS

1. Meetings. The Committee shall meet to conduct Committee business at the call of the chairman.

2. Special meetings. The members of the Committee may call additional meetings as provided in Senate Rule XXVI(3).

3. Notice and agenda.

(a) Hearings. The Committee shall make public announcement of the date, place, and subject matter of any hearing at least one week before its commencement.

(b) Meetings. The Chairman shall give the members written notice of any Committee meeting, accompanied by an agenda enumerating the items of business to be considered, at least 5 days in advance of such meeting.

(c) Shortened notice. A hearing or meeting may be called on not less than 24 hours notice if the Chairman, with the concurrence of the ranking minority member, determines that there is good cause to begin the hearing or meeting on shortened notice. An agenda will be furnished prior to such a meeting.

4. Presiding officer. The Chairman shall preside when present. If the Chairman is not present at any meeting or hearing, the ranking majority member present shall preside. Any member of the Committee may preside over the conduct of a hearing.

II. CLOSED SESSIONS AND CONFIDENTIAL MATERIALS

1. Procedure. All meetings and hearings shall be open to the public unless closed. To close a meeting or hearing or portion thereof, a motion shall be made and seconded to go into closed discussion of whether the meeting or hearing will concern the matters enumerated in Rule II.3. Immediately after such discussion, the meetings or hearing may be closed by a vote in open session of a majority of the members of the Committee present.

2. Witness request. Any Witness called for a hearing may submit a written request to the Chairman no later than twenty-four hours in advance for his examination to be in closed or open session. The Chairman shall inform the Committee of any such request.

3. Closed session subjects. A meeting or hearing or portion thereof may be closed if the matters to be discussed concern: 1) national security; 2) Committee staff personnel or internal staff management or procedure; 3) matters tending to reflect adversely on the character or reputation or to invade the privacy of the individuals; 4) Committee investigations; 5) other matters enumerated in Senate Rule IIVI (5)(b).

4. Confidential matter. No record made of a closed session, or material declared confidential by a majority of the Committee, or report of the proceeding of a closed session, shall be made public, in whole or in part by way of summary, unless specifically authorized by the Chairman and ranking minority member.

5. Broadcasting.

(a) Control. Any meeting or hearing open to the public may be covered by television, radio, or still photography. Such coverage must be conducted in an orderly and unobtrusive manner, and the Chairman may for good cause terminate such coverage in whole or in part, or take such other action to control it as the circumstances may warrant.

(b) Request. A witness may request of the Chairman, or grounds of distraction, harassment, personal safety, or physical discomfort, that during his testimony cameras, media microphones, and lights shall not be directed at him.

III. QUORUMS AND VOTING

1. Reporting. A majority shall constitute a quorum for reporting a resolution, recommendation or report to the Senate.

2. Committee business. A third shall constitute a quorum for the conduct of Committee business, other than a final vote on reporting, providing a minority member is

present. One member shall constitute a quorum for the receipt of evidence, the swearing of witnesses, and the taking of testimony at hearings.

3. Polling.

(a) Subjects. The Committee may poll 1) internal Committee matters including those concerning the Committee's staff, records, and budget; 2) other Committee business which has been designated for polling at a meeting.

(b) Procedure. The Chairman shall circulate polling sheets to each member specifying the matter being polled and the time limit for completion of the poll. If any member so requests in advance of the meeting, the matter shall be held for meeting rather than being polled. The clerk shall keep a record of polls; if the Chairman determines that the polled matter is one of the areas enumerated in rule II.3, the record of the poll shall be confidential. Any member may move at the Committee meeting following a poll for a vote on the polled decision.

IV. INVESTIGATIONS

1. Authorization for investigations. All investigations shall be conducted upon a bipartisan basis by Committee staff. Investigations may be initiated by the Committee staff upon the approval of the Chairman and the ranking Minority member. Staff shall keep the Committee fully informed of the progress of continuing investigations, except where the Chairman and the ranking Minority member agree that there exists temporary cause for more limited knowledge.

2. Subpoenas. Subpoenas for the attendance of witnesses or the production of memoranda, documents, records, or any other materials shall be issued by the Chairman, or by any other member of the Committee designated by him. Prior to the issuance of each subpoena, the ranking minority member, and any other member so requesting, shall be notified regarding the identity of the person to whom the subpoena will be issued and the nature of the information sought, and its relationship to the investigation.

3. Investigative Reports. All reports containing findings of recommendations stemming from Committee investigations shall be printed only with the approval of a majority of the members of the Committee.

V. HEARINGS

1. Notice. Witnesses called before the Committee shall be given, absent extraordinary circumstances, at least forty-eight hours' notice, and all witnesses called shall be furnished with a copy of these rules upon request.

2. Oath. All witnesses who testify to matters of fact shall be sworn unless the Committee waives the oath. The Chairman, or any member, may request and administer the oath.

3. Statement. Any witness desiring to make an introductory statement shall file 50 copies of such statement with the Chairman or clerk of the Committee 24 hours in advance of his appearance, unless the Chairman and ranking Minority member determine that there is good cause for a witness's failure to do so. A witness shall be allowed no more than ten minutes to orally summarize his prepared statement.

4. Counsel.

(a) A witness's counsel shall be permitted to be present during his testimony at any public or closed hearing or depositions or staff interview to advise such witness of his rights, provided, however, that in the case of any witness who is an officer or employee of the government, or of a corporation or association, the Chairman may rule that representation by counsel from the government, corporation, or association creates a conflict of interest, and that the witness shall be represented by personal counsel not from the government, corporation or association.

(b) A witness who is unable for economic reasons to obtain counsel may inform the Committee at least 48 hours prior to the witness's appearance, and it will endeavor to obtain volunteer counsel for the witness. Such counsel shall be subject solely to the control of the witness and not the Committee. Failure to obtain counsel will not excuse the witness from appearing and testifying.

5. Transcript. An accurate electronic or stenographic record shall be kept of the testimony of all witnesses in executive and public hearings. Any witness shall be afforded, upon request, the right to review that portion of such record, and for this purpose, a copy of a witness's testimony in public or closed session shall be provided to the witness. Upon inspecting his transcript, within a time limit set by the committee clerk, a witness may request changes in testimony to correct errors of transcription, grammatical errors, and obvious errors of fact; the Chairman or a staff officer designated by him shall rule of such request.

6. Impugned persons. Any person who believes that evidence presented, or comment made by a member of staff, at a public hearing or at closed hearing concerning which there have been public reports, tends to impugn his character or adversely affect his reputation may;

(a) file a sworn statement of facts relevant to the evidence or comment, which shall be placed in the hearing record;

(b) request the opportunity to appear personally before the Committee to testify in his own behalf; and

(c) submit questions in writing which he requests be used for the cross-examination of other witnesses called by the Committee. The Chairman shall inform the Committee of such requests for appearance or cross-examination. If the Committee so decides, the requested questions, or paraphrased versions or portions or them, shall be put to the other witness by a member or by staff.

7. Minority witnesses. Whenever any hearing is conducted by the Committee, the minority on the Committee shall be entitled, upon request made by a majority of the minority members to the Chairman, to call witnesses selected by the minority to testify or produce documents with respect to the measure or matter under consideration during at least one day of the hearing. Such request must be made before the completion of the hearing or, if subpoenas are required to call the minority witnesses, no later than three days before the completion of the hearing.

8. Conduct of witnesses, counsel and members of the audience. If, during public or executive sessions, a witness, his counsel, or any spectator conducts himself in such a manner as to prevent, impede disrupt, obstruct, or interfere with the orderly administration of such hearing the Chairman or presiding Member of the Committee present during such hearing may request the Sergeant at Arms of the Senate, his representative or any law enforcement official to eject said person from the hearing room.

VI. DEPOSITIONS AND COMMISSION

1. Notice. Notices for the taking of depositions in an investigation authorized by the Committee shall be authorized and issued by the Chairman or be a staff officer designated by him. Such notices shall specify a time and place for examination, and the name of the staff officer or officers who will take the deposition. Unless otherwise specified, the deposition shall be in private. The Committee shall not initiate procedures leading to criminal or civil enforcement proceedings for a witness's failure to appear unless the deposition notice was accompanied by a Committee subpoena.

2. Counsel. Witnesses may be accompanied at a deposition by counsel to advise them of their rights, subject to the provisions of Rule V.4.

3. Procedure. Witnesses shall be examined upon oath administered by an individual authorized by local law to administer oaths. Questions shall be propounded orally by Committee staff. Objections by the witnesses as to the form of questions shall be noted by the record. If a witness objects to a question and refuses to testify on the basis of relevance or privilege, the Committee staff may proceed with the deposition, or may at that time or at a subsequent time, seek a ruling by telephone or otherwise on the objection from a member of the Committee. If the member overrules the objection, he may refer the matter to the Committee or he may order and direct the witness to answer the question, but the Committee shall not initiate the procedures leading to civil or criminal enforcement unless the witness refuses to testify after he has been ordered and directed to answer by a member of the Committee.

4. Filing. The Committee staff shall see that the testimony is transcribed or electronically recorded. If it is transcribed, the witness shall be furnished with a copy for review. No later than five days thereafter, the witness shall return a signed copy, and the staff shall enter the changes, if any, requested by the witness in accordance with Rule V.6. If the witness fails to return a signed copy, the staff shall note on the transcript the date a copy was provided and the failure to return it. The individual administering the oath shall certify on the transcript that the witness was duly sworn in his presence, the transcriber shall certify that the transcript is a true record to the testimony, and the transcript shall then be filed with the testimony, and the transcript shall then be filed with the Committee clerk. Committee staff may stipulate with the witness to changes in this procedure; deviations from the procedure which do not substantially impair the reliability of the record shall not relieve the witness from his obligation to testify truthfully.

5. Commissions. The Committee may authorize the staff, by issuance of commissions, to fill in prepared subpoenas, conduct field hearings, inspect locations, facilities, or systems of records, or accompanied by instructions from the Committee regulating their use.

VII. SUBCOMMITTEES

1. Establishment. The Committee will operate as a Committee of the Whole, reserving to itself the right to establish temporary subcommittees at any time by majority vote. The Chairman of the full Committee and the Ranking Minority Member shall be ex-officio members of all subcommittees.

2. Jurisdiction. Within its jurisdiction, as described in the Standing Rules of the Senate, each subcommittee is authorized to conduct investigations, including use of subpoenas, depositions, and commissions.

3. Rules. A subcommittee shall be governed by the Committee rules, except that its quorum for all business shall be one-third of the subcommittee membership, and for hearings shall be one member.

VIII. REPORTS

Committee reports incorporating Committee findings and recommendations shall be printed only with the prior approval of the Committee, after an adequate period for review and comment. The printing, as Committee documents, of materials prepared by staff for informational purposes, or the printing of materials not originating with the Committee or staff, shall require prior consultation with the minority staff; these publications shall have the following language printed on the cover of the document: "Note: This document has been printed for informational purposes. It does not represent either findings or recommendations formally adopted by the Committee."

IX. AMENDMENT OF RULES

The rules of the Committee may be amended or revised at any time, provided that not less than a majority of the Committee present so determine at a Committee meeting preceeded by at least 3 days notice of the amendments or revisions proposed.●

CONDEMNING THE PRESENCE OF THE HAMAS TERRORIST GROUP IN THE UNITED STATES

● Mr. D'AMATO. Mr. President, I rise today to condemn the actions of the Iranian-supported terrorist group, Hamas, and its branches and agents in the United States. In recent weeks, much has been written of Hamas' murderous actions against Israel and moderate Arabs, yet we are only now learning of Hamas' vast international network, part of which is located in our own backyard.

This radical Islamic fundamentalist group is based in the Gaza Strip but also operates in Judea and Samaria. Its covenant declares that Israel must be destroyed and that Islamic fundamentalism must be adopted and spread violently, if necessary, by all Arab States. Its bloody rise to prominence has been built upon its sadistic torture killings of both Israelis and those Palestinians charged as collaborators with Israel.

Within our midst, this expansive network is aiding Hamas in its terror and murder in Israel. Acting in the guise of simple fundraising, groups in northern Virginia, Dallas, Detroit, Chicago, Tucson, and in my State of New York, are channeling large amounts of money back to Hamas in the Gaza Strip, freeing up Iranian-supplied funds to use to kill Israeli soldiers and civilians.

Reportedly, the United States is home to at least a dozen Hamas leaders who hold clandestine titles within the Hamas organization. Although it is unclear to what extent they are operating in the United States, the New York Times has reported that at least one Palestinian recently arrested in Israel while visiting from Chicago actively worked on behalf of Hamas, bringing over $650,000 to Israel to hand over to Hamas officials. If this charge proves to be true, we must expand our investigation and observation in order to eliminate this radical terrorist element from our Nation. We cannot allow an overseas branch of a foreign-sponsored terrorist group to set up shop in the United States.

If we allow this situation to fester, we will pay a very dear price, both at home and abroad. We cannot be assured that the members of these branches will not turn to terrorism on our shores, just as they have in the Middle East. It is my hope that our Government will vigorously see to it that the Hamas terror Israel faces never comes to the United States.●

THE NEW TRANSATLANTIC BARGAIN: THE NEED FOR EUROPEAN RESPONSIBILITY

Mr. McCAIN. Mr. President, the cold war is over. The Warsaw Pact and the Soviet Union no longer exist. The United States and Russia have moved forward toward a new era in which they are eliminating the risk of strategic nuclear war. East and West have virtually eliminated the risk of any theater-wide conflict in the central region or either flank. The long shadows that darkened Europe's future from 1945 to 1990 have largely cleared.

We have every reason to celebrate these changes. They do not eliminate the need for our Atlantic ties, nor do they bring security in Europe. They have unleashed old tensions and created new ones, and it may be decades before we see Central Europe and the former States of the Soviet Union evolve a fully stable relationship based on democracy capitalism, and regard for human and ethnic rights.

THE NEED FOR A NEW TRANSATLANTIC BARGAIN

At the same time, these changes cap a process of change that has been going on ever since the Marshall plan, and are a symbol of the need for a new transatlantic bargain. Today's Europe is not a crippled and threatened mix of nations devastated by World War. It is an economic bloc whose wealth is larger than that of the United States. It has a larger population, and cumulatively, it has larger military forces.

In contrast, the United States faces economic and social problems which are to some extent the result of the burdens it has borne ever since the end of the World War II. For nearly half a century it has paid far more than its share of the cost of Western security. At the same time, the United States is now the only Western power that has global commitments to peacekeeping and maintaining the security of allies outside Europe. While Britain and France do play an important role in such missions, the United States has been thrust into the role of securing the West's supply of oil, of defending northeast Asia, and of handling the vast majority of the crises which take place outside of Europe and NATO.

The time has come for both the United States and Europe to recognize that these changes must be reflected in a fundamental shift in roles and missions within the Atlantic alliance. The United States must stay in NATO, it must remain deeply involved in European security, and it must both deploy forces in Europe and maintain reinforcements for Europe in the United States.

However, the United States must steadily reduce its role in leading the European part of the Atlantic alliance, it must sharply reduce its forces for NATO, and it must concentrate on the broader mission of maintaining Western security outside Europe. Its new role and mission, and contribution to the new transatlantic bargain, must be to focus on the gulf, on Asia, and on the problems in global security that are as important to the West as a whole as the defense of Europe.

Europe's new role and mission is different. It is not out-of-area missions, but rather to deal with the problems created by the breakup of the Warsaw Pact and the Soviet Union. It is to help Central Europe move smoothly to democracy and a level of wealth that can underpin its stability and security. It is to help Russia and other members of the CIS move along the same path. It is to play a vital role in expanding the Atlantic alliance will cover the distance to the Urals and then sweep from Europe through Asia to Japan.

As part of that process of change, Europe must be ready to provide three tangible contributions to the new transatlantic bargain. The first is to use its wealth to give Central Europe and the former CIS States the equivalent of a new Marshall plan. The second is to contribute the bulk of NATO's European forces, reducing the United States contribution to a small share of NATO's total strength which can perform power projection missions outside the NATO area. Finally, Europe must be ready to perform peacemaking missions in Europe, and deal with problems like the ones in Bosnia and the rest of the former Yugoslavia.

This requires new attitudes on both sides of the Atlantic. It requires the United States to accept the fact that Europe is not only a full partner in the Atlantic alliance but should now take the lead in NATO and European affairs. It requires U.S. military planners to move toward a European SACEUR, total U.S. forces in Europe of 70,000–80,000 men, and concentrate on restructuring forces in the United States for power projection missions anywhere in the world—ending the assigning and earmarking of forces primarily for the reinforcement of Europe.

In the case of Europe, it means accepting very real financial sacrifices to aid Central Europe, and Russia and the other States of the CIS, that involve far more than integrating East Germany into Germany and paying Russia to leave. It means accepting the fact that European forces and force goals should be based on the premise that

the U.S. contribution should be no more than 25 percent of the total NATO forces in the central region. In the case of Bosnia, it means preparing for the near certain failure of the Vance-Owens agreement, and intervention that will actively defend Bosnia's Moslems and deter any further atrocities and ethnic cleansing.

Ironically, none of this will happen without American leadership. Britain and France are rightfully afraid of having to act alone. Germany is hiding behind a dubious interpretation of article 24 of its constitution. Europe's smaller nations tend to follow in the path of Sweden and Switzerland—to take the high moral ground and hide there in safety.

What is clearly needed is an American declaration that the time has come for a new transatlantic bargain, and that Europe must immediately assume responsibility for European crises like the one in Yugoslavia. What is needed is immediate leadership by President Clinton to break out of the trap of futile negotiations and demand that Europe act. If President Clinton fails to exert such leadership, he may well have failed in his Presidency before the end of his first year in office.

THE AMERICAN PART OF THE NEW TRANSATLANTIC BARGAIN

The need for urgent action is illustrated by the need for a new U.S. force plan to underpin the fiscal year 1994 Defense budget, a budget request that is now already overdue. The OMB data provided as background to President Clinton's State of the Union Address shows that Secretary Aspin is planning for a Defense budget level of around $264 billion. It projects a spending level for fiscal year 1994 to fiscal year 1998 that is likely to be nearly 20 percent lower than the funding level necessary to sustain the base force concept that President Bush proposed in August 1990.

What both our European allies and U.S. policy planners need to understand is that there is no faster way for the United States to become ineffective as a world power than to try to stretch its declining resources to meeting open-ended commitments throughout the world. Even if a Democrat-controlled Congress makes no cuts in President Clinton's initial Defense budget request, and even if Secretary Aspin's budget plans survive competition within the Clinton Cabinet, we favor an absolute need to make hard tradeoffs.

The goal of maintaining 150,000 U.S. forces in Europe and for Europe is an unobtainable fantasy. Barring some total reversal in Russia's political direction and military actions, the United States simply must shift resources to other regions in the world. It cannot afford a robust corps of two combat ready divisions in Europe. It cannot afford to keep more than three fighter wings. It cannot afford to dedicate a carrier battle group unless it can also be used for swing missions in the Middle East and the gulf.

It may be possible to maintain two active brigades in Europe, and preposition most of the heavy equipment for two divisions if Europe will pay for most of the costs of pre-positioning as part of the NATO infrastructure plan. It may be possible to deploy a force close to two fighter wing equivalents—if one wing can include the air units the United States deploys in the gulf and both wings are dual capable for power projection missiles. It may be possible to keep a smaller carrier battle group—provided that NATO accepts that it will be employed in out-of-area missions most of the time.

This, however, is the maximum force we can maintain and much of it may have to be dual based in the United States for a substantial period. It serves no purpose to promise more, because even this force will be impossible to sustain unless our economic recovery removes many of the current pressures on the defense budget.

Similarly, our current crisis response and reconstitution forces for the Atlantic forces part of the base force are little more than a fantasy. We do need power projection forces that can be used both in Europe and elsewhere in the world. Today, however, we cannot deploy a single heavy division rapidly from the United States to any part of the world. We lack the prepositioning, the readiness, the sustainability, or the strategic lift. Long before our currently planned defense budget cuts have their full impact, we already have an expensive hollow force structure.

What we need is to make the five divisions in the contingency force package five real globally deployable and sustainable divisions. We need to be able to deploy at least two heavy divisions anywhere in the world in less than 30 days.

We need to restructure our active and reserve mix in the United States to end all earmarking and assignment to NATO, to eliminate all active formations we cannot deploy in less than 90 days, and to create more flexible reserves that can ensure that we have a cost-effective mobilization pool that can allow us to build up for at least one high intensity conflict in no more than 6 months. This is reality, and every additional dollar we spend on an unsustainable force posture is a dollar taken away from the forces we can actually use.

The same realities affect our air reinforcement component for Europe. The present crisis response package for Europe calls for 2 active and 10-plus fighter wing equivalents in the United States. We need to focus our resources on air forces, long-range conventional missile forces, and rapidly deployable high technology firepower. At the same time, we cannot dedicate these assets to Europe, or afford to structure our air units in the United States in a way where they cannot serve flexible power projection missions. This will be particularly true if Secretary Aspin goes ahead with plans that could cut us from the 26-wing Air Force requested by President Bush to anywhere from 18 to 22 wings by 1996.

We need to keep our carrier and amphibious forces as strong as possible in an era when power projection is the primary mission of our military forces. There is no way, however, that we can assign or earmark four carrier battle groups and an entire Marine Expeditionary Force [MEF] to NATO. We need these forces, but primarily for global emergencies outside NATO. They are forces that may be based on the east coast of the United States, but they cannot be forces simply for the Atlantic.

As for our reconstitution forces, it makes no sense to keep two Army cadre divisions and an unstated number of naval frigates to deal with the risk that a new threat will emerge in Europe that could lead us to theaterwide or general war. These forces would be meaningless in such a contingency, and are too expensive to maintain as an exercise in tokenism.

The United States must reshape all its military forces to focus on new priorities, most of which involve low to medium intensity conflict in which the United States will be a coalition partner, and not the leader of a formal alliance. It must concentrate its diminishing Defense budget and pool of forces on power projection missions. It must seek to limit its contribution to most European contingencies to air and naval forces, reduce its ground forces as much as possible, and give all its forces normally deployed in Europe a dual mission in out of area contingencies.

The Congress recognized these realities last year when it set the future manpower ceiling for U.S. forces in Europe at 100,000 men, rather than the 150,000 men that the Pentagon requested in its base force. I gather that still further economies may be possible, and that the U.S. Army—as distinguished from SHAPE and the JCS—is examining force levels of around 70,000 as a means of concentrating its resources for higher priority tasks outside Europe. We need to reflect these realities in both our fiscal year 1994 defense budget and our fiscal year 1994 through fiscal year 1999 future year defense program.

REDEFINING AMERICAN ATLANTICISM

None of these changes means the United States should adopt neo-isolationism or abandon Atlanticism. Quite the contrary, they reflect the reality that Western security interests now effectively include the gulf, Japan, and the other developed nations of Asia. They reflect the growing economic interdependence of the world's economy and political systems.

The United States must continue to take the lead in working with Russia to eliminate the risk of nuclear conflict, and to reduce nuclear weapons to a secure minimum. It must work with Europe to develop a broader European security concept that includes Central Europe, Russia, Belarus, Ukraine, and the Baltic Republics.

We may or may not to able to expand NATO to fill this role, but we can only finally heal the split between East and West if we work together to encourage the East's move toward democracy and capitalism.

REDEFINING EUROPE'S ROLE IN ATLANTICISM

This process of change will be more traumatic for Europe that for the United States. For nearly a half century, Europe has depended on American leadership and a disproportionate American military contribution. It must now learn to accept American partnership and limited American military support.

There are many in both the United States and Europe who will oppose that process of change, regardless of the changing strategic realities affecting Western security policies, the changes that have taken place in Europe, and the cuts the United States must make in its forces.

The fact remains, however, that change is coming. There is nothing to be gained by continuing the myth of American military leadership in Europe for a few more years, and there is a great deal to be lost. In the name of a now outdated concept of Atlanticism, we risk delaying European recognition of the fact that Europe must now be responsible for European security. We risk ongoing European force cuts that ignore the fact that Europe must shape its future forces to take account of a major shift in the relative weight and size of American forces.

We risk undercutting European efforts at creating largely European security alternatives, such as the efforts with the WEU. We risk encouraging European nations to expect American intervention in European crises, we delay Europe's understanding that it must now deal with local crises, and we contribute to the European failure to assume military responsibility for peace making and crisis intervention.

THE CRISIS IN YUGOSLAVIA AND BOSNIA

The last year has exposed a critical weakness in European security. Although Britain, France, and Canada have played a growing military role in trying to halt the ongoing atrocities in Bosnia, and prevent the crisis in that State from exploding into a broader conflict in the Balkans, there has been no Europe when a Europe was needed most.

The WEU and EEC have failed to provide an alternative European security concept that would provide the combination of military force, and the willingness to actually use the force, needed to end the horrors in Bosnia. NATO has pursued the illusion of rapid deployment forces that no member nation really seems prepared to fund, while drafting studies that examine military options to deal with the situation in the former State of Yugoslavia that amount to little more than the sum of the fears of the military planners of 14 different nations.

The bitter truth is that more than 60 years after the bitter lessons of Spain, Ethiopia, and genocide against Europe's Jews, and in an era where there is no major military power to prevent peacemaking operations, Europe's collective reaction to Bosnia amounts to military impotence and moral cowardice.

REACHING AGREEMENT ON THE NEW TRANSATLANTIC BARGAIN

We cannot afford to sit back, and hope that history will drive us in the direction we must go. We face a turning point in Western history where we must choose between an effort to restructure our entire security concept toward power projection and a broad new partnership of nations, or see our past security concept disintegrate.

We also face a more immediate challenge. We are already straining our capacity as the world's policeman in the gulf and Somalia. We cannot, and should not, use United States ground forces to intervene in Yugoslavia. We may have to contribute the kind of high-technology air and naval forces that Europe lacks, but we simply should not have to put more than limited U.S. forces on the ground. We should not have to confront Russia, with its long ties to the Serbs, with a crisis over American intervention in Bosnia as the only answer to genocide.

The only way we can deal with this situation is to openly make it clear to our allies that the time for change has come, and we cannot wait. We need to present realistic new force plans to NATO. We need to openly encourage European security alternatives. We need to make it clear that we will continue to focus on European security, but only if Europe assumes leadership and develops security concepts where we can be a partner, rather than a leader. We need to move immediately toward a European SACEUR, and make massive cuts—perhaps as much as 50 percent—in the role of U.S. personnel in NATO headquarters and planning staffs.

We need to disengage from American led diplomatic efforts in dealing with the break up of Yugoslavia, and force the issue of peacemaking on Europe. We need to demand that Europe finds the courage to act, and put forthright and firm pressure on our allies to halt mass murder, and the hideous spectacle of Christians murdering Moslem's centuries after the time that civilization should have matured beyond that point forever.

We face a new era, and that era requires new solutions to shaping our security, our strategy, and our forces. We cannot maintain the status quo and we cannot afford to simply cut our forces or defense budgets for the sake of short term savings that mortgage our future. We need a new approach to Europe, to the Middle East and the gulf, and the Pacific, and creating a new transatlantic bargain is a critical first step in this process of change.

I will return to these issues again, and in more depth in the weeks to come. I do, however, wish to call my colleagues attention to a report that will help you understand this complex situation that was prepared for me by the Congressional Research Service.

This report is entitled "Military Trends: Atlantic to the Urals," and is CRS 92-949F. It is the first unclassified net assessment of the new security situation in Europe, and describes both the new military balance in Europe and the trends within each member country. I urge you to review it as an important indication of the changes we must make within the Atlantic alliance.

Mr. President, I respectfully request that the summary of this CRS report be entered into the RECORD at the conclusion of my remarks.

The summary follows:

[From a CRS Report for Congress, Dec. 9, 1992]

MILITARY TRENDS: ATLANTIC TO THE URALS

OVERVIEW

The dissolution of the Warsaw Pact and the division of the former Soviet Union have radically reduced the threat of catastrophic military conflict in Europe. Concurrently, after some initial uncertainty, international arms control agreements have reinforced the reduction in international tensions. Even before the collapse of Communist Europe, most NATO countries were moving to contain defense spending in response to an improving arms control environment and domestic economic concerns. In the past year, this trend has rapidly accelerated and shows signs of continuing. These radical developments have precipitated or accelerated processes directly affecting military establishments and security organizations across Europe and the Atlantic.

NATO, its member nations, and the Warsaw Pact successor states are all undertaking extensive revisions of their military doctrines. NATO and many of its members have shifted from a focus on high intensity, possibly nuclear, conflict with the Warsaw Pact to rapid military response to lesser regional threats. All former Warsaw Pact countries have publicly eschewed the Pact's offensive doctrine and are emphasizing only the defense of national borders. These states are

also seeking to replace their earlier alliance relationships with integration into Western security systems. Though broad principles have been enumerated, the details of practical application have yet to be worked out.

The collapse of the post World War II order has also led to widespread change in the relationships, structure, and relative importance of European security organizations. Few aspects remain untouched. Purpose, responsibilities, capabilities, and membership all are undergoing review and reshaping.

Relieved of the tensions of NATO-Warsaw Pact confrontation, Europe and the United States must now contend with a range of active regional conflicts. As Soviet suzerainty was retracted in Europe, latent religious and ethnic hatreds have sparked armed conflicts and fueled political tensions from the Adriatic Sea to the Ural mountains. International organizations and individual governments that have grown accustomed to planning for potential continental-scale conflict between superpowers now face the challenge of how best to deal with regional low-intensity conflicts.

These changes in the European security landscape have consequences that will continue to develop through the rest of the decade. Massive active duty military personnel reductions are underway in most countries of Eurasia, with the practical problem of reintroducing thousands into the civilian workforce often being the only restraining factor.

Both alliances and individual nations are undertaking radical changes in military force structure in response to changed threat perceptions, the evolution of new political-military entities, and shortages of funds. NATO has streamlined its command structure, while the West European Union seeks to develop one. Both organizations are forming new multinational combat units. At the same time, the European Community is striving for a greater military and political voice, and the United States is under significant domestic pressure to reduce its military presence in Europe. Many nations are restructuring their armed forces around smaller units, placing less emphasis on the division-sized units designed for theater-wide warfare. In Eastern Europe, and to a lesser extent in the West, major troop redeployments are underway as nations stand down from old Cold War battle lines.

As nations revise unit structures and scale back or terminate equipment modernization programs, ground, air, and naval forces are all feeling the effect. For East European countries, modernization efforts are further complicated by the desire to incorporate advanced Western technology that is often prohibitively expensive.

When countries on both sides of the former Iron Curtain curtail defense investment, they face the consequences of shrinking defense production and rising unemployment as defense workers are laid off—a situation politically volatile for some governments. In addition, from the United States to the Commonwealth of Independent States, there is the concern that national defense industry capabilities could atrophy to the point where timely reconstitution for a major conflict would be impossible.

Seemingly, the current proliferation of armed conflicts in Eurasia has not slowed the decline in most governments' military spending. Their nature—regionally-contained, sporadic, and decidedly "low-tech"—and their location on the geographical fringes have prevented their generating the public concern necessary for high-levels of defensive investment. These regional conflicts, most notably in the former Yugoslavia, have nevertheless seized the attention of several national military establishments, and every organization concerned with international security. Though the United States has had extensive post-World War experience with armed conflicts overseas, most European nations have not. With the occasion of the Persian Gulf War and the proliferation of regional conflicts from Sarajevo to Tblisi, so-called out-of-area operations and force projection are now the subject of much discussion by U.S. and European political and military leaders.[1]

Regional conflicts have received a great deal of media coverage and largely diverted public attention from perhaps the most significant consequence of the East-West denouement—the reduction of reliance on nuclear weapons. To be sure, nuclear weapons remain in the arsenals of the United States, the United Kingdom, France and the former Soviet Union's successor states.[2] However, under the START agreement the dismantlement of a range of ICBMs is about to begin. Strategic nuclear programs in the U.S., Russia, and France have been scaled back or terminated. All short-range or tactical nuclear weapons are being withdrawn from Europe. International pressure to cease nuclear testing is increasing. For most, the concern is no longer a superpower conflict, but the specter of nuclear weapons becoming a factor in regional conflicts.

Simultaneously, the Conventional Armed Forces in Europe Convention (CFE) has limited conventional military equipment from the Atlantic to the Urals. Signed in November 1990 by all NATO and former Warsaw Pact members, CFE places national and regional limits on tanks, armored combat vehicles, artillery, combat aircraft, and attack helicopters. Negotiations continue within the Conference on Security and Cooperation in Europe (CSCE) to establish ceilings on military personnel also.

DEFENSE BUDGETS[3]

In the West, the United States initiated the trend of budget reductions with defense spending declining, after inflation, each year since 1986. The Department of Defense's 1993 request showed a real dollar decline of 4.6% from the previous year, with a cumulative decline of about 25% projected through 1997. The United Kingdom now plans a 5.5% decline from 1992-1995, though domestic economic pressure could well steepen the rate of decline. The French defense budget declined 2.3% in 1992, and the government plans to freeze military procurement spending at current levels through 1994. Germany has projected a similar cap on all defense spending through 1995. Among the other Western nations, the Netherlands plans a 2% per annum reduction through 1994, followed by a freeze on spending levels from 1995 to 2001. Belgium projects a 10% decline through 1995. Spain's defense budget dropped 17% in 1992 alone. Bucking the tend are Greece and Turkey, which show modest increases, though much of this will be eroded by inflation.

In the East, the information on defense spending is fragmentary, and fluctuating currency values complicate the picture. There is no question that defense spending is dropping. Russian Federation officials have estimated that 1992 defense expenditures will be only 33% of 1990 spending levels, falling from 17% to 4.5% of GNP. East European countries are not registering such precipitous declines, showing defense spending reductions of 8% to 15% through 1997. The sole exception is Hungary with an 8% increase, reflecting higher personnel salaries.

Active duty personnel reduction

Military personnel reductions are underway throughout Europe. The United States had started to reduce its 300,000+ personnel in Europe before the Persian Gulf War. Congress has now mandated a 100,000 ceiling, effective 1995. Some have suggested that as few as 50,000 troops in Europe would be adequate. Pentagon officials failed in their arguments for a minimum of 150,000, and still warn of a weakened U.S. influence in the NATO command structure if U.S. European deployment becomes merely "symbolic."

Among NATO allies, announced personnel reductions through the next three to four years include: United Kingdom 20%, Germany 31%, France 15%, Italy 25%. Personnel reductions are also severe among former Warsaw Pact members. Russia, Belarus, and Ukraine have initiated an accord within the framework of the CSCE, which limits their forces to 1.45 million, 100 thousand, and 450 thousand respectively.[4] This compares to the Soviet military personnel total in 1985 of 4.5 million troops. The Czech and Slovak Republic has projected a 33% cut by 1997. The Polish press reports a 30% drop in active military personnel over the last two years.

Decline of military modernization programs

Most military establishments on the Eurasian continent have scaled back equipment modernization and procurement programs. On the nuclear front, Russia and France have terminated or reduced procurement of land and sea-based ICBMs and medium-range missiles, as has the United States. The United States has terminated development of advanced cruise missiles and nuclear tactical air to surface missiles. Both the United States and France have scaled back their nuclear submarine programs.

The European Fighter Aircraft (EFA) consortium is close to dissolution, with Germany arguing for a cheaper, less sophisticated aircraft, and Britain holding to the original plans for a "next generation" aircraft. France has canceled the land-based version of the new Rafale fighter aircraft. The United States, United Kingdom, France, and Germany have terminated or radically reduced main battle tank procurement.

Among former Warsaw Pact members, political decisions, economic constraints, and

[1] The term "out-of-area" specifically means outside the national territories of NATO members. Seeking to ensure its defensive nature, and to avoid military involvement in the overseas territories of its members, NATO has traditionally interpreted its charter as prohibiting "out-of-area" operations. The term "force projection" denotes the ability to carry on significant military operations outside a nation's own territory.

[2] Soviet successor states with strategic nuclear weapons on their territory are: Russia, Ukraine, Belarus, and Kazakhstan.

[3] Assessing or comparing national defense budgets over time presents a number of difficulties. Types of expenditures included vary from country to country. Public information is often sketchy and inconsistent in format. The value of national currencies can fluctuate significantly, and inflation can negate what appears to be increased defense spending. The problem of currency conversion particularly applies to the new democracies of Eastern Europe and the Commonwealth of Independent States. Projected defensive expenditures, with some exceptions, are even more problematic. Many governments are in the midst of extensive reviews of their defense planning, and consequently budget estimates are very much in flux.

[4] Ukrainian and Belorussian leaders believe their armed forces will stabilize well below these ceilings, as soon as jobs and housing can be found for demobilized troops.

arms control agreements have brought most modernization programs to a standstill. While some military production continues, particularly in Poland and Czechoslovakia, must of it is intended for foreign markets to gain hard currency. Most East European countries are weighing the option of procuring more sophisticated Western equipment. High costs remain the major obstacle; however, in the future, licensing and co-production arrangements may overcome this. Russian military production has also fallen substantially. In 1992, the Director of the Defense Intelligence Agency testified before Congress that Russian 1991 procurement outlays fell 20% from the previous year, and were estimated to fall an additional 80% for the first quarter of 1992. Soviet officials have reported that in 1991 ICBM production fell 40% while tank and aircraft production fell 66% and 50% respectively. Navy Commander-in-Chief Chernavin has reported that naval construction has come almost to a standstill.

These sweeping reductions in military production while applauded almost universally, have brought with them two major concerns: unemployment and loss of defense production bases. With development programs canceled and production lines shutting down or scaling back, hundreds of thousands of jobs in NATO and former Warsaw Pact nations will disappear over the next several years. For the United States and Western Europe, this presents a challenge for political leaders, and could exacerbate economic slowdowns in the short term. Indeed, it can be argued that some defense programs have been continued more for economic, than purely military, considerations. In Eastern Europe and the Soviet Union, however, the problem is far greater. These countries are already struggling with the unprecedented transition to a free market economy. For many of these countries, and Russia in particular, military production occupied a much greater proportion of domestic industry than in the West. Consequently, political leaders must balance long-term benefits of reduced military production against the immediate political instability large industrial layoffs could incite. Further complicating the issue, for Russia and some East European countries (e.g., Czechoslovakia and Romania) military equipment is one of the few commodities they can export for hard currency. In some cases, notably Czechoslovakia's proposed tank sales to Syria, the United States has applied direct pressure to prevent arms transfers and offered assistance in converting defense industries to civilian production. The Russian sale of submarines to Iran and rockets to India have also alarmed those concerned with weapons proliferation.

The conversion of military industries is attracting much attention on both sides of the former Iron Curtain; it is, however, proving difficult to implement. Nevertheless, the desire to continue the easing of military tensions and domestic economic considerations probably will keep industrial conversion high on most political agendas.

As military investment dwindles and industrial conversion gains support, some observers are troubled by the potential loss of national defense production bases. They argue that if research lags and production lines close down, it will be impossible to reconstitute them in a timely manner if a military conflict should break out. They believe that the complexity of modern weaponry would preclude the kind of dramatic conversion to war production the United States achieved in the 1940's. Others argue that any major conflict would provide sufficient long-term warnings to allow resumption of production, particularly if research and development continue and key production facilities are mothballed.

With the imminent probability of shrinking national defense industries and the new emphasis on multinational military units, some have suggested that NATO should stress greater coordination, and perhaps specialization, of defense industry capabilities. This is, however, an area in which NATO has historically given lip service to the ideal, but largely accepted the dominance of individual national policies.

REVISION OF MILITARY DOCTRINE

National and alliance doctrines are under revision from the Atlantic to the Urals. With Cold War battle lines no longer relevant and the prospect of a global war between superpowers fading, military establishments must now reconsider their missions and the means to achieve them. The West is undertaking this in the face of public opinion demanding greater resources for domestic concerns, and East Europe in the midst of severe economic dislocation during the transition to market economics.

U.S. military planners are faced with a unique set of circumstances. The United States is arguably the only remaining superpower, and the only nation seeking to maintain a strong position of global influence. Nevertheless, there is great domestic pressure to reduce force structure, curtail overseas deployments, and restrain equipment costs. Simultaneously, the nuclear element of U.S. military doctrine has become less relevant as regional conflicts have assumed center stage. The most salient elements of the emerging U.S. military doctrine are the emphasis on rapid force projection and force reconstitution in the event of protracted conflict. Force projection (transporting and sustaining combat units at great distance from their home bases, is intended to compensate for a reduced number of troops stationed overseas.) Force reconstitution (the creation of units to augment existing forces) is intended to mitigate the shortcomings of smaller active duty forces in the event of a large scale conflict. All three armed services are currently engaged in developing the substantive details of these doctrinal revisions, a process expected to take at least another year.

The United Kingdom completed a defense policy review in July 1992. The "Options for Change" report stressed adequate forces for the defense of the British Isles, continued nuclear weapons modernization, and British participation in multinational activities, such as the leadership of NATO's Rapid Reaction Force and military assistance to U.N.-sponsored operations. The Major government also echoed the U.S. desire for rapidly responsive forces.

The French government has seen the post-Cold War environment as an opportunity to increase its influence in European military affairs. Though a member of NATO, France withdrew its armed forces from NATO's integrated military command structure in 1966. This has allowed France a more independent defense policy, but also limited its influence in NATO-dominated military planning and organization. With the dissolution of the Warsaw Pact, France has sought to reduce European reliance upon NATO, which it believes is too often governed by U.S. interests. France's efforts to foster the growth of a Eurocentric military establishment has led it to adopt what appears to be a more collaborative approach to defense planning with its European allies—particularly Germany. French support for the rejuvenation of the moribund West European Union (WEU), its cooperative efforts with Germany to create a multi-national rapid reaction "Eurocorps", and public indications it may be willing to reconsider its highly independent nuclear weapons doctrine, are all hallmarks of a evolving defense policy. This evolution, however, has taken place assuming the greater European political integration through the European Community (EC). This assumption is no longer certain. In France itself, the national referendum on the EC treaty reflected a remarkable ambivalence towards the European union. Should progress on EC integration stall, it could erode the foundation of France's new collaborative attitude.

In Germany, the most salient military policy debate is to what extent the German armed forces can or should participate in military operations outside the NATO area. (For a detailed discussion, see Germany's Military Role in the World, CRS Report 92-670 S). The Kohl government has chosen to interpret the German constitution, or Basic Law, as permitting armed forces participation in NATO and possibly U.N. sponsored military operations. The emphasis here has been on "peace-keeping" efforts, but as recent events in Bosnia have demonstrated, the fine distinction between "peace-keeping" and the more active military role of "peace-making" can blur. This has raised strong objections from opposition political parties and created dissension within Kohl's own coalition. Germany must now reconcile the international pressure to expand its role in collective military actions and the domestic aversion to all but purely defensive military operations. Less controversial, but no less significant for NATO's future, is Germany's continuing active cooperation with France in strengthening the "European identity" in security affairs.

Among other NATO members, regional concerns are playing a large role in military planning. For Spain, Portugal, Italy, and France, political and religious unrest in North Africa is of importance. Spain's recent reorganization of its air force into regional commands and its bolstering of air force assets of its Southern Command are indicative of this concern. For Italy, Yugoslavia's disintegration has revived an historical interest in Balkan affairs, now reinforced by Italy's coordination of both NATO and WEU naval activities in the Adriatic Sea.

Further east, against the background of their ongoing rivalry, Greece and Turkey are also now challenged by a new security environment. The Greek-Turkish dispute over Cyprus continues to simmer, as do altercations between the two NATO allies over AEgean airspace and maritime territorial limits. More immediately, however, Macedonia's declaration of independence on its northern border has alarmed Greece and caused military conscription reform to be put on hold. Turkey, NATO's only predominantly Muslim nation, has ended its centuries old adversarial posture with Bulgaria, with mutual troop withdrawal along the common border. It is now turning its attention to the twin challenges of the nascent Turkish moslem republics in former Soviet Central Asia and the regional tensions generated by Iran and Iraq. In addition, Turkish military leaders are grappling with a paradox of sponsoring U.N. assistance to Kurdish refugees from Iraq while simultaneously battling to suppress its own Kurdish separatist guerrillas. Turkish military leaders are also concentrating on completing a multi-year modernization ef-

fort to enhance their armed forces' mobility and small unit operations.

In Eastern Europe, military leaderships have been eager to discard the responsibilities of the Warsaw Pact's offensive doctrine. Public statements have unequivocally stressed the defense of national borders as the cornerstone of new military doctrines. Defensively-oriented troop redeployments and greater emphasis on defensive weapons systems (e.g. air defense missiles/radars) have corroborated the public posture. As noted above, Bulgaria has withdrawn troops from the Turkish border. Czech and Slovak Republics and Poland have drawn down forces from their borders with Germany. The negotiated withdrawal of Soviet troops is completed in the Czech and Slovak Republics and Hungary, and continuing apace in Poland.[5]

Reduction of nuclear reliance for European security

Perhaps the single most important consequence of the last few years is the reduced reliance on nuclear weapons. The United States and Soviet Union signed the Strategic Arms Reduction Treaty (START) in July 1991. Elaborating an agreement with the CIS successor states delayed the ratification process, but now Russia, Belarus, Ukraine, and Kazakhstan have signed a protocol governing START implementation. U.S. programs canceled as a result of START or unilaterally include: the small "midgetman" ICBM, mobile launchers for MX and midgetman, SRAM II and SRAM-T air launched missiles. In July 1992, the United States completed withdrawal of land-based tactical nuclear weapons from Europe. The United States is also withdrawing 50% of its aircraft-borne nuclear weapons. The United Kingdom is following suit, withdrawing its tactical missiles and nuclear artillery from the Continent. France has canceled its S-45 mobile ICBM and medium-range Hades missile programs. For its part, Russia announced in May 1992 that all former Soviet nuclear weapons had been withdrawn to its territory.

These events mark the end of NATO's "Flexible Response" doctrine, and now make nuclear weapons the "weapon of last resort." This is a position somewhat closer to that long-held by France and may allow closer cooperation on nuclear issues. As EC unity has grown, France has come under pressure to define the role of its nuclear forces within a common EC security policy. France has consequently offered to consult with the UK on future nuclear policy.

Today, as the probability of East-West nuclear confrontation wanes, the focus is on orderly compliance with the START treaty, the possibility of further strategic reductions, and efforts to stem nuclear proliferation in the Third World.

Out-of-Area Operations and Force Projection

The Persian Gulf War, the on-going Yugoslav crisis, and other smoldering regional conflicts have caused military establishments to focus upon out-of-area operations and force projection capabilities. For the United States, these are not new concerns. In the 20th century, indeed, all major U.S. military operations have been conducted at significant distance from national borders. The United Kingdom, as demonstrated in the Falkland Islands and the Persian Gulf War, has traditionally maintained some force projection capability. France provided forces in the Persian Gulf, and has carried out small unit military operations, primarily in Francophone Africa, on many occasions. But, for the most part, West European (particularly NATO) military force structure, planning, and equipment have been designed for a NATO-Warsaw Pact conflict. The almost simultaneous collapse of the Warsaw Pact and the outbreak of war in the Persian Gulf has now engendered a whole new range of military scenarios.

Seeking to maintain its viability and influence, and to focus on realistic security concerns, some NATO members have sought to redefine the alliance's purely defensive mission to include the option of out-of-area operations, particularly peace-keeping efforts. While military planning and force restructuring is underway, the political elements of this transformation still present problems. NATO can employ its military resources only on consensus—the agreement of all members. When its primary mission was to react to Warsaw Pact attack, the threshold and scope of action remained relatively clear. In dealing with lower-intensity conflicts, e.g. the Yugoslav civil war, that clarity is lost. The timing and nature of response is subject to greater political debate. Further complicating the situation, France and Italy have opposed extending NATO's mandate to out-of-area operations, and Germany is in the midst of a constitutional debate over the use of its forces for purposes other than the defense of its national borders. Even if Germany resolves the constitutional issue in favor of permitting foreign deployments, it may choose to act in these cases only under United Nations, CSCE, or WEU auspices, rather than NATO's.

Some, particularly France, prefer the WEU as the means to handle out-of-area operations. However, the WEU is a fledgling organization, and cannot equal NATO capabilities. Most notably, the WEU allies, lacking U.S. membership, are severely limited in long-range air and sea transport.

In the Yugoslav crisis, both NATO and the WEU have chosen to defer their authority for action to the United Nations, allowing that body visible authority to decide the timing and scope of operations. Today, several thousand troops from NATO member nations are on the ground as U.N. military observers, while NATO and WEU member naval units monitor the Adriatic. Some have argued that more decisive military action should be undertaken—particularly in defense of Bosnia-Herzegovina—while others believe that NATO's and the WEU's caution is wise in the face of the ethnic and geopolitical complexity involved.

The Yugoslav crisis has also raised the question of how well trained European forces are for low-intensity warfare or peace-keeping missions. It has also introduced the concept of "peace-making", i.e. forcing warring factions to the peace table through military intervention. "Peace-making" has so far proven a mission to which no nation or organization has been willing to dedicate forces.

Independent of the question of political will, military capabilities will be a limiting factor for almost all European countries (and NATO and the WEU) for some time to come. Air/sealift, logistical support, naval air support, and C3I are examples of existing equipment shortfalls. Therefore, out-of-area operations present new procurement requirements at a time of radically shrinking defense budgets. Although political rhetoric has committed NATO and WEU members to the out-of-area mission, it appears that actual employment of forces, in all but minimal roles, may remain problematic for some time to come.

Force structure reorganization

As threat assessments, doctrine, and manpower levels change, NATO nations are reorganizing their force structures. Former Warsaw Pact nations are widely discussing force structure reform, but undertaking little—aside from some reduction of army unit size.

NATO has changed both its force structure concept and its command structure. NATO forces will be divided into three categories: Rapid Reaction Forces (10%), Main Defense Forces (60%) and Augmentation Forces (30%). Major operational commands will be Allied Command Europe and Allied Command Atlantic, with three subordinate regional commands: Allied Forces South (Mediterranean area); Allied Forces Central (Central Europe); and Allied Forces Northwest (United Kingdom, Norway, North Sea).

The hallmark of NATO's new force command structure is multinationality. Previously, NATO corps and divisions were based on primarily national forces. Now, all corps will be multinational and each regional command will have at least one multinational division. This arrangement will permit nations to provide smaller units and perhaps allow greater specialization in the types of units provided. It will, however, demand such greater attention to interoperability of equipment, joint logistics, and multinational manuever unit training. Some have argued these reforms will undermine NATO's organizational strength, severely complicate command and control, and require a level of interoperability NATO has never been able to achieve. These critics fear that NATO's organization has been driven more by political concerns than those of military effectiveness. Those supporting the reorganization argue that it is a rational response to the collapse of the Warsaw Pact and the reduction of military forces across the Continent.

Among the more interesting of NATO's force structure innovations is the creation of the Rapid Reaction Forces (RRF). Conceptually, these forces will replace the "frontline troops" once deployed along the Warsaw Pact border. Now, their number is much smaller and their mission is crisis management. They are to be kept at high readiness, able to deploy at full strength in a few days, and be capable of a wide variety of missions. The RRF will be under British command and will comprise: one British armor and one British motorized division, one multinational airmobile division with British, Dutch, German, Belgian brigades; and one division with Italian, Spanish, Greek, and Turkish brigades. One Germany-based U.S. division and aviation brigade may also be included in the RRF, only if 2 U.S. divisions remain in Europe. NATO's Standing Naval Forces in the Atlantic, Mediterranean, and English Channel will provide the RRF maritime component. An RRF air staff is currently planning the air component's composition.

The Main Defense Forces will have seven multinational corps with a total of 13-15 divisions, which will include both active duty and reserve elements. The United States is slated to command one corps, with one or two U.S. divisions remaining in Europe augmented by a German division. The third element is Augmentation Forces, about 30% of the total, which will be North America-based U.S. and Canadian units, possibly complemented by Spanish and Portuguese

[5] The largest Soviet force in Eastern Europe (ca. 300,000) was located in East Germany. These troops are withdrawing to Russia in accordance with a negotiated timetable. Their isolation and declining morale have deeply eroded their military capability.

troops. Again, both active and reserve forces are included. Today, NATO is in the staffing and planning phase of this reorganization. Full operational capability for the new structure is not expected until the mid-nineties.

Outside NATO, France is leading an effort to have the existing Franco-German brigade and corps serve as the nucleus of a multinational WEU "Eurocorps." The UK, Netherlands, Belgium, Spain, and Portugal have, with distinctly varying levels of enthusiasm, expressed interest in participating. It appears likely that the units designated for "Eurocorps" will be those already assigned to NATO's RRF. This, coupled with French reluctance to clarify how the Eurocorps would coordinate with the NATO command structure, has raised concerns, particularly among U.S. policy makers. Again, the essential question is whether the WEU effort is to complement NATO or compete with it.

International security organizations realigned

With the Warsaw Pact's and the Soviet Union's dissolution, the primary justification for NATO evaporated. Defense against a potential continent-wide invasion led by the Soviet Army is no longer the preeminent military concern for Western Europe or the United States. Consequently, NATO leaders, such as Secretary-General Manfred Woerner, have sought to redefine the alliance's purpose and reorganize its command and force structure in order to maintain its role as the preeminent military security organization in Europe. At the same time, new international forces have been created and other existing ones are striving to play more active roles—the West European Union (WEU), the North Atlantic Cooperation Council (NACC), the Conference on Security and Cooperation in Europe (CSCE). The result is a collage of acronyms representing organizations with overlapping memberships, complementary or redundant objectives, and often blurred lines of responsibilities. Adding to the complexity, the United Nations has assumed a much more active leadership role in international military activities. Each organization is occupied today with finding the means and methods to fulfill the goals outlined by political leaders. And, for most, concrete accomplishment has fallen short of rhetoric.

The cornerstone of NATO's uniqueness and strength in European affairs is its direct link with U.S. conventional and nuclear armed forces. This linkage, though still seen by many in Europe as critical, has lost some of its importance with the collapse of the Soviet Union. Greater numbers on both sides of the Atlantic now believe that U.S. influence and participation in European security affairs can or should be lessened. This belief is grounded in the assumption that European military capabilities are adequate to meet anticipated threats. Others are more hesitant to discard what they consider a proven formula for transatlantic cooperation.

Indicative of the challenge to NATO's primacy are the Franco-German efforts to rejuvenate the West European Union. Largely moribund since its inception in 1954, the WEU is a military alliance among nine members of the European Community (EC).[6] As the EC attempts to move towards a common political and foreign policy, endowing the WEU with an active command structure and designated military units appears a logical course to many. Supporters of a more active WEU characterize it as no threat to NATO's primacy, but rather a strengthening of NATO's "European pillar." They also believe the WEU could be a means for collective out-of-area military operations which NATO's charter has traditionally been interpreted to preclude.

In an effort to avoid an image which one observer likened to Prandello's "Six Characters in Search of an Author," NATO's leadership has argued for expanding its responsibilities to include support for Conference on Security and Cooperation in Europe and U.N. military initiatives and peace-keeping operations whether out of area or not. As agreed at the NATO meeting in Oslo September 1992, this would be on a "case by case" basis and only with members' full consensus. France, with limited success, has opposed expansion or evolution of NATO responsibilities, reasoning that would allow the United States to continue too dominant an influence on European security affairs. It has argued for the WEU to take the lead. Some U.S. and NATO policy makers fear that rhetoric to the contrary aside, the WEU's more vociferous supporters, particularly France and (to a lesser extent) Germany are seeking to establish a rival or successor to NATO—not a complementary organization. They argue that the focus on the WEU will serve to complicate political decision-making and confuse existing mechanisms for military coordination. For them, a fully capable WEU is at best duplicative, and at worst adversarial. They believe that in a period of shrinking defense budgets, resources dedicated to activating the WEU will reduce those available to NATO. WEU supporters argue that military units could or will be "double-hatted", i.e. available to either organization depending upon the contingency. Nevertheless, NATO remains the only European security organization with functioning military assets and command structure.

Response to the conflict in Yugoslavia has provided an illustration of the currently competitive, yet curiously interdependent NATO/WEU relationship. During the CSCE summit in July 1992, the WEU foreign ministers organized the dispatch of a naval flotilla to monitor maritime traffic in the Adriatic off the coast of Yugoslavia. This action, reportedly a "surprise" to NATO leadership, evoked within hours an announcement that NATO, too, would send naval forces.[7] Today, these two naval forces patrol opposite edges of the Adriatic Sea, with ships from the same nations under separate NATO and WEU command, and coordination achieved by having the Italian navy lead both flotillas. One the land, the WEU again led the way, contributing 5,000 troops to the U.N. peacekeeping forces in Yugoslavia. NATO followed suit in September with a contingent of about 2,000. However, those nations who had already contributed to the WEU force are counting those 5,000 troops also as their NATO contribution, making the only actual NATO addition a 1,200-man Canadian contingent. This places troops from seven European nations theoretically under the simultaneous leadership of NATO, WEU, and United Nations, in addition to their own national command authorities. It is not all clear how these various command structures intend to coordinate their efforts.

Both the WEU and NATO have been criticized by some for failure to take more decisive action to end the fighting in Yugoslavia. The critics argue that Yugoslavia provides both institutions the opportunity to demonstrate their effectiveness in a post-cold war crisis. WEU leaders respond that the U.N. must take the lead role, and NATO officers complain that they have been unable to take any action until NATO's WEU members have reached consensus within that organization.

A number of factors, (e.g., the political progress of the EC, the ultimate performances in Yugoslavia) will determine the future status of the WEU. However, if it continues to grow in responsibility, it seems that the relationship with NATO requires clearer political definition and a clearer military structure. It is now open for U.S. policymakers to determine how active a role they wish to play in the evolution of European security organizations.

Both NATOS and the WEU have sought to become more inclusive as the Cold War divisions have melted away. For its part, NATO has created the North Atlantic Coordinating Council (NACC) as a forum for consultation between NATO and former Warsaw Pact members. The NACC, meeting monthly at the ambassadorial level, confers on issues such as crisis management, conversion of defense industries, civilian command of the military and the revision of military doctrines. It has also facilitated the exchange of officers and NATO training missions to the new democratic governments of Eastern Europe. The NACC has served as a means to extend NATO's influence among former Warsaw Pact members, and at least an interim response to those (particularly Czechoslovakia, Poland, and Hungary) that have broached the subject of NATO membership. The WEU has not established an equivalent institution, but has created associate memberships for Greece and Turkey. Czechoslovakia, Poland, Hungary, Bulgaria, and Romania have attended the WEU council meetings and may be extended associate membership in the near future.

The most inclusive security organization in Europe is the Conference on Security and Cooperation in Europe (CSCE). With 52 members, the CSCE encompasses all European nations, all of the former Soviet Union, the United States, and Canada. It is the only European forum in which all nations on the continent stand as equal members. An organization predating the Conference on Disarmament in Europe, the CSCE gained prominence as a human rights forum, and will now oversee further Conventional Armed Forces in Europe negotiations (CFE1A/CFE2). The CSCE remains essentially a deliberative body. Its reliance upon full consensus for action handicaps its crisis management role, but the size of its membership ensures it will continue as an important forum for security issues that affect all of Eurasia.

PROLIFERATION OF REGIONAL CONFLICTS

With dissolution of the old political framework in Eastern Europe and the subsequent relaxation of superpower tension, regional conflicts began to proliferate. The most intense was the Persian Gulf War—a conflict that arguably would not have taken place in an atmosphere of U.S.-Soviet tension. Most, however, have been on a much smaller scale, as political, ethnic, and religious groups rekindle old disputes. These have included: the Yugoslav civil war, the Armenian-Azeri conflict in Ngorno-Karabakh, armed clashes in Georgia between political and ethnic factions, civil war in Tajikistan, Kurdish insurrection in Iraq and Turkey, and the conflict in Moldova between Rumanian and Russian factions.

[6] Five NATO members are not WEU members—United States, Canada, Denmark, Iceland, and Norway. Greece and Turkey have been granted associate non-voting WEU membership. Denmark and Iceland are in the European Community, but not WEU members.

[7] AN 12/7/92.

These conflicts reflect centuries-old animosities, deeply rooted in ethnic and religious differences, and are not easily subject to political resolution. Although (the Persian Gulf War excepted) military intervention has been minimal, these conflicts have absorbed the attention of international security organizations and national military establishments alike. The security organizations today struggle to decide when, if, and what type of military intervention would be effective. National military leaders must determine what capabilities they may have to provide to fulfill political expectations.

ISSUES FOR CONSIDERATION

Future United States role in European military affairs

There appears little doubt that, if current trends continue, the U.S. influence in European military affairs will diminish during the 1990's. With the Warsaw Pact gone, and the former Soviet republics maintaining a conciliatory posture, U.S. nuclear deterrence has lost importance for many Europeans and Americans. While the United States is withdrawing the bulk of its conventional forces deployed in Europe, NATO, the primary medium of U.S. military influence in Europe, now faces the emergency of the WEU as an instrument of policy. The first major post-Cold War European military crisis—Yugoslavia—has seen minimal U.S. participation outside the political realm; a situation some believe presages an increasing U.S. disengagement.

The most tangible element of U.S. military influence in Europe has been the 300,000 personnel stationed there. As withdrawals continue, the debate continues over how many troops will remain and what will be the effect on the U.S. role in Europe. In 1991, the Bush Administration, as part of its Base Force proposal, put the figure at 150,000. This was considered sufficient to maintain two divisions, and support units for augmenting forces that would be brought from the United States, if required. Congress, however, considered 150,000 personnel excessive. The FY 1993 Department of Defense Authorization Act stipulates a 100,000 troop ceiling, effective 1996. The Act specifies that reductions should be proportional to each service's current deployment, leaving 60,000 Army, 30,000 Air Force, and 10,000 Navy. This limit would permit one Army division, and an austere logistical infrastructure. Supporters of this ceiling believe it provides adequate forward presence for any rapidly developing crisis, and a sufficient infrastructure to permit deployment of augmenting forces. Those who consider a higher troop ceiling appropriate fear the United States will be left with a token operational force in Europe, and that U.S. influence even within NATO could suffer both politically and in the command structure. Proponents of greater residual troop limits also point out that forces can often be deployed more rapidly to other troublespots (e.g. Middle East, Southwest Asia) from Europe than from the United States.

The 100,000 ceiling has also come under fire from those who suggest an even smaller troop presence (e.g. 50,000). They contend that the United States' position as the only remaining nuclear superpower will permit it to exercise sufficient influence in European military affairs. For many who support lower troop levels, the issue is closely tied to that of burdensharing—requiring our allies to take on a larger share of joint security responsibilities. They question the extent to which the United States should become involved in smaller regional crises, and believe that our unique range of military capabilities (and current European deficiencies) will ensure the United States adequate influence or participation, if desired, in any major crisis.

The debate over the extent of the U.S. role in European security affairs in general, and troop levels in particular, is not finished and will most probably be re-visited in the 103rd Congress.

New defense goals and military capabilities

For many NATO members, the question of whether military capabilities are consonant with new defense goals remains open. Defense goals have been articulated at the political level—generally in terms of smaller, better-trained, better-equipped, and more mobile forces, capable of rapid reaction and extensively augmented by reserves—but implementation is widely expected to take the better part of the decade. While revisions of doctrine, restructuring of forces, and re-evaluations of mission have just started, defense budget cuts and personnel reductions are well underway. Many Western military leaders are concerned that budget and manpower cuts are being driven primarily by domestic political demands that may leave military capabilities inadequate for the missions expected.

In Britain, France, and the Netherlands, military leaders have objected to the pace and extent of army manpower reductions, anticipating "hollow" combat units. In France, the Iberian nations, and Belgium, military leaders have objected to reducing conscription and/or the length of conscripted service, citing adverse effects on training and readiness. They have also criticized some procurement program cancellations or modifications (e.g., a second French aircraft carrier, the multinational European Fighter Aircraft) as hampering force projection capabilities.

An area of particular concern, for both the United States and its European allies is sea and airlift. Though the United States has by far the greatest strategic lift capability in the world, distances to probable trouble spots are great, and U.S. forces are very "equipment-heavy". The lessons of the Persian Gulf War and the reductions of forward-based troops have put an emphasis on strategic transport. Nevertheless, continued cost overruns and tighter defense budgeting are slowing programs like the C-17 transport and fast sealift vessels. NATO allies, though advocating more mobile forces—both tactically and strategically—have very limited capabilities. It is yet to be seen if future procurement programs will be adjusted to address this.

With reduced active duty personnel strengths, more reliance will be placed upon reserve forces of all types, particularly in the event of a major conflict. However, it is not clear if additional resources will be available to improve reserve training and equipment. Current trends in the United States and Europe show reductions in reserve personnel and overall reserve funding.

Among newly independent East European members, consistency of defense goals and capabilities does not present as many challenges. In discarding the offensively oriented Warsaw Pact doctrine, and emphasizing only defense of national borders, these nations have reduced the demands upon their armed forces. Political instability and economic dislocation have precluded consideration of new challenges, such as out-of-area operations. For the most part, defense goals have been restricted to maintaining an adequate professional military cadre, carrying out very limited equipment modernization, and maintaining internal security.

Roles of International Security Organizations

With 1992 drawing to a close, much remains unsettled about the roles of Europe's international security organizations. For the last two years, the actions of NATO, the WEU, CSCE, and the United Nations have been reactive, characterized by ad hoc coordination. They have not been able to play a deterrent role in regional crises. Organizational competition has often underlain the rhetoric of cooperation. U.S. policymakers now face the formative period of a totally new European security alignment. They must balance a desire for reduced overseas presence against the desire to participate in Europe's new security structures. The future roles and relationships of these organizations will, to a significant extent, define the parameters of U.S. participation and influence in European military affairs.●

TRIBUTE TO FLORIDA LAW RELATED EDUCATION ASSOCIATION

● Mr. GRAHAM. Mr. President, we are a diverse nation. Indeed, diversity is part of our richness.

As Americans, we came from many places featuring many cultures. My family was from Scotland. One of our foundations for unity amidst diversity is our Constitution.

In this era of swirling change, the importance of understanding our history and our Constitution is more vital than ever.

We in the United States, as founders of the world's most enduring constitutional democracy, have a special responsibility to hold high the standards of freedom.

What better time to impress on our own young people the cherished values first written in the Declaration of Independence and embodied in our Constitution? By instilling in our youth an appreciation for liberty, we assure liberty for generations to come.

In this spirit, I am pleased to recognize a group of State and district coordinators who have demonstrated—through the "We The People" Bicentennial programs on the Constitution and the Bill of Rights—exemplary efforts to enhance our student's civic education.

The individuals are: Theresa Bryant, Eugene Cain, Suzanne Prior, Steve Kovacs, George Jeandheur, John Doyle, Paul Hanson, James Elliott, Charles Fleming, Connie Hankins, Sheila Keller, Patricia Segrest, Karen Cloud, Christa Lira, Bill Massolio, Judy Nugent, Steve Byrne, Dr. James Moore, Annette Boyd Pitts, Louie Roos, Clinton Rouse, Cynthia Ryan, Patricia Segrest, Kathy Steiner, Warren Tracy, and Dr. Theron Trimble.

These people coordinate the "We The People * * * Bicentennial Competition," its noncompetitive companion program, Congress and the Constitution and the National Historical Pictorial Map Contest.

Through the dedicated and voluntary efforts of these people, thousands of

upper elementary, middle, and high school students are able to participate in this program. This curriculum, based on the Principles of the Declaration of Independence, introduces students to the philosophical ideas of our founding fathers, the historical background of the Philadelphia Convention and the issues and debates that shaped the writing of our Constitution. Students learn how our Government is organized and how it protects the rights and liberties of all citizens. Most importantly, students learn the responsibilities that accompany the rights of citizenship in the democracy.

Preserving the tradition of debate of fundamental issues is our pledge to the world that freedom and justice will prevail.

These programs also help teach our youth the responsibilities that accompany the rights of citizenship in a democracy. I am honored to express admiration and gratitude to these coordinators for their contributions to the development of competent and responsible citizenship.•

TRIBUTE TO AFRICAN-AMERICAN CONGRESSIONAL PIONEERS

• Mr. D'AMATO. Mr. President, I rise today to pay tribute to some very special people who have made many great contributions to our great country, the African-American congressional pioneers. For it is on Friday, February 26, that NOBLE [National Organization of Black Law Enforcement Executives] and the Bowling Green Association will honor the first African-Americans to enter the U.S. Congress with a festive awards ceremony. This special night of honor is being held at Federal Hall National Monument in New York and will highlight the distinguished careers of Hiram Rhodes Revels, Joseph H. Rainey, and Blanche K. Bruce.

Hiram Rhodes Revels of Mississippi became the first African-American Member of Congress on February 25, 1870. He served in the Senate in the 41st Congress. He has the distinction of being the first African-American Member of the Senate and the first African-American Member of Congress from Mississippi. Joseph H. Rainey of South Carolina served in the 41st Congress beginning December 12, 1870, and was the first African-American Member of the House of Representatives as well as the first African-American Member of Congress from South Carolina. Blanche K. Bruce was the first African-American elected to the U.S. Senate from Mississippi; elected as a Republican to the 44th through the 46th Congresses.

I would like each of us to remember the many contributions that have been made by these individuals and pay tribute their combined years of dedication and fine leadership. Their outstanding qualities of enlightened leadership and exceptional dedication brought them to Washington where they became instrumental in crafting our Nation's laws. They served our country with great distinction; A grateful Nation remembers and will commemorate Hiram Rhodes Revels, Joseph H. Rainey, Blanche K. Bruce, and the many other African-Americans who have served in Congress; they have sought to accomplish great things and they have left a monumental legacy.

It is only right that this celebration go forth and that a special Revels-Rainey NOBLE Leadership Award be presented as a way of remembering a rich heritage in Congress. I ask my colleagues to join me in remembering this important date in history this year and in the years to come.•

TRIBUTE TO MARK BREWER

• Mr. SARBANES. Mr. President, I rise today to recognize and pay tribute to the manager of Salisbury-Wicomico County Regional Airport, Mark Brewer, for his years of meritorious service to Wicomico County and the Eastern Shore of Maryland. Mark is moving on to a new airport management position outside of Maryland and I, and many others in our State, are sorry to see him go.

For over 7 years, Mark has been a forceful and effective advocate for Salisbury-Wicomico Regional Airport—the second largest airport in Maryland and the busiest airport on the Delmarva Peninsula. Under his leadership, the airport has become one of the fastest growing commuter airports in our State, handling more than 125,000 passengers annually and serving an area of more than 1,000 square miles. It is not only a vital link in the region's transportation network, but also a leading element in the Eastern Shore's strategy to attract new business and tourism.

During his tenure at SBY, as the airport is known, Mark managed and implemented a major airport modernization and expansion program, the centerpiece of which was the development of a new airline terminal complex, completed in 1990. Mark worked hard to ensure the highest possible level of safety and services at the airport, and it was through his efforts that we have been able to keep the flight service station operating. His dedication to aviation is evident not only in his career, but in his community and professional activities as well. Mark has been actively involved in an innovative program called Opportunity Skyway which is targeted toward educating and encouraging inner-city high school students to pursue careers in aviation. He worked closely with the University of Maryland Eastern Shore Aviation Science Program and was the immediate past present of the northeast chapter of the American Association of Airport Executives.

Mark Brewer managed and represented the airport skillfully and with great success. He leaves behind an airport that has been modernized and improved due to his efforts, and many friends who are appreciative of his leadership. I know he will be successful in his new endeavors. I ask my colleagues to join me in wishing him and his family the best of luck.•

MONTANA STATE UNIVERSITY AND THE UNIVERSITY OF MONTANA CELEBRATE THEIR CENTENNIALS

• Mr. BURNS. Mr. President, I would like to extend my congratulations to two fine institutions in my State of Montana as they celebrate their centennials. Montana State University turned 100 years old yesterday, and the University of Montana celebrates the same milestone today.

Both Montana State University and the University of Montana are land grant universities. In my opinion, the creation of land grant institutions under the Morrill Act was one of our Government's finest accomplishments. President Abraham Lincoln, 131 years ago, signed the act into law.

Lincoln, Jefferson, and other forward-thinking individuals knew that education and quality of life are closely related. Their vision is at the heart of land grant universities: practical education, open to all. Under this idea, every citizen of every State—regardless of their financial resources—shall have access to a higher education.

Just as importantly, land grant universities are the center of research and extension services, which benefit all of those who live in the State.

The people in my State have been well-served by Montana State University and the University of Montana. Not only do these institutions provide important research in biotechnology and agriculture—they also count several Rhodes scholars, a Nobel Prize recipient, an astronaut, and former Senator Mike Mansfield among their graduates. Keely, my daughter, will be graduating from MSU as well.

Just as importantly, though, are the thousands of graduates who have gone on to contribute to society as scientists, teachers, businesspeople, and nurses. Without land grant universities, many of these folks would not have had the opportunity to further their education.

As those of us at the Federal, and State level determine the priorities for public funds, we must not forget the basic premise that, of all the services demanded by our constituents, education should be our highest priority. The very basis of a free society and the success behind self government is an educated mind.

Again, let me extend my congratulations to Montana State University and

the University of Montana for a job well done. The past 100 years have been productive, and I know the next 100 will be even more exciting.●

TRIBUTE TO MARC LANDON STEIN

● Mr. SASSER. Mr. President, I rise today to pay tribute to Marc Landon Stein, a senior at Beech High School in Hendersonville, TN. Marc has been named a regional recipient of the AAU/Mars Milky Way High School All-American Award. Marc is one of eight students chosen from a group of 13,000 who were nominated for this award. This award is given in recognition of his numerous achievements in school and his community.

Marc has distinguished himself academically, athletically and through community service. He is a member of the National Honor Society and is a National Merit Scholarship Commended Student. Marc has also been honored as a U.S. Achievement Academy All-American for the past 3 years and was selected to attend the Tennessee Governor's School for the Sciences.

In addition to his rigorous academic schedule, Marc has been on the Beech High School varsity soccer team for the past 4 years. He also participated in football and cross-country, and he was awarded the Student Athlete Award of Merit for his success in these three sports.

Marc also finds the time to volunteer in his community. During the summer, he participated in the Appalachian service project to repair buildings in the region, and this year he is acting as chairperson for the ASP planning committee. He also helps with the Meals-on-Wheels Program and the Beautiful Henderson Recycling Center.

Marc's concern for those around him was evidenced by his selfless effort to help an elderly woman who was injured in a car accident. He was awarded the Mayor's Certificate of Recognition for Heroic Rescue of Accident Victim and the Woodsman of the World Lifesaving Commendation as a result.

Mr. President, I commend Marc Stein on his award and the exemplary record he has made for himself. He is an extraordinary young man with a bright future ahead of him, and I join his family and friends in extending my congratulations.●

SOCIAL SECURITY EARNINGS LIMIT UNFAIR

● Mr. GORTON. Mr. President, I am pleased to add my name as a cosponsor to the legislation introduced by my distinguished colleague from Arizona to repeal the Social Security earnings test for seniors between the ages of 65 and 69.

This bill is identical to that adopted by the Senate last year as an amendment to the Older Americans Act reauthorization bill. Because some in Congress objected, however, the provision had to be dropped from the final version of the bill.

So while some progress was made with the passage of the bill in the Senate, more work needs to be done to bring about fair treatment for seniors. That is why I am continuing the fight. I am again cosponsoring the legislation to repeal the earnings test. I will again ask for help from the seniors of my State to convince Congress to repeal this law. I will again press for passage of this bill and its signing into law to rectify, at long last, this unfair and discriminatory situation.

I say it is unfair and discriminatory, Mr. President, because one tenet with which I believe most Americans agree is that people should be paid fairly according to their abilities. But that is not the case with our working seniors. They are penalized only because they receive Social Security, and only because they are over 65 years old.

The current Social Security earnings test mandates benefit reductions for those seniors who choose to remain productive and contribute to our society. For seniors ages 65 to 69, the current regulations will cause a $1 reduction in benefits for every $3 earned over the ceiling of $10,560. This 33⅓ percent tax is placed on top of all the other taxes seniors must pay on earned income. How is it fair to burden seniors with extraordinarily high taxes and penalize them for contributing to our economy?

It is an abomination to discourage the productive behavior of Americans, especially Americans who are among our most highly trained and motivated workers. Every study I have seen shows that millions of seniors want to work. And I have heard from countless seniors from the State of Washington who express outrage at being penalized by their government for continuing to work past age 65.

Not only is continued productivity an endeavor which adds to our economy, it also promotes a positive sense of well-being and importance in our seniors. It connects them with their communities. We should not lock out or penalize seniors who get satisfaction and fulfillment from working.

I look forward to the day when our seniors can easily decide whether continued or additional work makes sense for them without having to calculate the deduction in Social Security. Extra initiative, Mr. President, should be rewarded, not penalized, by the Government.

The Social Security earnings test should be repealed.●

HISPANIC WOMEN LEADERS GATHER FOR FIRST NATIONAL HISPANIC WOMEN'S SUMMIT

● Mr. GRAHAM. Mr. President, on February 6, 1993, a group of Hispanic women leaders from across the United States gathered in Washington, DC, to convene the first National Women's Hispanic Summit. They discussed an array of challenging situations facing Hispanic women of today.

The National Hispanic Women's summit was sponsored by the Vista Institute for Hispanic Studies, and was chaired by Hispanic activist, Maria Elena Torano, president and CEO of Miami-based Maria Elena Torano and Associates, [META], a national management consulting firm.

The purpose of this summit was to assure, assist, and promote the expansion and inclusion of able Hispanic women at the highest levels of American society. By identifying unique problems and suggesting appropriate strategies to be replicated, women who want to succeed in business, government, academia, and other professions are learning of their options, and how to access them.

These professional women corroborated and analyzed many of their experiences. The result—a series of recommendations to promote opportunities for their future. The results of the summit will be published by Vista in March.

The 46 women from across the United States who were selected to be participants are all proven leaders in their communities. Many of them are Hispanic leaders who are corporate executives, entrepreneurs, scholars, members of the media, and elected and appointed officials.

I would like to commend these leaders for their impressive efforts to promote greater awareness toward eliminating barriers and promoting a positive attitude toward women in the work environment.

Deborah Aguiar-Velez, Linda Alvarez, Gigi Anders, Patricia Asip, Annie Betancourt, Blandina Cardenas, Alicia Casanova, Raquel Cohen, Cynthia Cruz, Miriam Cruz, Patricia Diaz-Dennis, and Rita DiMartino.

Dorita deLemos Down, Carmen Delgado Votaw, Beverly Vigil Ellerman, Ana Fontana, Nely Galan, Juliet Garcia, Elsa Gomez, Josie Goytisolo, Ana M. Guzman, Luz Hopewell, Wanda Hopkins, and Bobbi Ibarra.

Ada R. Pena, Anita Perez Ferguson, Leticia Quezada, Rosemary Ravinal, Gloria Rodriguez, Lula Rodriguez, Margarita Roque, Miriam Santos, Yvonne Soler, Maria Elena Torano, Ivette Torres, Teresa McBride, Elvira Valenzuela Crocker, and Angela Zavala.

I ask you to join me in congratulating these inspiring women leaders on a successful summit.●

THE I688+ ATTACK SUBMARINE

• Mr. D'AMATO. Mr. President, since proposing an I688+ attack submarine, the most frequent question I have been asked is, what does the Navy think about your proposal? For those who missed my last two statements, by I688+, I mean a baseline I688-class sub with the inclusion, on a case-by-case basis, of new technologies, Seawolf-derivative or not, that are more affordable than those currently fielded by the I688-class, offer identical or improved capabilities, and match or better both the weight and space footprints and the power and cooling requirements of the systems or components being replaced.

To date, I have received no reaction from the Navy. Frankly, with the budget in limbo, I would expect none. However, my proposal did not emerge out of a vacuum. To be fair, the genesis of my proposal was a report entitled "Report on Preservation of U.S. Nuclear Submarine Capability" prepared by Adm. Bruce DeMars, Director, Naval Nuclear Propulsion, for then-Assistant Secretary of the Navy—Research, Development, and Acquisition—Gerald Cann. Admiral DeMars strongly advocated reopening the improved 688 class line. In a forceful and eloquent discussion of the problems facing the submarine community, the admiral made it clear that "prompt commitment to a one-a-year SSN 688I multiyear procurement was essential to bridge the gap to Centurion and to provide focus for industry and Government downsizing efforts."

I agree.

So, in effect, the question is less one of what the Navy thinks of my idea, and more one of what I think of the Navy's idea. I believe that restarting the I688 line, and at the same time challenging industry to come up with creative options that enhance the affordability of the baseline design, is the only way to put a submarine in this year's Defense authorization and appropriations bills. I look to my colleagues, and industry itself, for support as we move through the budget cycle.•

WASHINGTON'S FAREWELL ADDRESS

Mr. DASCHLE. I ask unanimous consent that the reading of Washington's Farewell Address by the junior Senator from Idaho, Senator KEMPTHORNE, previously ordered to occur on Tuesday, February 23, occur on Wednesday, February 24 at 10 a.m.

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

AUTHORIZATION FOR THE PRINTING OF CERTAIN RULES

Mr. DASCHLE. I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 72 reported earlier today by the Senate Rules Committee, the resolution to authorize the printing of a collection of the rules of the committees of the Senate; that the resolution be agreed to, and a motion to reconsider be laid upon the table.

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

The resolution (S. Res. 72) was agreed to, as follows:

S. RES. 72

Resolved, That a collection of the rules of the committees of the Senate, together with related materials, be printed as a Senate document, and that there be printed 600 additional copies of such document for the use of the Committee on Rules and Administration.

ORDERS FOR MONDAY, FEBRUARY 22, 1993

Mr. DASCHLE. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 a.m., Monday, February 22, for a pro forma session only; that upon the conclusion of the pro forma session, the Senate stand in recess until 10 a.m., Wednesday, February 24; that on Wednesday, following the prayer, the Journal of proceedings be deemed approved to date and the time for the two leaders reserved for their use later in the day; that Senator KEMPTHORNE then be recognized to read Washington's Farewell Address, pursuant to the previous unanimous consent agreement; that upon the conclusion of the reading of the Farewell Address, there be a period for the transaction of routine morning business not to extend beyond 12 noon, with Senators permitted to speak therein for not to exceed 10 minutes each.

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

RECESS UNTIL MONDAY, FEBRUARY 22, 1993 AT 10 A.M.

Mr. DASCHLE. If there is no further business to come before the Senate today, I now ask unanimous consent that the Senate stand in recess until 10 a.m., Monday, February 22, 1993.

There being no objection, the Senate, at 7:50 p.m., recessed until Monday, February, 22, 1993, at 10 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate February 18, 1993:

DEPARTMENT OF EDUCATION

MADELEINE KUNIN, OF VERMONT, TO BE DEPUTY SECRETARY OF EDUCATION.

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.